

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

BETWEEN:

ICICI BANK CANADA

Applicant

-and-

2058756 ONTARIO LIMITED

Respondent

THE SECOND REPORT OF  
A. JOHN PAGE & ASSOCIATES INC.  
AS THE COURT APPOINTED RECEIVER  
OF CERTAIN ASSETS OF 2058756 ONTARIO LIMITED

Dated April 11, 2013

**Introduction**

Pursuant to a motion heard on June 21, 2012, the Honourable Mr. Justice Brown appointed A. John Page & Associates Inc. as receiver and manager ("**the Receiver**") without security of certain of the assets, undertakings and properties of 2058756 Ontario Limited ("**205**") pursuant to Section 243 (1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended ("**the BIA**") and Section 101 of the Courts of Justice Act, R.S.O. 1990, c. 43, as amended. A copy of the order of the Honourable Mr. Justice Brown dated June 21, 2012 is attached as *Exhibit "A"* ("**the Initial Order**").

The mandate covers all the assets of 205 except for the real estate located at 700 Gardiners Road, Kingston, Ontario ("**the Kingston Property**"). The principal asset of 205 apart from the Kingston Property is real property comprising a 513,500 square foot industrial building located at 100 Central Avenue West, Brockville, Ontario

**("the Brockville Property" or "the Property").**

On August 29, 2012 the Receiver made its First Report to the Court (**"the First Report"**).

By order of the Honourable Mr. Justice Campbell dated September 11, 2012 (**"the September 11, 2012 Order"**) the activities of the Receiver set down in the First Report were approved. The fees and expenses of the Receiver and its counsel to July 31, 2012 were also approved as was the Statement of Receipts and Disbursements included in the First Report.

The September 11, 2012 Order also authorized the Receiver to market the Brockville Property and approved the selection of CBRE Limited (**"CBRE"**) as listing broker for the sale of the Brockville Property. The September 11, 2012 also authorized the Receiver to enter into an agreement for the leasing of the Brockville Property with CBRE.

On February 13, 2013 the Receiver made its Supplement to the First Report (**"the Supplement to the First Report"**).

#### **Notice to Reader**

In preparing this Report and making some of the comments contained in the Report, the Receiver has been provided with unaudited financial and other information from a variety of sources. While the Receiver has no reason to believe that such information not materially correct, readers should note that the Receiver has not formally audited or reviewed such information. In this Report nothing of a material nature is believed to turn on the information not otherwise audited or reviewed for

accuracy.

### **Purpose of this Report**

The purpose of this Report is to:

- Provide the court with information on the activities of the Receiver since our First Report
- Seek approval of the activities of the Receiver and its Statement of Receipts and Disbursements as described in this Report
- Seek approval for an Agreement of Purchase and Sale for the Brockville Property with Stonewater Properties Inc. (**"the Stonewater APS"**)
- Seek approval for the fees and disbursements of the Receiver and its legal counsel to March 31, 2013 as set down in fee affidavits

### **Malik Khalid and the Khalid Entities**

The principal of 205 is/was Mr. Malik Khalid. As well as his interest in 205 Mr. Khalid appears to have (or have had) an interest in and/or be the controlling mind over a number of other real estate and other ventures in Ontario, including Bayside Mall Limited (**"Bayside"**), together with a property management company, SAMAK Management & Construction Inc. (**"SAMAK"**), and The M.S. Khalid Family Trust (**"The Family Trust"**). Collectively we will describe these various interests as **"the Khalid Entities"**.

A number of key creditors of 205 have guarantees from some of the Khalid Entities

and, because of the way in which the Khalid Entities were structured, some suppliers to the Brockville Property and the Kingston Property appear to be creditors of SAMAK and not of 205.

Because of this intertwined relationship and its impact on the stakeholders with an interest in the assets covered by the receivership ("**the Stakeholders**") we have been monitoring generally developments in the other Khalid Entities with a view to ensure that our actions as receiver do not unnecessarily have a negative impact on the Stakeholders' interests in the Khalid Entities.

By order of the Honourable Mr. Justice Campbell dated October 10, 2012 ("**the October 10, 2012 Order**") Schwartz Levitsky Feldman Inc. was appointed Receiver of the Kingston Property upon the application of BPHL Holdings Inc. , a creditor with security over the Kingston Property.

By order of the Honourable Mr. Justice Wilton-Siegel dated December 5, 2012, A. John Page & Associates Inc. was appointed as Receiver of Bayside upon the application of ICICI Bank Canada ("**the Bank**"). The Bank holds security over both the assets of Bayside and the assets covered by this receivership for the same underlying series of loans. The major asset of Bayside is the mall located at 150 Christina St. N, Sarnia, Ontario ("**the Bayside Mall**"). SAMAK had been the property manager at the Bayside Mall. However, as Receiver of Bayside we did not retain them but, instead engaged Larlyn Property Management Ltd. ("**Larlyn**").

On March 5, 2013 SAMAK filed an assignment in bankruptcy and Kunjar Sharma & Associates Inc. was named as Trustee of the Estate of SAMAK.

It is our understanding that the two major income earning assets in the Khalid Entities were the Brockville Property and the Bayside Mall. Both of these assets are no longer under the control of the Khalid Entities.

## **The Brockville Property**

### **Overview**

The Property comprises approximately 40 acres of land and an older industrial plant of approximately 513,500 square feet which includes 61,000 square feet of office space. It is located adjacent to Highway 401 in central Brockville. At the date of our appointment there were two tenants collectively occupying approximately 93% of the space at the Property. One tenant, Camalor Manufacturing Inc. ("**Camalor**"), was occupying 43,311 square feet pursuant to a lease that expires in 2016. The other tenant, Black & Decker Canada Inc. ("**Black & Decker**"), was occupying 436,150 square feet pursuant to a leasing arrangement that was due to end on September 30, 2012. As noted in the First Report, we were able to negotiate a three month hold over arrangement with Black & Decker for a portion of the space they had previously leased. In accordance with that arrangement they vacated on or before December 31, 2012 and from January 1, 2013 the only tenant at the Property has been Camalor.

### **Property Management**

As detailed in the First Report, the Receiver had previously been using the services of SAMAK as property manager. On December 5, 2012, the same day that we were appointed as Receiver of Bayside, we gave SAMAK a 30 day notice of termination in accordance with the terms of our agreement with them. We engaged a new property

manager, Larlyn, by agreement made December 14, 2012. Since that time Larlyn have been managing the Property for us.

### **Building Condition Reporting**

We had been advised by, among others, Mr. Khalid that the roof at the Property was in urgent need of repair. In order to be able to try and sell the Property with as few conditions as possible and in order to minimize the risk of potential purchasers trying to use the roof condition as a reason for a price reduction we commissioned a roof survey and condition assessment from Fishburn Sheridan & Associates Ltd. Their report, dated October 12, 2012 (**“the Roof Survey”**), indicated that roof replacement expenditures totalling approximately \$6.1 million over the next five years were required with \$2,266,500 of that projected for 2013. A copy of the Roof Survey was supplied to parties who were interested in submitting an offer for the Property.

### **Appraisal**

In order to assist us in marketing the Property and assessing offers we commissioned an appraisal from Altus Group Limited (**“Altus”**). We provided Altus with, among other things, a copy of the Roof Survey. A copy of the Altus appraisal dated December 6, 2012 (**“the Appraisal”**) valuing the Property as at November 1, 2012 is attached as *Exhibit “B”*.

### **Marketing the Property**

The Receiver listed the Brockville Property for sale with CBRE on September 8, 2012. On the recommendation of CBRE the original listing price was \$8.5 million.

Their marketing efforts are more fully detailed in the marketing reports prepared for us by CBRE that are attached as *Exhibit "C"*. The reports comprising *Exhibit "C"* have been redacted in order to maintain confidentiality in case, for whatever reason, the Stonewater APS that is the subject of the Receiver's request for approval does not close.

We have attached as *Exhibit "D"* a confidential marketing memorandum ("**the Confidential Memorandum**") amplifying the approach set down in the CBRE marketing reports and our reasons for recommending that the Stonewater APS be approved. An unredacted copy of the CBRE marketing reports form part of the Confidential Memorandum. A copy of the Stonewater APS is attached as *Exhibit "E"*. For commercial reasons we are asking the court to keep the Appraisal, the Confidential Memorandum and the Stonewater APS (*Exhibits "B", "D" & "E"*) confidential until after the successful closing of the sale of the Brockville Property.

In summary, no attractive offers or letters of intent were received at or close to the initial listing price of \$8.5 million and on November 6, 2012 the listing price was dropped to \$5.5 million. Again no attractive offers or letters of intent were received at or close to that listing price and on January 22, 2013 the listing price was dropped to \$3.95 million.

A number of interested parties indicated that they would only submit offers that were conditional for an extended period of time, say 90 days, to allow the party to perform unspecified due diligence. Offers of this type were not attractive to us. We perceived them to be merely free "options" with the prospect of the purchaser "walking" at the end of the due diligence period. No party was prepared to pay for an option to

purchase.

Seriously interested parties were supplied with a copy of the Roofing Survey together with a old Building Condition Report dated June 2010 and an old Phase I Environmental Site Assessment dated June 2004 in an attempt to have them submit unconditional bids.

By January 2013 it was apparent that the market's perception of the value of the Property was lower than had been hoped. At the same time, with the departure of Black & Decker, the Receiver was suffering a net negative cash flow of many tens of thousands of dollars per month. Discussions were held with the Bank as the key party with a direct economic interest in the sale of the Property. Our counsel prepared an "unconditional" form of Agreement of Purchase and Sale ("APS"). The APS was presented by CBRE to at least eight parties who had expressed general interest in the Property and these parties were told on February 21, 2013 that, if they wished to purchase the Property, they should submit a signed APS with their purchase price inserted by no later than 4pm on March 15, 2013.

The offers submitted at that time are set out in the Confidential Memorandum.

On April 3, 2013 the Receiver "accepted" the Stonewater APS, subject to this court's approval. By this time the Property had been on the market for almost seven months.

## **Leasing**

The September 11, 2012 Order authorized us to enter into an agreement with CBRE for the leasing of the Property. We had discussions with CBRE in that regard and prepared a draft agreement. At the same time we continued discussions with a party



that had previously expressed an interest in leasing approximately 200,000 square feet of space. However it became apparent that the leasehold improvements and building repairs this potential tenant required would cost millions of dollars and, given the proposed lease period and net rental rate, this was not realistic. We had a strong suspicion that this prospective tenant in fact wanted to lease space elsewhere and its discussions with us were merely to provide some pressure for further concessions from the alternate landlord. This prospective tenant did in fact lease space with another landlord late last year or earlier this year.

The space at the Brockville Property was not configured for small tenancies. The Property is deep and, given the location of the loading docks, even a medium sized tenancy would most likely require among other things the construction of a long and expensive demising wall. We were also forming the view that any tenant would want assurances regarding repairs to the roof which we, as court receiver, would be unable to give. We also gained the impression that letting space to a larger tenant was not a "quick" thing and we were aware that, with the impending departure of Black & Decker, we had only a short period of time before we would run out of resources. We therefore concluded that we should not devote time and resources to what we believed would be a futile attempt to lease space but should focus on a sale, either to an owner operator or to someone who could make the investment of time required in the circumstances to reposition the Property. We therefore did not sign a leasing agreement with CBRE or anyone else but instead indicated to CBRE that they should focus on their sale mandate.

### **Harmonized Sales Taxes (“HST”)**

The status of 205’s HST filings was complicated. For some time 205 had been filing separate quarterly returns relating to the Brockville Property and the Kingston Property using different subcodes of 205’s Business Number. Then in late 2011, in response to questions from CRA regarding whether in fact 205 or the Family Trust should be the party to file these HST returns, they started filing quarterly returns for the Brockville Property and the Kingston Property using SAMAK’s HST Business Number. Matters were further complicated because SAMAK’s quarterly filing period was different to 205s and some of the SAMAK returns duplicated already filed returns. Historically the Brockville Property usually owed HST to CRA and the Kingston Property usually had a refund claim.

In order to enable us to be able to clear up this matter, the October 10, 2012 Order ordered us to file any outstanding HST returns relating to the Kingston Property up to October 10, 2012 and to collect any resulting HST refund.

We encountered some difficulties in getting certain books and records relating to HST and 205’s accounts in general from 205/SAMAK. In particular we had difficulty in getting a copy of the Quickbooks accounting records for both the Brockville Property and the Kingston Property. We eventually obtained a copy of the Brockville Property Quickbooks records in September 2012 but it was only on January 25, 2013 that we finally obtained a copy of the Quickbooks records for the Kingston Property. Using the information contained in these records we have recently been able to file or refile all the outstanding returns for the Kingston Property to October 10, 2012 and for the Brockville Property to June 21, 2012. These returns show a small net refund

due to 205, although any such refund may be subject to adjustment based on new information and on any penalty and interest offsets. These returns are currently being reviewed by CRA. We have directed CRA to credit any refund to our receivership HST account where we currently have an outstanding indebtedness.

### **Property Taxes**

According to the Interim 2013 City of Brockville Tax Bill dated February 4, 2013 the total amount due on account of property taxes for the Property was \$1,078,392. This balance includes an estimate for the first half of 2013. We have been paying over to the City of Brockville the property tax component of the rent we have received from Camalor and Black and Decker. On the successful closing of the Stonewater APS the then property tax arrears will be extinguished.

The Property's tax assessment in 2012 was \$5,812,000. This amount is significantly higher than the market value being established by our sales process, although in 2012 the Property was almost fully leased. We ascertained that 205 had previously filed appeals relating to 2009 – 2012 through Altus. We engaged the tax consulting division of Altus to continue with these appeals. We also engaged Altus to file an Application for Rebate of Property Taxes for Vacancies in Commercial and Industrial Buildings for 2012 and to file an appeal of the 2013-2016 MPAC Property Assessment Notice which assessed the Property at \$5,731,000 in 2013 and \$5,812,000 by 2016.

### **Other Assets**

The Receiver has filed a proof of claim in the bankruptcy of SAMAK for just over \$1

million but is not optimistic of receiving a dividend. The unaudited books and records of 205 show balances due from other Khalid Entities but none of them are believed to have any free assets so we have not to date expended any resources formalizing and pursuing these claims.

### **Creditors and the BIA**

In accordance with the requirements of the BIA we issued an Interim Report of Receiver to the Superintendent of Bankruptcy, 205 and any interested creditor on December 19, 2012.

### **Secured Creditors**

We had our independent counsel, Gardiner Roberts LLP, review the security registered against 205 and 205's assets in view of our appointment as Receiver. We attach as *Exhibit "F"* a copy of their opinion letter dated September 28, 2012. Their opinion states, among other things, that the Bank has valid security first in priority over the Brockville Property up to a maximum of \$7,750,000 plus interest and costs. The total indebtedness of the Bank is in excess of \$12,000,000. The debt is jointly and severally owed by a number of the Khalid Entities including Bayside and 205. Based on the anticipated net realization from the sale of the Brockville Property and from the initial indications we have of the value of the Bayside Mall we do not anticipate that the indebtedness of the Bank will be extinguished from the net realization from this receivership and the receivership of Bayside. In short, the expectation is that the Bank will suffer a significant shortfall even with the sale in this receivership.

### **The Habib Bank Overdraft**

As noted in the First Report and the Supplement to the First Report, on the date of our appointment as Receiver, June 21, 2012, SAMAK's bank account at Habib Canadian Bank and through which they managed the Brockville Property, was overdrawn to the extent of \$65,793.33.

The Family Trust issued a Motion Record dated September 10, 2012. The Family Trust moved to authorize and direct the Receiver to reimburse and pay the \$65,793.33 to SAMAK ("**the Family Trust Motion**"). SAMAK is now bankrupt and the Family Trust's status to bring the Family Trust Motion is unclear. The Family Trust Motion has been adjourned indefinitely.

### **Fees and Expenses of the Receiver and its Legal Counsel**

The fees and expenses of the Receiver and its legal counsel relating to their activities from August 1, 2012 to March 31, 2013 were as follows:

#### **A. John Page & Associates Inc.**

<b>Month</b>	<b>Hours</b>	<b>Fees</b>	<b>HST</b>	<b>Total</b>
August 2012	175.78	\$56,320.01	\$7,321.60	\$63,641.61
Sept. 2012	111.15	36,124.66	4,696.21	40,820.87
October 2012	93.73	29,686.26	3,859.21	33,545.47
Nov. 2012	37.97	11,249.68	1,462.46	12,712.14
Dec. 2012	62.69	17,458.88	2,269.65	19,728.53
January 2013	46.09	12,320.37	1,601.65	13,922.02
February 2013	82.74	25,984.95	3,378.04	29,362.99
March 2013	47.83	14,089.51	1,831.64	15,921.15
<b>Total</b>	<b>657.98</b>	<b>\$203,234.32</b>	<b>\$26,420.46</b>	<b>\$229,654.78</b>

**Gardiner Roberts LLP**

<b>Period Covered</b>	<b>Fees</b>	<b>Disbursements</b>	<b>HST</b>	<b>TOTAL</b>
August 1 - 31, 2012	\$10,280.00	\$292.75	\$1,357.95	\$11,930.70
September 4 - 28, 2012	13,367.00	580.31	1,806.03	15,753.34
Sep 24 - Oct 31, 2012	5,210.00	8.25	678.37	5,896.62
Nov 5 - 28, 2012	800.00	1.25	104.16	905.41
Dec 5 - 6, 2012	1,655.00	16.50	217.30	1,888.80
Jan 22 - 31, 2013	2,545.00	190.50	349.38	3,084.88
Feb 1 - 21, 2013	12,339.00	229.66	1,632.89	14,201.55
	<b>\$46,196.00</b>	<b>\$1,319.22</b>	<b>\$6,146.08</b>	<b>\$53,661.30</b>

We are submitting fee affidavits to the court concurrent with the submission of this Report and are asking the court to approve these fees and disbursements.

**Legal Counsel**

We continue to use the services of Gardiner Roberts (Jonathan Wigley and Jeff Rosekat) as our independent counsel. Given the dominant position of the Bank, in certain circumstances, for reasons of economy we have had the Bank's counsel, Heath Whiteley, assist us.

**Banking and the Receiver's Statement of Receipts and Disbursements**

At the commencement of this assignment, we opened up receivership bank accounts at Royal Bank of Canada and at ICICI Bank. Shortly after their appointment as property manager Larlyn opened up a separate account at Royal Bank of Canada

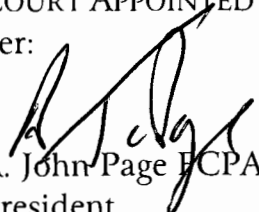
("the Larlyn Royal Account") for use in the management of the Property. We have signing authority over this account jointly with Larlyn and all cheques over \$20,000 have to be signed by us. Attached as *Exhibit "F"* is a copy of the Receiver's Interim Statement of Receipts and Disbursement from June 21, 2012 to April 10, 2013 combining the three accounts ("the R&D"). (The R&D does not include all transactions flowing through the Larlyn Royal Account after February 28, 2013 as these have yet to be fully reported to us.) We are asking the court to approve the R&D.

The fees and disbursements of the Receiver to March 31, 2013 are included as a disbursement in the R&D. The Receiver's fees totalling \$203,234.32 (excluding HST) are more fully set out in the invoices attached to the Affidavit of A. John Page that is being filed separately with the Court in support of the application seeking their approval.

The fees and expenses of Gardiner Roberts to March 31, 2013 totalling \$47,515.22 (excluding HST) are also included as a disbursement in the R&D. They are more fully set out in the Affidavit that is also being filed with the Court in support of the application seeking their approval.

All of which is respectfully submitted this 11th day of April, 2013

A. JOHN PAGE & ASSOCIATES INC.  
COURT APPOINTED RECEIVER OF CERTAIN ASSETS OF 2058756 ONTARIO LIMITED  
per:

  
A. John Page FCPA, FCA-CIRP  
President

**Exhibits to the Second Report of**

**A. John Page & Associates Inc.**

**as Court Appointed Receiver of Certain Assets of 2058756 Ontario Limited**

**dated April 11, 2013**

Initial Order	A
Altus Appraisal	B
Redacted CBRE Marketing Reports	C
Confidential Memorandum	D
Stonewater APS	E
Gardiner Roberts Opinion Letter	F
Statement of Receipts and Disbursements	G





**Exhibit "A"**

**Second Report of A. John Page & Associates Inc.  
Court Appointed Receiver of Certain Assets  
of 2058756 Ontario Limited  
Dated April 11, 2013**

**Initial Order**

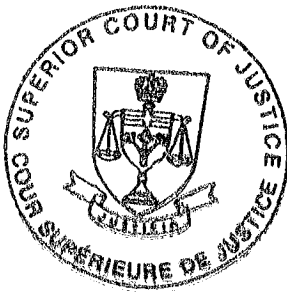
**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**COMMERCIAL LIST**

THE HONOURABLE *MR.* ) THURSDAY, THE 21st DAY  
 )  
JUSTICE BROWN ) OF JUNE, 2012

**ICICI BANK CANADA**

Applicant

- and -



**2058756 ONTARIO LIMITED**

Respondent

**ORDER**  
**(appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing A. John Page & Associates Inc. as receiver and manager (in such capacities, the "**Receiver**") without security, of certain of the assets, undertakings and properties of 2058756 Ontario Limited (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Lionel Meunier sworn May 31, 2012 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, the Respondent and BPHL Holdings Limited ("**BPHL**"), and on reading the consent of A. John Page & Associates Inc. to act as the Receiver and the consent of the Debtor and BPHL to this Order,

## SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

## APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, A. John Page & Associates Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor, save and except for the real property known municipally as 700 Gardiners Road, Kingston, Ontario, acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**"). For greater certainty, such proceeds of the Property, shall include all amounts paid and/or payable on or after May 31, 2012 by: (i) Black & Decker Canada Inc.; and/or (ii) Camalor Manufacturing Inc.; to either the Applicant, the Respondent and/or BPHL, or their respective agents, including, without limitation, the following:

- (a) a payment made by Black & Decker Canada Inc. ("**B&D**") by cheque dated June 7, 2012 in the amount of \$263,064.00 and made payable to Samak Management & Construction Inc. ("**Samak**"), for the benefit of the Respondent and on account of the rent for June, 2012 (the "**June B&D Rent**"); and
- (b) a payment made by B&D by cheque for approximately the same amount as in (a) above and made payable to Samak, for the benefit of the Respondent and on account of the rent for July, 2012.

## PAYMENT OF CERTAIN PRE-APPOINTMENT PROFESSIONAL FEES

3. THIS COURT AUTHORIZES AND DIRECTS the Receiver to pay out of the June B&D Rent payment the fees and expenses of: (i) Heath Whiteley as counsel to the Applicant; and (ii) A John Page & Associates Inc. as reviewer/monitor (in accordance

*up to a maximum of \$25,000, excluding H.S.T.*

*towards*

with its agreements with the Applicant and the Respondent dated September 13, 2011 and May 15, 2012, respectively); up to the date of this Order, as approved by the Applicant and provided for by the terms of the Applicant's security, *subject to the right of BHL to challenge the amount paid in any subsequent assessment of the accounts of this receivership.* ✓

**RECEIVER'S POWERS**

4. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor, and nothing herein shall preclude the Receiver from appointing the Debtor as its agent for such purposes;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) with the further approval of the Court, to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the

aggregate consideration for all such transactions does not exceed \$250,000; and

- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

5. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request. All Persons shall inform the Receiver if any of the Records might contain information of third parties that were and remain subject to confidentiality obligations and shall provide the Receiver with details of any such confidentiality obligations. The Receiver shall then keep any such information confidential.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer,

software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.



### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

### **NO INTERFERENCE WITH THE RECEIVER**

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

### **CONTINUATION OF SERVICES**

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or

such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

### **RECEIVER TO HOLD FUNDS**

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

### **EMPLOYEES**

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

### **PIPEDA**

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such

information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner*

*Protection Program Act.* Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

### **RECEIVER'S ACCOUNTS**

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

### **FUNDING OF THE RECEIVERSHIP**

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may

by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **SERVICE AND NOTICE**

25. THIS COURT ORDERS that the Receiver be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or notice by courier, personal delivery or electronic transmission shall be

deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

26. THIS COURT ORDERS that the Plaintiff, the Receiver, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Receiver may post a copy of any or all such materials on its website at [www.ajohnpage.com](http://www.ajohnpage.com).

#### **GENERAL**

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

A handwritten signature in black ink, appearing to be "R. J. [unclear]", written over a horizontal line.A small, stylized handwritten mark or signature, possibly initials, in black ink.

JUN 21 2012

**SCHEDULE "A"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that A. John Page & Associates Inc., the receiver (the "**Receiver**") of certain of the assets, undertakings and properties of 2058756 Ontario Limited (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "**Order**") made in an action having Court file number \_\_\_\_-CL-\_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.



5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

A. John Page & Associates Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: \_\_\_\_\_

Name:

Title:

**B E T W E E N:**

**ICICI BANK CANADA**  
Applicant

**- AND -**

**2058756 ONTARIO LIMITED**  
Respondent

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**COMMERCIAL LIST**

(PROCEEDING COMMENCED AT TORONTO)

**ORDER**  
(June 21, 2012)

**Heath P.L. Whiteley**  
(L.S.U.C. No. 38528P)

Tel: (905) 773-7700

Fax: (905) 773-7666

Email: [heath@whiteleylitigation.com](mailto:heath@whiteleylitigation.com)

310 Stouffville Road  
Richmond Hill, Ontario  
L4E 3P4

Lawyer for the Applicant



**Exhibit "B"**

**Second Report of A. John Page & Associates Inc.  
Court Appointed Receiver of Certain Assets  
of 2058756 Ontario Limited  
Dated April 11, 2013**

**Altus Appraisal**

This Exhibit is the subject of a sealing request and is not included in this version of the Second Report. The Exhibit is being provided to the Court separately.



Exhibit "C"

**Second Report of A. John Page & Associates Inc.  
Court Appointed Receiver of Certain Assets  
of 2058756 Ontario Limited  
Dated April 11, 2013**

**Redacted CBRE Marketing Reports**



Ian Shackell  
Vice President  
Sales Representative

CBRE Limited, Real Estate Brokerage

Preston Square  
Tower 1  
333 Preston Street  
7<sup>th</sup> Floor  
Ottawa, ON K1S 5N4  
613 782-2285 Dir  
613 782- 2296 Fax  
613 761-0177 Cell

ian.shackell@cbre.com  
[www.cbre.ca](http://www.cbre.ca)

September 20, 2012

A..John Page & Associates Inc.  
100 Richmond Street West, Suite 447  
Toronto, Ontario  
M5H 3K6

Attn: John Page

Dear John,

**RE: Bi Weekly Marketing Report- 100 Central Ave, Brockville, ON**

We have just begun the initial stages of our marketing process in order to prepare the property for market. The following actions have been taken to date-

- 1.Prepare initial offering marketing flyer- approved yesterday by A. John Page & Associates Inc.
- 2.Ordered customized CBRE signage for the site- signage finalize, waiting on delivery and installation. Installation will be first part of week, September 24<sup>th</sup>, 2012.
- 3.Placed property details on Loopnet, our form of MLS for commercial properties in our region.
- 4.Contactd The City of Brockville's economic development branch to inform them of the offering and provided our marketing flyers for their internal distribution and link to their own property availability databases.
- 5.Placed property information on CBRE website and all links to our local data information sites
- 6.Conference call this morning with National Industrial Team within CBRE and will introduce property to team for assistance to distribute to national accounts within CBRE.

These have been our first steps in getting the building on the sale marketplace. We will continue to build our major user/investor lists today in preparation of our big information launch for September 21<sup>st</sup>, 2012.

Sincerely,

Ian Shackell  
Vice President- CBRE Ottawa

# CBRE

Ian Shackell  
Vice President  
Sales Representative

CBRE Limited, Real Estate Brokerage

Preston Square  
Tower 1  
333 Preston Street  
7<sup>th</sup> Floor  
Ottawa, ON K1S 5N4  
613 782-2285 Dir  
613 782- 2296 Fax  
613 761-0177 Cell

ian.shackell@cbre.com  
[www.cbre.ca](http://www.cbre.ca)

October 1, 2012

A. John Page & Associates Inc.  
100 Richmond Street West, Suite 447  
Toronto, Ontario  
M5H 3K6

Attn: John Page

Dear John,


RE: Bi Weekly Marketing Report- 100 Central Ave, Brockville, ON

We are now in full swing on the marketing side of our initiative to have this asset sold. The following actions have been taken since our last market update report-

1. Sent our email blast to a combination of investors/users showing the property flyer with all the details about the asset for sale. This has been done with our internal CBRE Campaign Logic system whereby we can track the parties that we sent the information to and see who has opened the details and also find out how many times they have opened our information package
2. Installed customized CBRE signage on the site- Strategically located along Stewart Street to take advantage of the high traffic volume at this location of the building.
3. Placed property advertisements in the Globe and Mail. Run dates, September 25<sup>th</sup> and 27<sup>th</sup>.
4. Following up on initial calls into CBRE Ottawa with respect to the interest level from a few clients asking about the site. [REDACTED] and two other local agents have made the most recent inquiries.
5. We have received one offer from [REDACTED] - well qualified industrial purchaser that likes older buildings and spends money fixing them up and repositioning them in the marketplace. Offering price of [REDACTED] based on the [REDACTED] tenancy coming to fruition. Roof issue is the biggest concern with this offer as no information is available to assess this concern at this point in time.
6. Followed up the [REDACTED], the agent representing [REDACTED] to see if he can convince the tenant to purchase building. They are looking at assessing the building with one of their investors- I have sent full package to them in order for them to see if there is some merit to continue on with this building. He did confirm that [REDACTED] building is number one chose at this point in time.

The above activity to date has been initiated and we will continue to follow up with the target list we think have interest in this kind of opportunity.

Sincerely,



Ian Shackell  
Vice President- CBRE Ottawa





October 24th, 2012

Attn: John Page

Dear John,

RE: **Bi Weekly Marketing Report- 100 Central Ave, Brockville, ON**

We are actively marketing the asset now with direct communication with one serious buyer and talking to a few others more recently just engaged in conversation. The following actions have been taken since our last market update report-

1. Sent new email blast to local users showing the property flyer with all the details about the asset.
2. Following up with respect to the interest levels from these clients asking about the site. [REDACTED] Property.
3. The first offer we received was for [REDACTED] from [REDACTED]s. We have received a second offer for [REDACTED] from [REDACTED]x. They continue to express interest in moving forward and on the advice of the Receiver, we have provided this purchaser with a copy of the roofing report and existing phase 1 environmental audit. They continue to express interest and we are testing them to see if they can provide an unconditional bid.
4. Followed up again with [REDACTED] the agent representing [REDACTED]. He tells me the deal at the [REDACTED] building had hit some rough spots. I will see if he can convince the tenant to purchase building or contact Receiver directly to continue talks with interest in being a tenant in this location.

We will continue our efforts to expose the property to as many prospects as possible and are hopeful [REDACTED] will be able to show more interest in providing an unconditional offer.

Sincerely,

Ian Shackell  
Vice President- CBRE Ottawa

Ian Shackell  
Vice President  
Sales Representative

CBRE Limited, Real Estate Brokerage

Preston Square  
Tower 1  
333 Preston Street  
7<sup>th</sup> Floor  
Ottawa, ON K1S 5N4  
613 782-2285 Dir  
613 782- 2296 Fax  
613 761-0177 Cell

ian.shackell@cbre.com  
[www.cbre.ca](http://www.cbre.ca)

November 5, 2012

A. John Page & Associates Inc.  
100 Richmond Street West, Suite 447  
Toronto, Ontario  
M5H 3K6

Attn: John Page

Dear John,

**RE: Bi Weekly Marketing Report/Recommendations- 100 Central Ave, Brockville, ON**

We are still communicating with [REDACTED] and waiting to see if this week they are prepared to come forward with an unconditional offer to purchase. We are also talking to a few others that continue to watch the building closely with the hopes that [REDACTED] would still be a possible candidate to lease space and help drive value for the renovations necessary to make the building work once again.

1. We recommend now that the roof report has been completed and reviewed internally, the list price on the property reflect the current realities of the money needed to be spent to deal with the deteriorating roof. CBRE recommends the list price be reduced to \$5.5M. Our current list price was based on [REDACTED] completing a lease transaction and that has not happened to date.
2. We will carry on our conversations with these clients who continue to be interested in the site. [REDACTED] and [REDACTED].
3. We still have the two offers in to date. [REDACTED] from [REDACTED] and [REDACTED] from [REDACTED]. The [REDACTED] offer is conditional on [REDACTED] leasing space. [REDACTED] offer is conditional on other normal building condition issues. [REDACTED] has all of the reports and are working through them now to see if in fact they can provide an unconditional bid this week.
4. Spoke to [REDACTED] with [REDACTED], the agent representing [REDACTED]. He tells me last week they went back to the [REDACTED] landlord to see if they can work out some issues and if not, they would be back in our court. I suggested he convince the tenant to purchase building or talk to the Receiver to see if there is a simplified way they can view this building in terms of putting a leasing deal together.

We suggest reducing the listing price will aid in the sale process that will reflect in the realities of the roof issues. Once this is done, we will recirculate the marketing information to our original audience with the hopes of generating more interest.

Sincerely,

Ian Shackell  
Vice President- CBRE Ottawa

Ian Shackell  
Vice President  
Sales Representative

CBRE Limited, Real Estate Brokerage

Preston Square  
Tower 1  
333 Preston Street  
7<sup>th</sup> Floor  
Ottawa, ON K1S 5N4  
613 782-2285 Dir  
613 782- 2296 Fax  
613 761-0177 Cell

ian.shackell@cbre.com  
[www.cbre.ca](http://www.cbre.ca)

November 23, 2012

A. John Page & Associates Inc.  
100 Richmond Street West, Suite 447  
Toronto, Ontario  
M5H 3K6

Attn: John Page

Dear John,

**RE: Bi Weekly Marketing Report/Recommendations- 100 Central Ave, Brockville, ON**

Our market update reporting comes with information on two showings this week. We had [REDACTED] and their broker through the building on Tuesday morning Nov 20<sup>th</sup> and [REDACTED] on Wednesday Nov 21<sup>st</sup>.

1. Our listing price has been reduced to \$5.5M now that the roof report has been made available to prospective purchasers. We reintroduced the property to the mass email list we originally sent out on the first go around of the marketing campaign. The feedback has been limited but a few new prospects have shown interest with the this new information. [REDACTED] from Ottawa and a private investor/user from Ottawa as well are interested in viewing the site next week.
2. [REDACTED] has toured the site on Wednesday and proposed originally to offer [REDACTED] after my tour with him. I have since learned that the meeting with John Page and [REDACTED] has the buyer offering only [REDACTED]. We have an offer from [REDACTED] at [REDACTED] as well and they are prepared to make it unconditional on a counter back from the Receiver.
3. I will be touring the other Ottawa based user/investor group early this coming week with the hopes they can pay more than [REDACTED] offering prices we currently have on the table now.
4. I spoke to [REDACTED] with [REDACTED] the agent representing [REDACTED] yesterday and he tells me they will know if [REDACTED] will come back to Brockville by the end of next week. I continue to suggest he convince the tenant to purchase building or talk to the Receiver to see if there is a simplified way they can view this building in terms of putting a leasing deal together.

We continue to market the site and try to find users/investors willing to take the site on with the knowledge of the roof deficiencies. The two offers now are an indication of market value given the significant roof replacement costs.

Sincerely,

Ian Shackell

Vice President- CBRE Ottawa

Ian Shackell  
Vice President  
Sales Representative  
  
CBRE Limited, Real Estate Brokerage

Preston Square  
Tower 1  
333 Preston Street  
7<sup>th</sup> Floor  
Ottawa, ON K1S 5N4  
613 782-2285 Dir  
613 782- 2296 Fax  
613 761-0177 Cell  
  
ian.shackell@cbre.com  
[www.cbre.ca](http://www.cbre.ca)

December 11, 2012

A. John Page & Associates Inc.  
100 Richmond Street West, Suite 447  
Toronto, Ontario  
M5H 3K6

Attn: John Page

Dear John,

**RE: Bi Weekly Marketing Report/Recommendations- 100 Central Ave, Brockville, ON**

The asset has been on the market for almost 6 months since our original listing was brought to the marketplace. We have toured several prospects through the building since then with most interest coming once the listing price was reduced to the current list price of \$5.5M.

1. We toured [REDACTED] on Wednesday November 28<sup>th</sup>, 2012. They are an Ottawa [REDACTED] company that specializes in [REDACTED] replacement. They have a [REDACTED] sf requirement for themselves and are actively seeking investment opportunities. The tour in general went well, but given the roof reports, their analysis of the costing to replace the roof suggested to them that without a substantial amount of rental income, they could not proceed with an offer more than [REDACTED].
2. [REDACTED] the group that toured November 20<sup>th</sup>, 2012 had arranged to contact the receiver directly and negotiate different terms and conditions than suggested at the original tour. I have since been informed that their most recent bid price of [REDACTED] has been received and rejected.
3. We have had no new recent inquiries from users/investors since the activity created in November. I received an email from a Toronto broker yesterday asking about the process of submitting an offer and I replied back suggesting the LOI format. He did not identify his interested party but makes me feel suspect given the fact he has not toured the property with his client.
4. I spoke to [REDACTED] with [REDACTED], the agent representing [REDACTED] last week and he has informed me that [REDACTED] has a conditional offer to lease on the [REDACTED] building.

We will continue our marketing efforts into the Christmas break with the hopes that beyond the holidays we can find other prospects that see greater value for the asset. The market range we believe has been determined by the lack of income and the costs to retrofit the buildings roof and other elements of the building and site.

Sincerely,

Ian Shackell  
Vice President- CBRE Ottawa

Ian Shackell  
Vice President  
Sales Representative

CBRE Limited, Real Estate Brokerage

Preston Square  
Tower 1  
333 Preston Street  
7<sup>th</sup> Floor  
Ottawa, ON K1S 5N4  
613 782-2285 Dir  
613 782- 2296 Fax  
613 761-0177 Cell

ian.shackell@cbre.com  
[www.cbre.ca](http://www.cbre.ca)

January 9, 2013

A. John Page & Associates Inc.  
100 Richmond Street West, Suite 447  
Toronto, Ontario  
M5H 3K6

Attn: John Page

Dear John,

**RE: Bi Weekly Marketing Report/Recommendations- 100 Central Ave, Brockville, ON**

We are now past the holiday break where the activity level has slowed considerably and we expect the first two to three weeks into January to be more of the same. The asset has been on the market for 7 months and we have reduced the list price to reflect the realities centered around the roof issues and replacement costs.

1. We received an email from [REDACTED] a local investor that operates a numbered company that acquires vacant properties, renovates and leases them up. He offered [REDACTED] unconditional but wanted to put only increments of [REDACTED] deposits and 6 month closing. He would use the time to market the site.
2. [REDACTED] called back to say they would not be able to proceed as the asset is too large and their real need for space is limited to [REDACTED] sf of warehousing and without existing tenants, it made it too risky for them to take on plus the roof replacement issues were a major concern for them.
3. I spoke to [REDACTED] this morning. He represents [REDACTED], the group that toured November 20<sup>th</sup>, 2012. I have been told that their most recent bid price of [REDACTED] is still on the table for discussion and no further price increase was possible.
4. We have had no new recent inquiries from users/investors since the activity created in November apart from the difficult long closing offer noted above.
5. I spoke to [REDACTED] with [REDACTED], the agent representing [REDACTED] last week and he has informed me that [REDACTED] has completed their deal for the lease on the [REDACTED] building.

We will continue our marketing efforts into the month of January with the hopes that the new year will bring new prospects that will show serious interest in the asset.

Sincerely,

Ian Shackell  
Vice President- CBRE Ottawa



Ian Shackell  
Vice President  
Sales Representative

CBRE Limited, Real Estate Brokerage

Preston Square  
Tower 1  
333 Preston Street  
7th Floor  
Ottawa, ON K1S 5N4  
613 782-2285 Dir  
613 782- 2296 Fax  
613 761-0177 Cell

ian.shackell@cbre.com  
[www.cbre.ca](http://www.cbre.ca)

February 4, 2013

A. John Page & Associates Inc.  
100 Richmond Street West, Suite 447  
Toronto, Ontario  
M5H 3K6

Attn: John Page

Dear John,

**RE: Bi Weekly Marketing Report/Recommendations- 100 Central Ave, Brockville, ON**

John, now that January has come and gone, a relatively slow period of time for commercial real estate, our activity level has picked up somewhat since we reintroduced the property at a lower list price of \$3,950,000.00. We have identified several new prospects since the new listing has been recirculated amongst the target market we were trying to attract.

1. We received a call from David Paul, the economic development agent for the City of Brockville. He has put us in touch with [REDACTED] a distribution company that specializes in [REDACTED] for specific clients. They are looking for up to [REDACTED] plus in terms of warehousing on a lease basis. I spoke to them and told them a new investor would have to be in place before any lease commitment could be secured unless the bank thought otherwise- their timing is in the next 4- 5 months, so we are all hopeful the asset will sell before then.
2. [REDACTED] is looking at the site. We provided all the studies necessary for them to proceed with their analysis. They are partnered up with [REDACTED] to the site, [REDACTED]. They have the necessary capital to put a deal like this together and we are hopeful they may be one of the bidders in the next few weeks.
3. An Ottawa broker from Cushman Wakefield has requested the information for a local investor. I provided this last week and they are the group we expect to get through the building later this week.
4. [REDACTED] a ReMax broker from Toronto tried to show the site two weekends ago and I have emailed him back to see if his client may be still interested in the site- waiting on his reply.
5. [REDACTED] is not interested in the site even at the reduced price.
6. [REDACTED] is still interested in the building but based on his price of [REDACTED] the highest bid since we have had the building on the market.
- 7.

We will continue our marketing efforts into the month of February and will wait your PSA format that we can share with those we would like to approach with their best bids when you are ready to release the document.

Sincerely,

Ian Shackell  
Vice President- CBRE Ottawa

Ian Shackell  
Vice President  
Sales Representative

CBRE Limited, Real Estate Brokerage

Preston Square  
Tower 1  
333 Preston Street  
7<sup>th</sup> Floor  
Ottawa, ON K1S 5N4  
613 782-2285 Dir  
613 782- 2296 Fax  
613 761-0177 Cell

ian.shackell@cbre.com  
[www.cbre.ca](http://www.cbre.ca)

April 4, 2013

A. John Page & Associates Inc.  
100 Richmond Street West, Suite 447  
Toronto, Ontario  
M5H 3K6

Attn: John Page

Dear John,

RE: **Bi Weekly Marketing Report/Recommendations- 100 Central Ave, Brockville, ON**

Since we lowered the listing price to \$3,950,000.00 we have been able to open up the market with a few new buyers showing interest in this asset. It was decided by end of February to bring the sale activity to a head and have bidders put their best bids together on the Purchase and Sale Agreements provided by A. John Page and Associates Inc. It was decided that we would allow for the bidders to complete any necessary due diligence on the asset from the end of February until March 15<sup>th</sup> at 5:00 pm whereby bids were to be received by CBRE at that time. We receive a total of 5 bids, one bidder submitting two separate agreements. It represented a decent level of interest based on how long this building had been marketed. The following bids below show each bidder's name, how much the bid was for and conditions that were attached to the bid.

1. [REDACTED] er.
2. [REDACTED]
3. [REDACTED]
4. [REDACTED] at  
[REDACTED] e

Once the bids were submitted to the receiver, the bidders were told the bids would be reviewed by the bank and direction would be given at that point in time. We ultimately went back to the two best bids on March 28<sup>th</sup>, 2013 and requested both [REDACTED] and [REDACTED] reconsider submitting an all cash offer with no conditions. In the end, [REDACTED] was the only bidder willing to provide that kind of bid and with a [REDACTED] deposit, it was the strongest bid available in the market. We are confident CBRE has exposed this property throughout our large buyer network and the sale price achieved is representative of where the current market is for this kind of asset that requires significant capital to upgrade the space into leaseable units. We look forward to a successful closing in the weeks to come.

Sincerely,

Ian Shackell  
Vice President- CBRE Ottawa



Exhibit "D"

**Second Report of A. John Page & Associates Inc.  
Court Appointed Receiver of Certain Assets  
of 2058756 Ontario Limited  
Dated April 11, 2013**

**Confidential Memorandum**

This Exhibit is the subject of a sealing request and is not included in this version of the Second Report. The Exhibit is being provided to the Court separately.



Exhibit "E"

**Second Report of A. John Page & Associates Inc.  
Court Appointed Receiver of Certain Assets  
of 2058756 Ontario Limited  
Dated April 11, 2013**

**Stonewater APS**

This Exhibit is the subject of a sealing request and is not included in this version of the Second Report. The Exhibit is being provided to the Court separately.





**Exhibit "F"**

**Second Report of A. John Page & Associates Inc.  
Court Appointed Receiver of Certain Assets  
of 2058756 Ontario Limited  
Dated April 11, 2013**

**Gardiner Roberts Opinion Letter**



GARDINER ROBERTS

Jeffrey B. Rosekat  
Direct Line: 416.865.6662  
jrosekat@gardiner-roberts.com  
File No.: 98562

September 28, 2012

VIA EMAIL

Mr. John Page  
A. John Page & Associates Inc. as Receiver of Certain Assets of  
2058756 Ontario Limited  
100 Richmond Street West, Suite 447  
Toronto, ON  
M5H 3K6

Dear Sir:

Re: 2058756 Ontario Limited. (the "Company")

On June 21, 2012, by Order of Justice Brown of the Ontario Superior Court of Justice, you were appointed as Receiver over all of the assets, undertakings, and properties of the Company, save and except the real property known municipally as 700 Gardiner Road, Kingston, Ontario.

This letter follows your request for a review of the security registered against the Company and the Company's assets and undertaking, in view of your appointment as Receiver.

**A. Standard Assumptions and Qualifications**

In rendering our opinion concerning the registered security, we have made the following standard assumptions:

- original copies of all documents were in fact signed by the person named therein;
- the security documents are enforceable against the debtor named therein in accordance with their written terms;
- any addresses in financing statements or financing change statements are correct;
- unless otherwise stated, the security documents were delivered by the debtor named therein on the date stated therein;

GARDINER ROBERTS LLP

Scotia Plaza, 40 King Street West, Suite 3100  
Toronto, ON, Canada M5H 3Y2  
Tel: 416 865 6600 Fax: 416 865 6636 www.gardiner-roberts.com





GARDINER ROBERTS

- in the case of execution of a document by an individual, that the debtor's name is correctly stated;
- where we have been provided with a copy of a verification statement or have relied on a search pursuant to the Personal Property Security Act (the "PPSA"), with respect to a registration, rather than the financing statement or financing change statement to which it relates, we have assumed that the relevant financing statement or financing change statement was properly executed by or on behalf of the secured party; and
- that verification statements were provided to each debtor within twenty days of registration unless waived in writing by the debtor.

## **B. Corporate History**

We have performed corporate searches on the Company. We have not seen the minute books. The company was incorporated on November 17, 2004.

According to the Corporation Profile Report obtained from the Ontario Ministry of Government Services, Malik Sajjad Khalid, of 184 Sandringham Drive, Toronto, is the sole officer and director of the Company. The Company's registered head office is at 220 Duncan Mill Road, Suite 619, North York, Ontario.

The Company has one business name registered: City West Kingston.

We have been provided with a copy of a "Trust Declaration" indicating that the property at 100 Central Avenue in Brockville (the "Brockville Property") is held in trust by the Company for the M.S. Khalid Family Trust and BPHL Holdings Inc. We understand from the Company's accountants that several years ago BPHL Holdings Inc. transferred its interest to the M.S. Khalid Family Trust and that the trust is now the sole beneficially interested party.

We assume for the purposes of this opinion that any grant of security over the Brockville Property was given by the Company with the consent of the M.S. Khalid Family Trust. This appears to be a reasonable assumption given that Mr. Malik Khalid is particularly involved with both the Company and the M.S. Khalid Family Trust.

## **C. Security and Mortgages**

On November 21, 2005, the Company entered into a General Security Agreement (the "GSA") with ICICI Bank Canada ("ICICI"). The GSA appears to have been signed by "Malik S. Khalid" as President of the Company, and by Behrouz Parsa as Secretary of the Company.

The Company has also entered into an agreement with ICICI granting security over cash, credit balances and deposit instruments. This agreement is dated November 26, 2004, and appears to have been signed by Malik Khalid and Behrouz Parsa for the Company.



GARDINER ROBERTS

The advances appear to have been made by Promissory Notes in the amounts of \$350,000 and \$3,600,000, however we have not been provided with copies of those notes. We are assuming that all advances were actually made by ICICI. We have no reason to suspect that they were not and the materials filed on the Receivership Application confirm that advances were made.

The Company also granted the following mortgages over the real property located at the Brockville Property:<sup>1</sup>

- A first mortgage to ICICI was registered on title to the Brockville Property on December 1, 2004 as Instrument No. LR350675. The charge appears to have been signed on November 29, 2004, by Malik S. Khalid as President of the Company and by Behrouz Parsa as Secretary of the Company. This first mortgage is in the principal amount of \$5,500,000, with interest at 7.0% per annum, calculated semi-annually, not in advance. Standard charge terms 200033 apply to the mortgage. The Schedule to the Charge recites six forbearance agreements, the latest dated April 30, 2012. We have not reviewed any of the forbearance agreements, which we understand have expired in any event.

The first mortgage was amended by agreement dated January 31, 2005. A Notice of Agreement Amending Charge was registered on January 31, 2005, as Instrument No. LR 0352441. The amendment replaced the schedule to the Charge with the one referencing the six forbearance agreements.

- A second mortgage to ICICI was registered on title to the Brockville Property on November 22, 2005 as Instrument No. LR350677. The charge appears to have been signed on November 21, 2005 by Malik S. Khalid and Behrouz Parsa. The second mortgage is in the principal amount of \$2,250,000.00 and bears interest at a rate of 5.0% per annum, calculated semi-monthly, not in advance. Standard charge terms 200033 apply to the mortgage, and reference the Facility Letter dated November 17, 2005.
- A third mortgage to BPHL Holdings Inc. was registered on title to the Brockville Property on January 16, 2009 as Instrument No. LE11766. The third mortgage is in the principal amount of \$4,200,000.00, and bears interest at a rate of 7.5% per annum, calculated quarterly, not in advance. Payments in the amount of \$100,623.86 are to be made quarterly. Standard charge terms 200033 apply to the mortgage. Additional terms are scheduled to the charge, and include a change of control provision and a cross-default provision linking this mortgage to the mortgage on the Kingston property. The scheduled terms also reference a "Daghighi Mortgage" which shall not exceed \$750,000.00, however there appears to be no reference on title to the Brockville Property to this mortgage.
- A fourth mortgage to ICICI was registered on title to the Brockville Property on April 10, 2012 as Instrument No. LE45127. This mortgage is in the principal amount of \$5,000,000 and bears interest at a rate of 7.0% calculated semi-annually, not in advance. Standard charge terms 200033 apply to the mortgage. The six forbearance agreements are recited in a schedule to the charge.

The Company has also executed General Assignments of Rents in association with three of the mortgages, specifically these are assignments to,

---

<sup>1</sup> The municipal address in the land titles system for the Brockville Property is 140 Stewart Boulevard, Brockville. There is no PIN for 100 Central Avenue.



**GARDINER ROBERTS**

- ICICI Bank Canada, registered on December 1, 2004, as Instrument No. LR350678;
- ICICI Bank Canada, registered on November 22, 2005, as Instrument No. LR362573; and
- BPHL Holdings Inc., registered on January 16, 2009, as Instrument No. LE11769.

A Notice of Lease was registered on December 1, 2004, as Instrument No. LR350676 with respect to the Black & Decker Canada Inc. lease.

We have not been provided with copies of any Directors' Resolutions, Officers' Certificates, or the Company's by-laws or articles of incorporation.

**D. PPSA Review**

The Company has four families of registrations against it under the Ontario Personal Property Security Register. They are as follow:

<u>File No.</u>	<u>Reg. No.</u>	<u>Debtor</u>	<u>Secured Party</u>	<u>Notes</u>
610915941	20041126 1632 1793 1777	2058756 Ontario Limited	ICICI Bank Canada	Renewed twice through to October 26, 2012.
620628822	20051121 0928 1793 9819	2058756 Ontario Limited	ICICI Bank Canada	"General security agreement" Renewed through to October 27, 2012
620628903	20051121 0931 1793 9820	2058756 Ontario Limited	ICICI Bank Canada	"General assignment of rents for the property known municipally as 100 Central Avenue, Brockville, Ontario, K6V 4N8" Renewed through October 27, 2012.
664782984	20100929 1147 1590 9223	2058756 Ontario Limited	J.D.L. Finance Limited	"General security agreement, assignment of rents" "Other" is the only box checked.

We understand that the recovery on the debtor's assets is unlikely to reach the point at which funds would be available for J.D.L. Finance Limited. As such, we have not reviewed any of the documents relating to their security. Should the realisation prove to be markedly higher than current estimates, we will review the J.D.L. Finance Limited security documents at that point.

**E. Other Searches**

We have conducted a search for Bank Act security against the Company, and there appear to be no registrations.



GARDINER ROBERTS

We have also conducted execution searches in Brockville (the United Counties of Leeds and Grenville) and Kingston (the County of Frontenac), and no judgments appear to have been registered as against the Company.

#### F. Opinion

In our opinion, with respect to those assets over which you have been appointed Receiver, the security and mortgages of ICICI Bank Canada and BPHL Holdings Limited are valid and binding against you in accordance with their priority of registration. The priorities for the proceeds of sale of the Brockville Property are therefore:

- First, ICICI Bank Canada, for the amount of the debt owed by the Company, up to the maximum amount of the principal, interest, and costs of the first two mortgages;
- Second, BPHL Holdings Limited, for the amount of the debt owed by the Company, up to the maximum amount of the principal, interest, and costs of the third mortgage;
- Third, ICICI Bank Canada, for the amount of the debt owed by the Company, up to the maximum amount of the principal, interest, and costs of the fourth mortgage

The priorities for the proceeds of sale of any personal property of the Company are:

- First, ICICI Bank Canada, for the amount of the debt owed by the Company; and
- Second, J.D.L. Finance Limited, for the amount of the debt owed by the Company.

We trust that this is satisfactory. Please feel free to contact us should you have any questions or comments.

Yours very truly,

**GARDINER ROBERTS LLP**

Jeffrey B. Rosekat



**Exhibit "G"**

**Second Report of A. John Page & Associates Inc.  
Court Appointed Receiver of Certain Assets  
of 2058756 Ontario Limited  
Dated April 11, 2013**

**Statement of Receipts and Disbursements**

## 2058756 Ontario Limited - Statement of Receipts and Disbursements:3

21/06/2012 through 10/04/2013 (Cash Basis)

11/04/2013

Page 1

Category Description	21/06/2012- 10/04/2013
<b>INCOME</b>	
HST on Sales	341.61
Receivables	295,475.47
Rent	1,039,994.08
Utility Recharge	90,725.94
<b>TOTAL INCOME</b>	<b>1,426,537.10</b>
<b>EXPENSES</b>	
Advance to Samak	5,000.00
Cleaning	1,801.29
Consultant Fees	14,652.00
HST Control	-40,288.15
HST Input	20,399.45
Insurance	63,867.36
Landscaping	8,070.00
Larlyn	
Management Fee	5,301.60
Other	34.06
<b>TOTAL Larlyn</b>	<b>5,335.66</b>
Legal Fees	67,174.97
Miscellaneous	2,794.17
OSB Fees	70.00
Pre-Appointment Fees	125,000.00
Pre-Receivership Suppliers	14,965.41
Property Taxes	102,436.73
Receiver's Fees	297,237.48
Repairs and Maintenance	8,624.58
Samak Management Fees	22,704.16
Samak Payroll	29,750.00
Snow Ploughing	16,333.32
Utilities	
Gas	96,019.93
Hydro	237,846.43
Water	41,286.66
<b>TOTAL Utilities</b>	<b>375,153.02</b>
<b>TOTAL EXPENSES</b>	<b>1,141,081.45</b>
<b>OVERALL TOTAL</b>	<b>285,455.65</b>