

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

S U P E R I O R C O U R T  
(Commercial Division)  
(In Bankruptcy and Insolvency)

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No.: 500-11-026779-054

IN THE MATTER OF THE PLAN OF  
COMPROMISE OR ARRANGEMENT OF:

MINCO-DIVISION CONSTRUCTION INC.;

- and -

SLEB 1 INC.;

**Debtors**

- and -

LITWIN BOYADJIAN INC., acting in its capacity  
as Monitor of the Debtors;

**Monitor**

- and -

RSM RICHTER INC., acting in its capacity as  
Interim Receiver of the Debtors;

**Interim Receiver/Petitioner**

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**MOTION FOR TERMINATION OF THE INTERIM RECEIVERSHIP PROCEEDINGS,  
FOR TAXATION OF THE INTERIM RECEIVER'S FEES AND DISBURSEMENTS,  
FOR DISCHARGE OF THE INTERIM RECEIVER, AND FOR RELATED MATTERS  
(Section 11 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36  
("CCAA") and Section 47.1(2)(b) and ff. of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3 ("BIA"))**

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TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN  
COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL,  
PETITIONER RESPECTFULLY SUBMITS THE FOLLOWING:

1. On November 3, 2005, this Court rendered an initial order under the CCAA (the "**Initial Order**"), as subsequently extended, declaring, *inter alia*, that Minco-Division

Construction Inc. and Sleb 1 Inc. (collectively, the “**Debtors**”) were companies to which the CCAA applies, granting a stay of proceeding in respect of the Debtors, appointing Litwin Boyadjian Inc. (the “**Monitor**”) as Monitor and authorizing the creation of a DIP facility (the “**DIP Facility**”), the whole as appears from the record herein;

2. On November 3, 2005, this Court rendered an Interim Receivership order (the “**Interim Receivership Order**”) appointing RSM Richter Inc. (the “**Interim Receiver**”) as Interim Receiver in respect of the Debtors, with the powers therein set forth;
3. On March 29, 2006, this Court rendered an order varying the powers of the Interim Receiver pursuant to the Interim Receivership Order (the “**Amended Interim Receivership Order**”) pursuant to which the Court ordered, *inter alia*, a marketing process with respect to certain of the Debtors’ property (the “**Marketing Process**”);
4. The Amended Interim Receivership Order and the Marketing Process contemplated thereunder were ordered by this Court further to an application filed by the Canadian Imperial Bank of Commerce (the “**CIBC**”);
5. The CIBC was then the holder of a significant portion of the secured indebtedness owing by the Debtors, as well as the lender under the DIP Facility granted pursuant to the Initial Order;
6. Since the rendering of the Interim Receivership Order and the Amended Receivership Order, the Interim Receiver has endeavoured to carry out its duties diligently and in good faith;
7. Annexed hereto as Exhibit M-1, is a copy of the Interim Receiver’s Final Report and Statement of Receipts and Disbursements (the “**Final Report**”), which includes, *inter alia*, the following information:
  - a) a detailed description of the administration the Interim Receiver in this matter; and
  - b) a final statement of receipts and disbursements (attached as Exhibit 1 to the Final Report);
8. On June 8, 2006, the Interim Receiver was advised by CIBC that it had concluded an offer relating to the assignment of its claim and that unless all of CIBC’s assigned secured claims were repaid in full, the assignee thereof would have no interest in pursuing the Marketing Process;
9. The Marketing Process has not generated offers which would yield sufficient recoveries to repay CIBC’s mortgage claim in full;
10. As a result, by order rendered on June 9, 2006, the Court terminated the Marketing Process and rendered various ancillary orders in relation therewith, the whole as appears from the record herein;

11. Given the facts described above, the Interim Receiver respectfully submits that it has fulfilled its obligations in the present matter and that its presence is no longer required in relation to the Debtors' restructuring proceedings under the CCAA;
12. The Interim Receiver hereby respectfully requests this Court to approve the Interim Receiver's administration and actions, to approve the Final Report, to tax the fees and disbursements of the Interim Receiver, to terminate the Debtors' interim receivership proceedings and the Interim Receiver's appointment thereunder, to terminate, vary and rescind any and all orders ancillary or related thereto, including, without limitation, the Interim Receivership Order and the Amended Interim Receivership Order, as same may have been further amended, extended or renewed, to discharge the Interim Receiver from the performance of any power, duty or obligation with respect thereto, and to declare that the Interim Receiver is discharged from any and all liabilities, claims or obligations, past, present or future, in respect of this matter, the interim receivership proceedings as well as its conduct thereunder;
13. The present Motion is well founded in fact and in law.

**WHEREFORE, PETITIONER RESPECTFULLY PRAYS THIS HONOURABLE COURT TO:**

**GRANT** the present Motion;

**APPROVE** Petitioner's conduct, administration and actions in this matter, including those listed in its Final Report and Statement of Receipts and Disbursements, **Exhibit M-1** (the "**Final Report**");

**APPROVE** the Final Report, including the final statement of receipts and disbursements annexed thereto as Exhibit 1 (the "**Final Statement**");

**APPROVE** and **TAX** the Interim Receiver's fees and disbursements for the amounts indicated in the Final Statement;

**TERMINATE** the Debtors' interim receivership proceedings and the Petitioner's appointment thereunder and **TERMINATE, VARY** and **RESCIND** the Interim Receivership Order rendered by this Court on November 3, 2005, and the Amended Interim Receivership Order rendered by this Court on March 29, 2006, as same may have been further amended, extended or renewed, as well as any and all orders ancillary or related thereto insofar as they relate to duties, powers or obligations of the Petitioner (collectively, the "**Interim Receivership Proceedings**");

**DISCHARGE** the Interim Receiver in this matter, including, without limitation, with respect to the performance of any power, duty or obligation related, directly or indirectly, to the Interim Receivership Proceedings;

**DECLARE** that Petitioner is discharged from any and all liabilities, claims or obligations, past, present or future, in respect of this matter, the Interim Receivership Proceedings as well as its conduct, administration and actions thereunder;

**THE WHOLE WITHOUT COSTS**, save and except in case of contestation.

Montréal, June 16<sup>th</sup>, 2006



OSLER HOSKIN & HARCOURT, LLP

Attorneys for RSM Richter Inc., acting in its  
capacity as Interim Receiver to the Debtors

**TRUE COPY**

  
Osler, Hoskin & Harcourt LLP

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

**S U P E R I O R C O U R T**  
(Commercial Division)  
(In Bankruptcy and Insolvency)

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No.: 500-11-026779-054

**IN THE MATTER OF THE PLAN OF  
COMPROMISE OR ARRANGEMENT OF:**

**MINCO-DIVISION CONSTRUCTION INC.;**

- and -

**SLEB 1 INC.;**

**Debtors**

- and -

**LITWIN BOYADJIAN INC.**, acting in its capacity  
as Monitor of the Debtors;

**Monitor**

- and -

**RSM RICHTER INC.**, acting in its capacity as  
Interim Receiver of the Debtors;

**Interim Receiver/Petitioner**

---


**ATTESTATION OF AUTHENTICITY**

I, the undersigned, David Tardif-Latourelle, attorney, practising my profession with the law firm of Osler, Hoskin & Harcourt LLP, having its principal place of business at 1000 de la Gauchetière West, 21<sup>st</sup> Floor, in the City and District of Montréal, Province of Québec, solemnly affirm that:

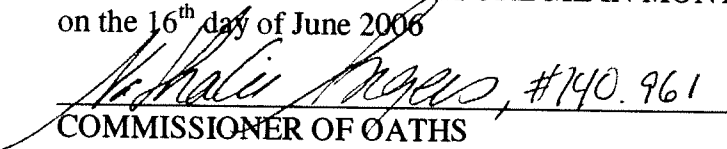
1. On June 16, 2006 at 16:20 p.m., Osler, Hoskin & Harcourt LLP received by telecopier an Affidavit signed by Yves Vincent, CA, CIRP, dated June 16, 2006. The Affidavit is a true copy of the Affidavit received by telecopier from Yves Vincent, CA, CIRP, and whose telecopier number is (514) 934-3504;

2. All facts alleged herein are true.

AND I HAVE SIGNED


  
\_\_\_\_\_  
David Tardif-Latourelle

SOLEMNLY AFFIRMED BEFORE ME IN MONTRÉAL  
on the 16<sup>th</sup> day of June 2006

  
\_\_\_\_\_  
COMMISSIONER OF OATHS  
FOR THE JUDICIAL DISTRICT OF MONTRÉAL



**TRUE COPY**

  
\_\_\_\_\_  
Osler, Hoskin & Harcourt LLP

**AFFIDAVIT**

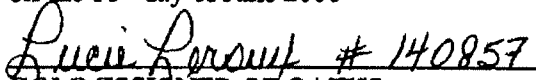
I, the undersigned, Yves Vincent, FCA, CIRP, exercising my profession at 2 Place Alexis-Nihon, 3500 De Maisonneuve Blvd. West, 22<sup>nd</sup> Floor, Montréal, Québec H3Z 3C2, in the city and district of Montréal, Province of Québec, solemnly declare the following:

- 1. I am a partner of Petitioner and I am duly authorized for purposes hereof;
- 2. I have taken cognizance of the present *Motion for termination of the interim receivership proceedings, for taxation of the interim receiver's fees and disbursements, for discharge of the interim receiver, and for related matters;*
- 3. All the facts alleged in the said Motion are true.

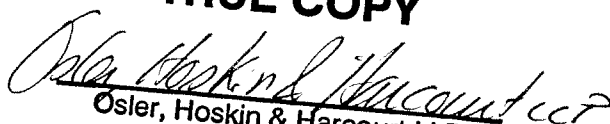
AND I HAVE SIGNED

  
 \_\_\_\_\_  
 Yves Vincent, FCA, CIRP

SOLEMNLY AFFIRMED BEFORE ME IN MONTRÉAL  
on the 16<sup>th</sup> day of June 2006

  
 \_\_\_\_\_  
 COMMISSIONER OF OATHS  
 FOR THE JUDICIAL DISTRICT OF MONTRÉAL

**TRUE COPY**

  
 \_\_\_\_\_  
 Osler, Hoskin & Harcourt LLP

**NOTICE OF PRESENTATION**

**TO:** Me Mark Meland  
FISHMAN FLANZ MELAND PAQUIN LLP  
1250 René-Lévesque Blvd. West, suite 4100  
Montréal, Québec H3B 4W8

Attorneys for the Debtors

**and**

Mr. Noubar Boyadjian  
LITWIN BOYADJIAN INC.  
1 Place Ville-Marie, suite 2720  
Montréal, Québec H3B 4G4

Monitor

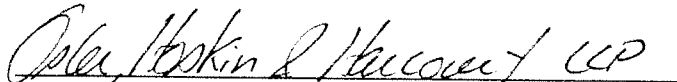
**and**

The attached service list via e-mail as per the Initial Order

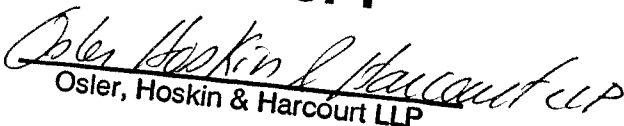
**TAKE NOTICE** that the attached motion will be presented for hearing and allowance in chamber 16.36 at 8:30 a.m. (Montreal Time) at the Montreal Courthouse, 1 Notre-Dame Street East, Montreal, on June 20<sup>th</sup>, 2006 or so soon thereafter as Counsel may be heard.

**DO GOVERN YOURSELF ACCORDINGLY.**

Montréal, June 16<sup>th</sup>, 2006

  
OSLER HOSKIN & HARCOURT, LLP  
Attorneys for RSM Richter Inc., acting in its  
capacity as Interim Receiver to the Debtors

**TRUE COPY**

  
Osler, Hoskin & Harcourt LLP



## SCHEDULE "A" SERVICE LIST

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[josee.aspinall@fmc-law.com](mailto:josee.aspinall@fmc-law.com);  
[cduquette@duntonrainville.com](mailto:cduquette@duntonrainville.com);  
[yvesbernieravocat@sympatico.ca](mailto:yvesbernieravocat@sympatico.ca);  
[mrgauthier@jarrygauthier.com](mailto:mrgauthier@jarrygauthier.com);  
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[i.cartier@laframboise-gutkin.com](mailto:i.cartier@laframboise-gutkin.com);  
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[yvincent@rsmrichter.com](mailto:yvincent@rsmrichter.com)

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

**S U P E R I O R C O U R T**  
(Commercial Division)  
(In Bankruptcy and Insolvency)

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No.: 500-11-026779-054

**IN THE MATTER OF THE PLAN OF  
COMPROMISE OR ARRANGEMENT OF:**

**MINCO-DIVISION CONSTRUCTION INC.;**

- and -

**SLEB 1 INC.;**

**Debtors**

- and -

**LITWIN BOYADJIAN INC.**, acting in its capacity  
as Monitor of the Debtors;

**Monitor**

- and -

**RSM RICHTER INC.**, acting in its capacity as  
Interim Receiver of the Debtors;

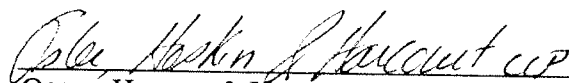
**Interim Receiver/Petitioner**

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**LIST OF EXHIBITS**

**EXHIBIT M-1:** Final Report and Statement of Receipts and Disbursements of the Interim Receiver.

Montréal, June 16<sup>th</sup>, 2006



OSLER HOSKIN & HARCOURT, LLP

Attorneys for RSM Richter Inc., acting in its  
capacity as Interim Receiver to the Debtors

**TRUE COPY**

  
Osler, Hoskin & Harcourt LLP

## **EXHIBIT M-1**

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL  
DIVISION NO. 01-MONTREAL  
No: 500-11-026779-054

**SUPERIOR COURT**  
(Commercial Division)  
(In Bankruptcy and Insolvency)

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**IN THE MATTER OF THE PLAN OF COMPROMISE OR  
ARRANGEMENT OF:**

---

**MINCO-DIVISION CONSTRUCTION INC. ("Minco");**  
– and –  
**SLEB 1 INC.**  
**("Sleb");**

**Debtors**

– and –

**LITWIN BOYADJIAN INC.;** acting in its capacity as Monitor of the  
Debtors;

**Monitor**

– and –

**RSM RICHTER INC.,** acting in its capacity as Interim Receiver of  
the Debtors;

**Interim Receiver/Petitioner**

---

### **FINAL REPORT AND STATEMENT OF RECEIPTS AND DISBURSEMENTS**

TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL, PETITIONER RESPECTFULLY SUBMITS THE FOLLOWING:

RSM Richter Inc. ("Richter"), in its capacity as Interim Receiver pursuant to the Orders granted by this Court, is hereby submitting its final report in conjunction with a Motion seeking that its mandate be terminated and that the Interim Receiver be discharged of any further obligations.

#### **I. Insolvency of Debtors**

The sole business purpose of the Debtors is the development of a condominium project in three phases at the corner of Saint-Laurent Boulevard and Ontario in Montreal, Quebec ("Project"). Phase I of the Project consists of the retrofit of an existing 10-storey building located at 10 Ontario Street West. Phases II and III include the construction of an underground parking garage and condominiums.

Due to the financial difficulties encountered by the Debtors, the construction work on Phase I was halted in October 2005 and the construction of Phases II and III was not started.

The Debtors initially filed on October 27, 2005 a Notice of Intention under the Bankruptcy and Insolvency Act. On November 3, 2005, they sought protection under the provisions of the Companies Creditor's Arrangement Act ("CCAA Filing").

#### **II. CCAA FILING**

1. On November 3, 2005, this Court rendered an initial order under the CCAA (the "Initial Order"), declaring, *inter alia*, that Minco-Division Construction Inc. and Sleb 1 Inc. (collectively, the "Debtors") were companies to which the CCAA applies, a stay of proceedings until December 2, 2005, the appointment of Litwin Boyadjian Inc. (the "Monitor") as Monitor, and authorizing a DIP financing facility (the "DIP Facility");
2. On December 2, 2005, this Court extended the Initial Order and the Stay termination date to January 31, 2006;
3. On January 27, 2006, this Court extended the Initial Order and the Stay termination date to March 10, 2006;
4. On March 10, 2006, this Court extended the Initial Order and the Stay of termination date to March 31, 2006;
5. On March 29, 2006, this Court extended the Initial Order and the Stay termination date to June 30, 2006;

### III. INTERIM RECEIVERSHIP ORDER

1. On November 3, 2005, this Court rendered an Interim Receivership Order (the "Interim Receivership Order") appointing RSM Richter inc. (the "Interim Receiver") as Interim Receiver in respect of the Debtors, to wit:

"[4] ... The Interim Receiver is empowered and authorized, but not obligated, to act at once to do any of the following where the Interim Receiver considers it necessary or desirable:

- (i) Once the DIP Facility has been repaid to the DIP Lender from the net proceeds and receipts arising out of or from the Project including, without limitation, all deposits, tax refunds or other receipts (the "Net Proceeds"), to hold jointly with the Monitor, in a trust account opened in the names of both the Monitor and the Interim Receiver, the Net Proceeds;
- (ii) To control and authorize any and all disbursements by the Petitioners after the date of this Order save in respect of charges secured by the Administration Charge, the amount and details of which charges will be reported by the Monitor to the Interim Receiver twice a month;
- (iii) To inquire and analyze the extent to which the Property is appropriately safeguarded and controlled;
- (iv) To inquire, investigate, review and analyze the affairs and the Property of the Petitioners including, without limitation transactions relating to the development and construction of Phase I and any payments, transfers and conveyances to this parties or related persons;
- (v) To analyze and review all relevant data concerning the state of the accounts payable of the Petitioners, the status of contracts existing or required for the completion of Phase I, the status of existing agreements with purchasers for the purchase of units and marketing efforts for those units for which there are no sale agreements and to communicate with the relevant third parties in regard thereof;
- (vi) To approve jointly with the Monitor the entering into by the Petitioners of any new contracts, agreements and settlements with third parties, and the Petitioners are ordered no to enter into any contracts, agreements and settlements without the approval of the Interim Receiver;
- (vii) To inquire into and analyze the funding requirements to bring Phase I to an appropriate state of completion and any available avenues for such funding and to make any appropriate recommendations in such regard;
- (viii) To engage consultants, appraisers, agents, experts, auditors, accountants, counsel, as the Interim Receiver deems appropriate and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;
- (ix) To report to, meet with and discuss with such secured and unsecured creditors of the Petitioners and their advisors, as the Interim 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 Interim Receiver deems advisable; and
- (x) To take any steps reasonably incidental to the exercise of these powers including the right of the Interim Receiver to seek from the Court any additional powers."

6. On March 29, 2006, this Court rendered an order varying the powers of the Interim Receiver pursuant to the Interim Receivership Order (the "Amended Interim Receivership Order") pursuant to which the Court ordered, *inter alia*, the following marketing process:

"[4.1] ORDERS that the Interim Receiver is exclusively authorized and empowered to conduct a marketing process with respect to all of the Property or any part or parts thereof and to do any of the following where the Interim Receiver considers it necessary or desirable:

- (a) 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 Interim Receiver in its discretion may deem appropriate, provided that, in so doing, the Interim Receiver shall not complete any sale or disposition of the Property without the approval of the Court;
- (b) to perform all acts, sign all documents and take any necessary steps in order to market, advertise or solicit offers with respect to the Property;

(c) to report to this Court on the outcome of the above-mentioned marketing process on or before the Stay Termination Date; and

(d) if applicable, apply for orders necessary to obtain the approval of the Court to sell, transfer and assign all the rights, title and interest of the Debtors in and to the Property and to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any hypothecs, charges, liens or encumbrances affecting such Property or on such other terms as the Court may order;

and that the Interim Receiver shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtors, and without interference from any other Person."

#### IV. DIP FINANCING

In conjunction with the granting of the Initial Order rendered on November 3<sup>rd</sup>, 2005, this Court authorized a DIP facility (the "DIP Facility") to finance the Debtors' funding requirements to cover ongoing administration costs, construction costs and safeguard measures as well as professional fees;

Throughout the period, this Court further authorized that the financing pursuant to the DIP Facility be increased from the initial amount of \$2,500,000 to a maximum of \$5,300,000, as established by Order on March 29, 2006;

Richter is annexing its final statement of receipts and disbursements for the period November 3, 2005 to June 16, 2006 ("Statement") as Exhibit 1 hereto and refers to the Statement for details of the funds advanced by CIBC, as DIP lender.

#### V. Interim Receiver's administration

Pursuant to the Orders granted on November 3, 2005 (as renewed by the Court) and March 29, 2006, the Interim Receiver's administration can be summarized as follows:

##### (a) Communication with Creditors

- Throughout its mandate, Richter has posted on its Website a copy of the various proceedings filed before the Court and Orders rendered in this matter;
- Richter has also posted the Interim Receiver's Reports submitted to the Court;
- In addition to answering queries, Richter has advised all parties that have communicated with it to consult its Website for additional information and/or contact the Monitor;
- Richter also had various communications as well as an information meeting on March 21, 2006 with the lawyers representing the lien creditors;
- Information was provided to the Committee of Creditors (the "Committee") concerning the Marketing Process (refer to Section V (f)) hereto.

##### (b) Dealings with mortgage lenders

Throughout its mandate, Richter was in communication and had meetings with the representatives of the mortgage lenders and their legal advisors. More particularly, the Interim Receiver consulted frequently with and was assisted by Messrs Stikeman Elliott in the majority of the matters dealt with by the Interim Receiver.

##### (c) Review of Status of Construction

###### (i) Safeguard measures

Immediately upon its appointment, Richter visited the construction site with representatives of the Debtors. We were able to determine that all construction work had ceased on the site and that certain safeguard measures were required. The Interim Receiver, with the assistance of the Debtors' representatives, as well as the architect and engineering firms retained by the Debtors ("Professionals"), reviewed the security and safeguard measures.

In this regard, a construction work schedule was established to insure that the building would be adequately heated and protected from the winter elements.

Furthermore, Richter took the necessary steps to have insurance on the Project and guaranteed the payment of the related insurance premiums.

(ii) Construction work

In addition to the urgent winterization work, the Debtors and their Professionals had recommended that some construction work be restarted to complete the "base building".

Richter reviewed and approved the terms of the contracts and issued the appropriate guarantees. Specific plumbing, ventilation and electrical work was done during the months of December 2005 and January 2006.

Given the uncertainty as to the Debtors' ability to obtain the required financing to complete Phase I, and with the advice of the Professionals and consent of the Debtors, the construction work was halted in early February 2006.

(d) Analysis of cost to complete

(i) Preliminary Review

- Richter also attended the Debtors' head office premises and proceeded to review and analyze, with the Debtors' representatives, the information provided to us concerning the Project's costs incurred to date and the estimated accounts payable.
- With the assistance of Mr. Denis Tremblay, cost consultant and the Professionals, and based on an inspection of the Phase I construction site, a review of contracts and construction files, an initial cost to complete analysis was prepared;
- Richter issued a first Report on November 28, 2005, wherein it estimated that, subject to certain restrictions and qualifications, the preliminary estimate of the cost to complete was \$8,000,000.
- Furthermore, we reported that the potential cost overruns of the Phase I were approximately \$10,500,000, before any consideration for the cost to build the parking facility.

(ii) Independent Developers' Review

- In December 2005, Richter communicated with three well established real estate developers to obtain their assessment of the Project and their proposals to possibly assist the Debtors to complete the Project.
- Following the initial review and analysis submitted by these developers, the SBI Group was mandated in February 2006 to provide an independent assessment of the cost to complete Phase I, identify and propose solutions to various problems including the lack of parking and location of the cooling tower, etc. Their report estimated direct and indirect costs to complete would approximate \$10.1MM or \$13MM including soft costs, but before any consideration of re-engineering issues.

(iii) Professionals' review

- Due to the significant cost overruns and the desire to obtain more detailed and accurate estimates of the cost to complete, the interim Receiver engaged an independent architect, Gestion Claude Labelle Inc., to work with Mr. Denis Tremblay, cost consultant, and the Professionals to assess the status of Phase I and identify all deficiencies, update the plans and prepare detailed reports to support their conclusions. Their revised estimate of the direct and indirect cost to complete was \$9.6MM or \$11MM, including soft costs (i.e. sales and marketing).
- All the information gathered formed part of the documentation made available in the data room used during the "Marketing Process" (refer to Section V (f) of Report).

(e) Communication with purchasers

- Information provided to Richter by the Debtors indicated that 71 offers to purchase condominium units in Phase I including 55 parking spaces had been accepted as of November 3, 2005;
- As of November 3, 2005, the Debtors had not respected the delivery dates for the initial 71 units. Furthermore, certain of the purchasers had remitted their cash deposit directly to the Debtors while others to the office of a notary.



- The net value to be generated from the completion of the initial 71 units was estimated at \$16,100,000 for the units and \$1,600,000 for the parking spaces;
- In addition, subsequent to November 3, 2005, at a time when it still was anticipated that the construction of Phase I may be completed, the Debtors, with Richter's and the Monitor's approval, accepted offers for the sale of an additional three units and two parking spaces for an estimated value of \$1,000,000;
- Richter communicated with these prospective purchasers to validate the terms of their contract and to confirm their interest to complete the purchase transaction;
- In this regard, letters were sent to all the prospective purchasers, as well as follow-up calls were made by Richter;
- In addition, Richter dealt with the ongoing queries and concerns voiced by these prospective purchasers throughout the restructuring process.

(f) The Marketing Process

- Pursuant to the rendering of the Amended Interim Receivership Order on March 29, 2006, Richter endeavoured to carry out the Marketing Process in a diligent manner with a view to obtaining the best possible offer for the sale of the Project;
- Richter did an initial mailing of a notice of sale by tenders to approximately fifteen (15) identified parties;
- Richter published a notice of sale by tenders in, *La Presse*, *Les Affaires* and, *The Gazette*;;
- Richter dealt with in excess of fifty (50) interested parties or potential bidders for the Project;
- In addition, Richter set up an electronic data room to be accessed by potential bidders and allowed on-site access as well as communications with the Debtors' personnel and Professionals, subject to and conditional upon the execution of a confidentiality agreement in relation therewith;
- Richter prepared standard terms and conditions governing the filing of any bids/offers relating to the Project;
- On May 5, 2006, Richter provided representatives of the Committee, the CIBC and TCC (Sleb 1) Limited Partnership, being a subsequent ranking secured creditor, with a memorandum outlining the Marketing Process;
- Richter received on May 25th, 2006, seven (7) offers in relation to the Project, proceeded to their analysis and summarized the content thereof to the Committee, the whole as appears in the summary sent to representatives of the Committee and the Debtors on or about May 30th, 2006;
- Of the seven (7) offers received, Richter initially rejected five (5). The remaining two (2) offers were to expire on June 9, 2006. By letter dated June 6, 2006, Richter provided the representatives of the Committee with a further summary of certain terms and conditions related to the remaining two (2) offers;
- On June 8, 2006, Richter was advised that the CIBC had accepted an offer to sell its hypothecary claims and that the purchaser had no interest in pursuing the Marketing Process unless all of CIBC's assigned secured claims were repaid in full;
- On June 8, 2006, Richter filed with the Court a Motion for Directions and on June 9, 2006, the Court terminated the Marketing Process.
- As directed, Richter immediately ceased to carry on any power, obligations or duty relating to the Marketing Process, informed the two (2) remaining offerors of the foregoing and returned their deposits;
- In addition, on June 13, 2006, Richter forwarded a copy of the offers received to the representatives of the Committee and the Debtors.

(g) Review of claims

- On December 15, 2005, the Court rendered an Order setting out a "Claim Process" with a "Bar date" of January 20, 2006 for creditors to file their proof of claim.

- One hundred and fourteen (114) proofs of claims were filed, of which forty-five (45) totaling \$5.7MM, were claiming a secured status in virtue of legal hypothec registered against the Project.
  - Richter assisted by the Companies' representatives, the Professionals, Mr. Denis Tremblay and Mr. Claude Labelle, reviewed and analyzed the claims filed.
  - Certain of the creditors were asked to provide additional information in support of their claim.
  - With the consent of the Debtors and their counsel, the Interim Receiver and the Monitor issued on/or about March 20, 2006 Notices of Disallowance relating to approximately \$2,700,000 of secured claims.
  - The majority of the Notices of Disallowance have been appealed by the creditors and, as such, Richter has had to perform a further review of the claims with the various professionals and the representatives of the Debtors.
  - Richter has assisted the Companies' attorneys, Fishman Fianz Meland Paquin, in reviewing the creditors' position as well as attending the various examinations of the creditors conducted with the Court's approval.
- (h) Control of receipts and disbursements
- The Interim Receiver will only remit to CIBC any surplus funds once the accounts that must be paid from the funds on deposit have been settled.

#### VI. DISCHARGE OF INTERIM RECEIVER

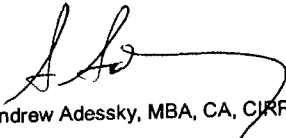
- Under the terms of the offer accepted by CIBC to sell its hypothecary claims, the sale shall take place on Tuesday, June 20<sup>th</sup>, 2006 with effect as of midnight on June 16, 2006. Accordingly, the Interim Receiver's mandate is to be terminated as of June 20<sup>th</sup>, 2006.
- Richter, as Interim Receiver, confirms to the Court that it has acted in good faith and diligently in performing its duties.
- Richter is not aware of any issue or matter relating to the execution of its mandate.
- Richter is assisting with the transition of various information to the Monitor.
- Richter confirms that it is in a position to complete its administration and fulfill all of its obligations pursuant to the Orders rendered on November 3, 2006 (as renewed by the Court) and March 29, 2006 (as terminated on June 9<sup>th</sup>, 2006).
- Richter will immediately cease to carry out any power pursuant to these Orders, the whole pursuant to the Order to be granted to that effect on June 20<sup>th</sup>, 2006.

MONTREAL, this 16th day of June 2006

**RSM Richter Inc.**

Interim Receiver

  
Yves Vincent, FCA, CIRP

  
Andrew Adessky, MBA, CA, CIRP

**TRUE COPY**

  
**Osler, Hoskin & Harcourt LLP**

RSM RICHTER INC.  
 INTERIM RECEIVER FOR MINCO DIVISION INC. & SLEB 1 INC.  
 Note 1

FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE PERIOD  
 November 3, 2005 to June 16, 2006

<b>RECEIPTS</b>			
1. Cash on hand (Note 2)			\$101,218
2. DIP Advances from CIBC (Note 3)			
a) November 8, 2005	1,100,000		
b) December 6, 2005	1,400,000		
c) February 6, 2006	307,500		
d) March 7, 2006	1,271,448		
e) March 24, 2006	138,000		
f) April 12, 2006	484,497		
g) June 19, 2006 (Note 4)	300,000		
			4,999,445
3. Bank Interest			15,576
			<u>5,116,239</u>
<b>DISBURSEMENTS</b>			
4. Fees paid to Court			150
5. Notice of Application for Taxation of Accounts and Discharge of Interim Receiver			
a) Copies creditors, debtor, Superintendent, Trustee	72		
b) Postage	288		
			360
6. Tranche 1 (Note 5)			
a) Payroll Costs	721,370		
b) Construction Costs	328,992		
c) Insurance	72,511		
d) Architect, Engineers and other professionals	174,209		
e) Rent and occupancy charges	48,150		
f) Utilities	62,757		
g) Advertising	30,053		
h) Security and protective	4,848		
i) Miscellaneous	22,046		
j) Commission	5,000		
k) Bank charges	511		
			1,470,248
7. Tranche 2 (Note 6)			
a) Monitor Fees (Litwin Boyadjian Inc.)	107,244		
b) Legal Fees (Fishman, Flanz, Meland, Paquin)	197,771		
			305,015
8. Tranche 3			
a) Professional fees paid to May 15, 2006 (Note 7)	638,487		
b) DIP Fee / expense (Note 8)	100,903		
c) Interest Expense (Note 8)	240,606		
			979,996
9. GST/QST on Tranche 1, 2 and 3			498,755
			<u>3,254,523</u>
<b>TOTAL DISBURSEMENTS BEFORE INTERIM RECEIVER'S REMUNERATION AND ACCRUALS</b>			
10. Tranche 3			1,008,122
a) Interim Receiver Fees to May 15, 2006			
			<u>4,262,845</u>
<b>TOTAL DISBURSEMENTS, PRIOR TO ACCRUALS</b>			
			<u>853,593</u>
<b>11. EXCESS OF RECEIPTS OVER DISBURSEMENTS PRIOR TO ACCRUALS</b>			
12. Accruals (including taxes)			
a) Tranche 1: June 3 to June 16, 2006 (Note 9a)	40,527		
b) Tranche 1: Accrued Liabilities (Note 9b)	54,305		
c) Tranche 2: Accrued Liabilities (Note 9c)	252,846		
d) Tranche 1: Contingent Accruals (Note 9d)	102,148		
e) Tranche 3: Professional Fees (Note 4)	400,278		
			849,902
			<u>\$3,691</u>
13. Estimated Net Funds to be remitted to CIBC (Note 10)			

Note 1: RSM Richter was appointed Interim Receiver on November 3, 2005 pursuant to an Order of the Quebec Superior Court rendered in conjunction with Minco-Division Construction Inc. and Sleb 1 Inc. (collectively the "Debtors") filing for protection under the provisions of the *Companies' Creditors Arrangement Act* ("CCAA").

Under the terms of the offer accepted by CIBC to sell its hypothecary claims, the sale shall take place on Tuesday June 20, 2006 with effect as of midnight on June 16, 2006. The mandate of the Interim Receiver is to be terminated as of June 20, 2006.

Note 2: The Debtor remitted to the Interim Receiver the funds in its bank account (which includes a GST refund of \$92,108 for the period of August 2005).

Note 3: Represents funds advanced by the Canadian Imperial Bank of Commerce ("CIBC") as DIP Lender pursuant to Court Orders rendered and the various Term Sheets entered into with the Debtors.

Note 4: A final advance is expected to be made on June 19, 2006 to provide the balance of funds required to cover the accrued professional fees (including taxes), as follows:

RSM Richter Inc.	\$193,428
Stikeman Elliott, LLP	178,969
Osler, Hoskin & Harcourt LLP	27,883
	<u>\$400,278</u>

Note 5: Pursuant to the DIP Term Sheets entered into with the Debtors, Tranche 1 costs include overhead, construction costs, insurance, utilities and other safeguard costs incurred since November 3, 2005.

Note 6: Tranche 2 costs consist of the fees of Litwin Boyadjian Inc., in their capacity as Monitor under the CCAA, and Fishman Fianz Meland Paquin ("FFMP"), legal counsel to the Debtors.

Note 7: Professional fees paid under Tranche 3 include amounts paid to:

Stikeman Elliott, LLP	\$576,381
Gestion Lehoux et Tremblay Inc.	48,746
Gestion Claude Labelle Inc.	13,360
	<u>\$638,487</u>

Note 8: Represents fees and interest paid pursuant to the DIP term sheets entered into between the CIBC and the Debtors.

Note 9: At the present time the Interim Receiver has not necessarily paid and/or received all of the invoices for services and expenses expected to be incurred for the period ending June 16, 2006.

Note 9a: Tranche 1: June 3 to June 16, 2006

Phase 1 Insurance (May 1 to June 16, 2006)	\$6,667
Security day-time	1,741
Security night/weekends	7,040
Utilities, other safeguard	23,080
Gestion Claude Labelle Inc.	2,000
	<u>\$40,527</u>

Note 9b: Tranche 1: Accrued Liabilities

Payroll Costs	\$1,000
Architect, Engineers and other professionals	22,527
Miscellaneous	5,778
General accrual	25,000
	<u>\$54,305</u>

Note 9c: Tranche 2: Accrued Liabilities

FFMP - invoiced to June 1, 2006	\$162,238
FFMP - per budget, June 2 to June 16, 2006	25,293
Litwin Boyadjian - Invoiced to June 16, 2006	65,115
	<u>\$252,646</u>

Note 9d: Contingent accruals

The following amounts have been accrued for but are disputed for various reasons:

Lu-Ard Electricque (see explanation below)	\$90,389
Other	11,757
	<u>\$102,146</u>

The Lu-Ard Electricque claims relate to recently submitted invoices for \$77,997 which Minco is contesting as they relate to work done prior to November 3, 2005 and progress billings which have not been approved. In addition, Lu-Ard Electricque is claiming \$7,218 for work done post November 3, 2005 but which was not paid due to the removal of inventory from the job-site which belonged to Sleb. A final \$5,176 is due as a holdback.

Note 10: Any surplus funds in the Interim Receiver's account will be remitted to the CIBC.

RSM Richter Inc.  
Interim Receiver

Per: Yves Vincent, FCA, CIRP

**TRUE COPY**

*June 16, 2006*  
Date

*Osler, Hoskin & Harcourt LLP*  
Osler, Hoskin & Harcourt LLP

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**S U P E R I O R C O U R T**  
(Commercial Division)  
(In Bankruptcy and Insolvency)

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**PROVINCE OF QUEBEC**  
**DISTRICT OF MONTREAL**

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**IN THE MATTER OF THE PLAN OF  
COMPROMISE OR ARRANGEMENT OF:**

**MINCO-DIVISION CONSTRUCTION INC.;**

- and -

**SLEB 1 INC.;**

Debtors

- and -

**LITWIN BOYADJIAN INC.;**

Monitor

- and -

**RSM RICHTER INC.;**

Interim Receiver/Petitioner

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**MOTION FOR TERMINATION OF THE INTERIM  
RECEIVERSHIP PROCEEDINGS, FOR TAXATION OF  
THE INTERIM RECEIVER'S FEES AND  
DISBURSEMENTS, FOR DISCHARGE OF THE  
INTERIM RECEIVER, AND FOR RELATED MATTERS**

(Section 11 of the *Companies' Creditors Arrangement Act*,  
R.S.C. 1985, c. C-36 ("CCAA")  
and Section 47.1(2)(b) and ff. of the *Bankruptcy and Insolvency  
Act*, R.S.C. 1985, c. B-3 ("BIA"))

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**COPY**

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**Me Martin Desrosiers**

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