

# RSM Richter Inc.

RSM Richter Inc.

2, Place Alexis Nihon  
Montréal (Québec) H3Z 3C2  
Téléphone / Telephone : (514) 934-3497  
Télécopieur / Facsimile : (514) 934-3504  
www.rsmrichter.com

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTREAL  
DIVISION NO.: 01-MONTRÉAL  
COURT NO.: 500-11-038703-100  
ESTATE NO.: 41-342522

**SUPERIOR COURT**  
**(Commercial Division)**

**IN THE MATTER OF THE RECEIVERSHIP OF:**

**9178-2292 QUEBEC INC.**, a body politic and corporate,  
duly incorporated according to law and having its head  
office and its principal place of business at:  
263 Ste-Rose Blvd.  
Laval, Québec

**Debtor**

**-and-**

**RSM RICHTER INC.**

**Receiver**

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## **INTERIM RECEIVER'S REPORT ON THE AFFAIRS OF THE DEBTOR (S.246(1))**

RSM Richter Inc., in its capacity as Receiver to the assets of 9178-2292 Québec Inc. ("Company" or "Debtor"), an insolvent person, hereby reports on the following:

### **A) Overview**

1. The Company, incorporated in January 2007, is owned by 9143-1304 Québec Inc., a bankrupt company which was part of the Groupe Melior Inc. corporate structure ("Groupe Melior").
2. The Company's principal asset comprises of a residential building for seniors, referred to as Domaine Des Forges III, located at 263 Ste-Rose Blvd., in Laval, Québec ("Property").
3. The Property consists of a stand-alone apartment building, which offers housing to independent living residents, has eighty-four (84) residential units, two (2) commercial spaces and (2) offices.
4. The Property was initially managed by Groupe Melior, under the direction of Mr. Jean Maynard, until March 31, 2010, when Cogir Management Corporation/Société de Gestion Cogir, s.e.n.c. ("Cogir" or "Property Manager") was retained to manage the Property.
5. The Company was financed by Royal Bank of Canada ("RBC"), the mortgage creditor.

**B) Bankruptcy**

6. On April 1, 2010, the Company filed a Notice of Intension to Make a Proposal ("NOI"), with Ernst & Young Inc. as Trustee.
7. Pursuant to the filing of the initial NOI, the Court granted various Orders extending the delay to file a Proposal until July 12, 2010.
8. Prior to July 12, 2010, the Debtor did not make a further request for an extension to make a Proposal, nor filed a Proposal. Consequently, the Debtor was declared bankrupt on July 13, 2010. On July 13, 2011, Ernst & Young Inc. filed a Motion for Direction in Court to seek approval to not take possession and abandon the Property, in light of the appointment of the Receiver. The said Motion was granted on July 14, 2010.

**C) Receivership**

9. On June 8, 2010, RBC filed a Motion for the Appointment of a Receiver to the assets of the Debtor and on June 9, 2010, the Court granted an Order appointing RSM Richter Inc. as Receiver to the assets of the Debtor (the "Receiver Order"), with the powers provided therein. (We refer you to **Exhibit "1"** for a copy of the Receiver Order).
10. On June 18, 2010, a Notice and Statement of the Receiver was mailed to all known creditors. (We refer you to **Exhibit "2"** for a copy of the Notice and Statement of the Receiver).
11. Pursuant to the appointment of the Receiver, Cogir's mandate to manage the Property was confirmed. Cogir's responsibilities include overseeing the Property's "in-house" management teams and personnel, providing strategic assistance and guidance in the marketing of the residence and maintaining the books and records of the Property.
12. The Receiver, as provided in the Receiver Order, has been monitoring the affairs of the Property, its operations and financial results, based on the information provided by Cogir. All invoices for current purchases and services provided since the Receiver's appointment have been paid as they come due, as further discussed in Section E of this Report.

**D) Sale of Property**

13. Further to a sale process conducted by Price Waterhouse Coopers ("PWC"), which commenced in July 2010, and lengthy negotiations with one of the offerors, an acceptable Offer to Purchase was submitted on March 2, 2011.
14. On March 3, 2011, PWC, with consent of the Receiver, RBC and Central Mortgage Housing Corporation ("CMHC"), accepted the Offer to Purchase, subject to Court approval.
15. On March 19, 2011, the RBC, with the consent of CMHC, filed a Motion Seeking the Authorization to Sell Property of the Debtor and the Issuance of a Vesting Order, in accordance with Section 243 of the *Bankruptcy and Insolvency Act*.
16. On March 22, 2011, a Court Order was granted authorizing the Receiver to sell the Property of the Debtor to 9230-6729 Québec Inc. (assigned to 9183-6932 Québec Inc.) ("Purchaser") and to take the necessary steps to do so ("Sale Order"). (We refer you to **Exhibit "3"** for a copy of the Sale Order).

17. On April 8, 2011, pursuant to the Sale Order, the Receiver and the Purchaser concluded the sale transaction and the Deed of Sale was signed and subsequently registered on April 12, 2011.

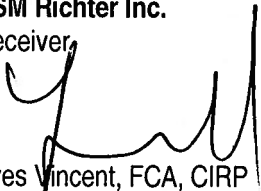
**E) Statement of Receipts and Disbursements**

18. Over the course of the Receivership mandate, the Receiver has monitored the operations of the Property, including the review and approval of all invoices and the issuance of all payments.
19. We refer you to **Exhibit "4"** for the Statement of Receipts and Disbursements for the period from June 8, 2010 to April 30, 2011.
20. Since the closing of the sale transaction, the Receiver continues to pay the outstanding obligations for goods or services received at the Property, up to and including April 8, 2011 and the professional fees relating to the administration of the Receivership matter.
21. Once all obligations are settled, the RSM Richter Inc. will proceed to close the Receivership matter.

DATED AT MONTRÉAL, this 11<sup>th</sup> day of May 2011.

**RSM Richter Inc.**

Receiver,

  
Yves Vincent, FCA, CIRP  
Administrator

# **EXHIBIT 1**

**SUPERIOR COURT**

**CANADA**

**PROVINCE OF QUEBEC**

**DISTRICT OF MONTREAL**

N°: 500-11-038703-100

DATE : June 9, 2010

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**PRESIDING:** Me Chantal Flamand, registraire

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**9178-2292 QUÉBEC INC.**

Debtor/Respondent

-and-

**ROYAL BANK OF CANADA**

Petitioner

-and-

**RSM RICHTER INC.**

Receiver

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**ORDER**

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CC

**CONSIDERING** the Petitioner's Motion for the Appointment of a Receiver, the Affidavit and exhibits in support thereof and the representations made by counsel for the Petitioner;

**FOR THESE REASONS, THE COURT:**

- [A] **GRANTS** the present *Motion for the Appointment of a Receiver* (the "**Motion**");
- [B] **SHORTENS** and **WAIVES** the delays for service, filing and presentation of the Motion;
- [C] **APPOINTS** RSM Richter Inc., through its representative, Yves Vincent, to act as receiver (the "**Receiver**") to the property of Debtor/Respondent, 9178-2292 Québec Inc. (the "**Debtor**"), pursuant to Section 243 of the *Bankruptcy and Insolvency Act* ;
- [D] **AUTHORIZES** the Receiver, at the Receiver's discretion, to take possession of all of the Debtor's assets and exercise upon them, as well as on the Debtor's business, complete control and, without restricting the generality of the foregoing, **GRANTS** to the Receiver the following powers which, at the Receiver's discretion, may be utilized :
  - (a) all the necessary powers to collect all the accounts receivables of Debtor;
  - (b) all the powers necessary to the control of the receipts and disbursements of Debtor;
  - (c) all powers necessary to negotiate, enter into and terminate any agreement with respect to the Debtor's operations, business, assets and property;
  - (d) all the powers necessary to operate, on behalf of Debtor, its business, including without limitation, the powers to hire employees, to purchase goods and services and to lease rooms/apartments and more generally, to do anything required or useful to continue the operations of Debtor;
  - (e) all the powers necessary to hire, on behalf of Debtor, any qualified nurse or other professional required, in its sole opinion, to operate Debtor's business;
  - (f) all the powers to sign and issue cheques on behalf of Debtor;
  - (g) all the powers necessary to protect the interests of Petitioner, the Royal Bank of Canada ("**Petitioner**");

- (h) all the powers necessary to take safeguard measures in order to prevent that Debtor squanders its assets and/or erodes the value of the security of Petitioner;
- (i) any other power necessary to the taking of safeguard measures regarding all of Debtor's assets and operations;
- (j) open any required bank account on behalf of the Debtor, according to terms and conditions that it will, in its sole discretion, consider appropriate, with any Canadian chartered bank, including Petitioner or any other acceptable financial institution, in order to cash in any sum payable to Debtor, or to its benefit, and make any payment that, in its opinion, is necessary, to Petitioner or to the fulfilling of the Receiver's duties; and
- (k) contract any loan or other form of credit on behalf of the Debtor up to a capital amount of \$150,000 in order to allow the continuation of Debtor's operations, and the charge or hypothec on any such debt or loan (plus the additional hypothec of 20%) will be ranked in preference and priority to any other existing guarantee or security, of any nature whatsoever, and will be paid in preference and priority by the Receiver;

[E] **AUTHORIZES** the Receiver to conduct and supervise a sale process of Debtor's assets and business;

[F] **AUTHORIZES** the Receiver to solicit, through private or public call for tenders or through any other means, bids regarding Debtor's assets and business;

[G] **DECLARES** that the Receiver has all the powers necessary, required or appropriate in order to:

- (a) solicit bids for Debtor and, more generally, to manage the call for tenders process or any other sale process;
- (b) determine the means to contact potential buyers, through private mailings, publication in newspapers or otherwise, and proceed accordingly;
- (c) determine the means of commercializing Debtor, and/or, amongst others, the groups of assets or the grouping of assets of Debtor;
- (d) allow any potential buyer or any person having demonstrated or demonstrating an interest in Debtor to proceed to a due diligence or to any other analysis of Debtor; and

- (e) conclude any agreement, of any nature whatsoever, on behalf of Debtor, with any person, in order to receive bids regarding Debtor;

[H] **DECLARES** that:

- (a) the Receiver shall be entitled to institute appropriate proceedings, as the case may be and retain the services of legal advisors for the purposes of these proceedings or for any other need. Moreover, such Receiver shall be entitled to file any motion for directions within the meaning of section 34 of the *Bankruptcy and Insolvency Act* as if it were a trustee and if necessary, to execute any necessary document to place Debtor into bankruptcy;
- (b) in addition to the foregoing, the Receiver shall not be liable for any debt that came into existence prior to the service of the judgment to be rendered herein;

[I] **DECLARES** that:

- (a) the Receiver shall not be considered the employer, for all intents and purposes, and shall not incur any liability whatsoever regarding third parties, the Receiver acting for and on behalf of Debtor, among others, as if it were a taking of possession for purposes of administration within the meaning of articles 2773 of the *Civil Code of Québec* and seq., or a sale by the creditor within the meaning of article 2786 *Civil Code of Québec*;
- (b) the Receiver will not be considered as operating or continuing the enterprise of Debtor, for any purposes whatsoever;
- (c) the Receiver shall not incur any liability whatsoever regarding third parties or the Debtor for any act done under the judgment to be rendered herein;
- (d) all the powers, obligations and duties of the Receiver shall be exercised in his sole discretion and according to the judgment to be rendered herein;
- (e) the Receiver shall benefit from the protection of sections 14.06 of the *Bankruptcy and Insolvency Act* and more particularly the Receiver shall not, as a result of the judgment to be rendered herein or anything done in pursuance of the Receiver's duties and powers under the judgment to be rendered herein, be deemed to be in possession of any of the property of Debtor within the meaning of any federal, provincial or other legislation, statute, regulation or rule of law or equity respecting the protection, conservation, enhancement, remediation or rehabilitation of the



environment or relating to the disposal of waste or other contamination and regulations thereunder;

- [J] **ORDERS** Debtor and its representatives and employees to surrender all of those assets, the Receiver requires to implement the judgment to be rendered herein, upon service of said judgment;
- [K] **ORDERS** Debtor and its representatives and employees to fully collaborate and cooperate with the Receiver and help and assist the Receiver in the fulfilling of its duties;
- [L] **ORDERS** Debtor and its representatives and employees to grant access to and to surrender to the Receiver all of its accounting records, books and other accounting or financial documents of any nature whatsoever, notwithstanding their medium, and fully assist and help the Receiver in accomplishing its duties and in analyzing such documents;
- [M] **AUTHORIZES** the Receiver, on behalf of the Debtor, to retain or to terminate the services of any person or enterprise, including nurses or doctors, in order to effectively fulfill its duties and to delegate whenever suitable to the Receiver, such powers to any person or enterprise and appoint any agent or other representative;
- [N] **AUTHORIZES** the Receiver to pay out any advance regarding its fees and disbursements, with the agreement of Petitioner, the whole subject to taxation in conformity with the Law;
- [O] **EXEMPTS** Petitioner from serving any prior notice for the presentation of the Motion;
- [P] **ORDERS** that these proceedings shall have full force and effect in all of the provinces and territories in Canada;
- [Q] **ORDERS** that the judgment to be rendered herein be executory, notwithstanding appeal and without any need to give security;
- [R] **ALLOWS**, as the case may be, a shorter time for presentation;
- [S] **RENDERS** any other remedy appropriate in the circumstances;
- [T] **THE WHOLE** without costs.

STRENGTHENED FLOOR AND 209

*[Handwritten signature and stamp]*

# **EXHIBIT 2**

CANADA  
Province of Quebec  
District of: Quebec  
Division No.: 01 - Montréal  
Court No.: 500-11-038703-100  
Estate No.: 41-

SUPERIOR COURT  
In Bankruptcy and Insolvency  
(Commercial Division)

**Notice and Statement of the Receiver**  
(Subsections 245(1) and 246(1) of the Act)

In the Matter of the Receivership of  
**9178-2292 Québec Inc.**  
(operating under Le Domaine des Forges III) ("debtor")

The receiver gives notice and declares that:

1. On June 9, 2010, we, RSM Richter Inc., became the receiver in respect of the property of 9178- 2292 Québec Inc., insolvent person, that is described below:

Property: "Domaine des Forges III" stand-alone building located at 263 Ste-Rose Blvd., Laval, Quebec, which has 84 residential units, two commercial spaces and two offices.

2. We became a receiver by virtue of being appointed by the Court, pursuant to the attached Order.
3. The undersigned took possession of the property described above on June 9, 2010.
4. The following information relates to the receivership:
  - (a) Address of debtor: 5300, Ch. de la Côte Saint-Luc, Suite 503, Montréal, Quebec, H3X 0A3
  - (b) Principal line of business: Owner and operator of a retirement home for elderly people
  - (c) Location of the business: 263, Boulevard Sainte-Rose, Laval, Quebec, H7L 4V6
  - (d) Amount owed by insolvent person to each creditor who holds a security on the property described above:

ROYAL BANK OF CANADA

\$8,597,375

- (e) The list of other creditors of the insolvent person and the amount owed to each creditor and the total amount due by the insolvent person is as follows:

**UNSECURED CREDITORS**

4425529 CANADA INC.	\$200,000.00
9050-2428 QUEBEC INC.	150,000.00
9143-1304 QUEBEC INC.	10,000.00
9145-8794 QUEBEC INC.	2,716.00
9145-8794 QUEBEC INC.(DDF)	80,616.32
9157-7437 QUEBEC INC.	273,319.00
9157-7437 QUEBEC INC.(DDF II)	25,270.85

**UNSECURED CREDITORS (cont'd)**

ALARME SENTINELLE	\$ 2,031.75
ASCENSEURS NOVA INC.	733.68
CARTE RONA PREVILEGE	754.10
DEVELOPPEMENT MELIOR SEC	757,011.00
DEVELOPPEMENT ST-BRUNO INC.	13,511.00
FOURNITURE DE BUREAU DENIS	62.39
GOYAVE	474.07
HYDRO-QUEBEC	29,601.76
LES EMBELLISSEMENTS MICHEL LAV	169.31
MINISTERE DU REVENU DU QUEBEC	94,392.00
ROBERT LEBLANC	588.00
SECUTROL INC.	310.98
VEZINA PARTY CENTRE	34.63
VIDEOTRON	78.96
VILLE DE LAVAL	48,009.73
WOOD WYANT INC.	282.25
CREATION JSP	1,100.00
GROUPE MELNOR INC.	699.19
IMPRIMERIE RAYMOND	359.08
ENTREPRISE REN-O	<u>658.44</u>
	<b><u>\$1 692 784.49</u></b>

(f) The intended plan of action of the receiver during the receivership, to the extent that such a plan has been determined, is as follows:


See to the continuation of operations and monitor the management of the property, control the bank account and receipts, approve all disbursements and, ultimately, coordinate the sale process of the property.

(g) Contact person for receiver: Ariella Yedid, CA  
 Tel: 514.934.3532 / Fax: 514.934.3504  
 E-mail: [ayedid@rsmrichter.com](mailto:ayedid@rsmrichter.com)

Dated at Montréal in the Province of Quebec, June 18, 2010.

RSM Richter Inc. - Receiver

Per:



Yves Vincent, FCA, CIRP  
 2 Place Alexis Nihon, Suite 1820  
 Montréal QC H3Z 3C2  
 Phone: (514) 934-3497 Fax: (514) 934-3504

# **EXHIBIT 3**

**SUPERIOR COURT**

**CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL**

N°: 500-11-038703-100

DATE : March 22, 2011

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**PRESIDING:** CHANTAL FLAMAND Registrar

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**IN THE MATTER OF THE RECEIVERSHIP OF:**

**9178-2292 QUÉBEC INC.**

Debtor/Respondent

-and-

**ROYAL BANK OF CANADA**

Petitioner

-and-

**RSM RICHTER INC.**

Receiver

-and-

**THE REGISTRAR OF THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS**

-and-

**THE REGISTRAR OF THE LAND REGISTRY, DIVISION OF LAVAL**

Mis en cause

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**ORDER**

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**CONSIDERING** the Petitioner's Motion Seeking the Authorization to Sell Property of the Debtor and the Issuance of a Vesting, the affidavits and exhibits in support thereof and the representations made by counsel for the Petitioner;

**FOR THE REASONS, THE COURT:**

- [A] **GRANTS** Petitioner's *Motion Seeking the Authorization to Sell Property of the Debtor and the Issuance of a Vesting Order* (the "**Motion**");
- [B] **DECLARES** sufficient the service and notice of the Motion and **EXTENDS** the delays of service as required;
- [C] **PERMITS** service of the present Order at any time and place and by any means whatsoever;
- [D] **DECLARES** that all capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Motion;
- [E] **GRANTS** to RSM Richter Inc. (the "**Receiver**") the following powers:
- (a) accept and consent to a deed of sale (the "**Deed of Sale**") by and between the Receiver, as seller, and 9230-6729 Québec Inc. (the "**Purchaser**"), as purchaser, in accordance with the terms and conditions of the purchase offer (the "**Offer**") communicated in support of the Motion as Exhibit R-9, subject to any modifications agreed to between the parties which do not substantially affect the value of the transaction contemplated by the Offer (the "**Transaction**");
  - (b) perform all acts, sign all documents, including the Deed of Sale, and any other related or ancillary documents (including but not limited to a receipt and acquittance for the purchase price when paid), and take any necessary dispositions to execute any dispositions, transactions or engagements stipulated in the Offer or any related documents, and further execute any agreements, contract, deed or any other document ancillary or related to the Offer or the Deed of Sale, which could be required or useful to give full and complete effect thereto;
  - (c) complete the Transaction and to deliver the assets sold pursuant to the Transaction and more fully detailed in the Offer (Exhibit R- 9) (the "**Purchased Assets**") to the Purchaser free and clear of any security, charge or other restriction; and
  - (d) collect the proceeds of the Transaction and distribute the net proceeds of the sale of the Purchased Assets to the Petitioner in accordance with its securities.
- [F] **APPROVES** and **AUTHORIZES** the Offer and the sale by the Receiver to the Purchaser of the Purchased Assets, pursuant to and in accordance with the terms and conditions of the Offer;
- [G] **DECLARES** that the Transaction is valid, opposable and enforceable;
- [H] **AUTHORIZES** and **ORDERS** the sale of the Purchased Assets to the Purchaser on the terms and conditions of the Offer, or as the parties may agree to, including the consummation of all transactions contemplated by the Offer and each of its terms and conditions;

- [I] **ORDERS and DECLARES** that upon closing of the Transaction, the Purchased Assets shall vest absolutely and exclusively in and with the Purchaser, free and clear of and from any and all rights, interests, prior claims, hypothecs, security interests, trusts, deemed trusts (whether contractual, statutory or otherwise), pledges, executions, rights of first refusal or other pre-emptive rights in favour of third parties, mortgage, liens, assignments, judgments, executions, writs of seizure and sale, options, adverse claims, levies, charges, obligations, liabilities (direct, indirect, absolute or contingent), or other claims or encumbrances, whether or not they have been attached or been perfected, registered or filed and whether secured, unsecured or otherwise (all of which are collectively referred to as the "**Encumbrances**") including without limiting the generality of the foregoing, all rights, charges, security interests or claims evidenced by registrations of any province in Canada and the *Civil Code of Québec*;
- [J] **ORDERS** that the Encumbrances be transferred to and conveyed upon, and thus charge, the proceeds from the sale of the Purchased Assets subject to all defects, attributes and considerations affecting and/or relating to the Encumbrances in existence prior to the said transfer;
- [K] **DECLARES** that the sale and assignment of the Purchased Assets shall have the same effect as a sale by judicial authority as per the provisions of the *Civil Code of Quebec*;
- [L] **ORDERS** that all of the Encumbrances affecting or relating only to the Purchased Assets be reduced as against the Purchased Assets, subject to the following paragraphs hereof;
- [M] **AUTHORIZES and ORDERS** the Receiver to file into the court record the certificate in the form of the certificate attached as Schedule "A" hereto;
- [N] **ORDERS** the Registrar of the Land Registry, Registration Division of Laval, upon presentation of a certified copy of the present Order accompanied by the required application for the registration and by a certificate of the Receiver in the form of certificate attached as Schedule "A" hereto confirming that the sale of the Purchased Assets has been duly completed and upon payment of the prescribed fees, to publish this Order and (i) to proceed with an entry on the index of immovables showing the Purchaser as the absolute owner of the Property as defined in the Motion; and (ii) to proceed with the cancellation of any and all of the following Encumbrances which are immovable and against the Property, namely: a hypothec in favour of Royal Bank of Canada registered on June 12, 2008 at the Registry Office under number 15 302 812
- [O] **ORDERS** the Personal and Movable Real Rights Registrar, upon presentation of a certified copy of the present Order accompanied by the required applications for the registration, by a certificate of the Receiver in the form the certificate attached as Schedule "A" hereto confirming that the sale of the Purchased Assets has been duly completed and upon payment of the prescribed fees, to publish such Order and to proceed to the cancellation of any and all of the following Encumbrances on the Purchased Assets, which are moveable property and against the Movable Properties only, namely: a conventional hypothec in favour of Royal Bank of Canada inscribed under number 08-0343927-0001;
- [P] **ORDERS** that notwithstanding:
- (a) any proceedings under the *BIA*;



- (b) any petitions for a receiving order now or hereafter issued pursuant to the *BIA* and any received order issued pursuant to any such petitioner; or
- (c) the provisions of any federal or provincial statute;

the vesting of the Purchased Assets in the Purchaser, as well as the execution of all agreements pursuant to the order to be granted pursuant to the Motion, shall be binding on any successor in interest, including any trustee, monitor or receiver that may be appointed under any applicable federal or provincial legislation, and shall not be void or voidable nor deemed to be a settlement, transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *BIA* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation;

- [Q]** <sup>Declares</sup> **ORDERS** that the Receiver shall be authorized to take all such steps as may be necessary to effect the discharge of the Encumbrances as may be necessary;
- [R]** **ORDERS** that the report and the Offer filed as Exhibit R-8 and R-9 be kept confidential and under seal until the earlier of a) the closing of the Transaction; or b) further order of this Court;
- [S]** **DECLARES** that the Receiver shall not be considered to operate or continue the business of the Debtor, for any purposes whatsoever;
- [T]** **DECLARES** that the Receiver, without limiting the generality of the foregoing, shall benefit from the protection of Section 14.06 *BIA*;
- [U]** **ORDERS** that the Receiver shall not, as a result of the order or anything done in pursuance of the receivers' duties and powers under the order, be deemed to be in possession of any of the property of the Debtor within the meaning of any federal, provincial or other legislation, statute, regulation or rule of law or equity respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination and regulations;
- [V]** **ORDERS** the provisional execution of the present Order notwithstanding appeal;
- [W]** **THE WHOLE** without costs.

(S) CHANTAL FLAMAND  
Registrar

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# **EXHIBIT 4**

**RSM RICHTER INC., RECEIVER**

<b>9178-2292 Québec Inc. (Domaine des Forges III)</b>	
<b>Statement of Receipts and Disbursements</b>	
<b>From June 8, 2010 to April 30, 2011</b>	
<b>(Note 1)</b>	
<b>Cash Receipts</b>	
Rental Revenues	\$ 860,913
Other Revenues	66,567
Reimbursement of taxes	33,440
Sales proceeds	<b>(Note 2)</b> -
Advance from RBC	322,952
	<u>1,283,872</u>
<b>Cash Disbursements</b>	
Wages & Levies	155,889
Interco - 9145-8794 Québec Inc. (DDFI)	52,708
Interco - 9157-7437 Québec Inc (DDFII)	36,860
Insurance (pre-paid)	7,805
Realty Taxes (remitted to RBC)	-
Utilities	126,987
Advertising & Marketing	5,925
Administration	18,880
Repairs & Maintenance	83,176
Management Fees	50,399
Professional Fees	3,759
- RSM Richter Inc.	<b>(Note 3)</b> 297,952
- Davies Wards Phillips & Vineberg	<b>(Note 3)</b> -
- PWC - Sale process	<b>(Note 3)</b> -
Sale process - Advertising	4,545
	<u>844,885</u>
<b>Net Cash Receipts over Disbursements</b>	<u>438,987</u>
Mortgage Payments (RBC)	<u>434,252</u>
<b>Net cash flow</b>	4,735
Opening Cash Position	29,636
<b>Closing Cash Position</b>	<u><u>\$ 34,371</u></u>

**Note 1:** The above is an interim statement of receipts and disbursements. The closing cash position will be used to fund the balance of the Receiver's obligations.

**Note 2:** The sales proceeds were remitted directly to RBC, the mortgage creditor.

**Note 3:** The outstanding professional fees for services rendered by RSM Richter Inc. as Receiver, Davies Ward Phillips and Vineberg as advisors of RBC and PWC as manager of the sale process will be paid directly by RBC.