

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

BETWEEN:

KENDAX INVESTMENTS INC.

Applicant

- and -

**DONALD CARMICHAEL, 658051 ONTARIO LIMITED and
KINGSCROFT INVESTMENTS LIMITED**

Respondents

- and -

BONAVENTURE SMALL INVESTORS GROUP

Interested Party

**JUDICIAL TRUSTEE'S EIGHTH REPORT TO THE BENEFICIAL OWNERS OF
CONDOMINIUM PLAN 8811686, UNITS 1 TO 195,
205 HERITAGE DRIVE S.E., CALGARY, ALBERTA
("BONAVENTURE COURT" OR THE "PROPERTIES")**

This report updates the beneficial owners and purported beneficial owners of Bonaventure Court (the "Beneficial Owners") as to the status of the administration of Bonaventure Court and the related litigation between the Applicant, the Respondents and the Interested Party (all as described above).

A. Access to Information

Copies of all Court Orders referred to and certain other Court documents are posted at www.bonaventurecourt.com. Copies of any other filed Court documents are available from the Judicial Trustee upon request.

B. Court Proceedings

On November 21, 2006, upon application by the Judicial Trustee, the interim fees and disbursements of the Judicial Trustee were approved by the Court of Queen's Bench of Alberta for the period of March 1, 2006 to September 30, 2006.

C. Unit Accounting and Second Mortgage

On May 25, 2006, upon application by Bonaventure Small Investors Group ("BSIG"), the Court expanded the powers and duties of the Judicial Trustee to complete a unit accounting with respect to the units of Bonaventure Court. In order to reduce costs to all beneficial owners, BSIG requested that their representative, Linda Dixon, a Chartered Accountant and beneficial owner of five units in the Properties, compile the unit accounting at first instance. The unit accounting prepared by Ms. Dixon, which will include an accounting for the second mortgage registered against each of the units of Bonaventure Court by Kingscroft Investments Limited, will then be provided to the Judicial Trustee for an independent review. The results of the Judicial Trustee's review will then be reported to the Court and to the Beneficial Owners. We are informed by Ms. Dixon that she is still in the process of compiling the unit accounting.

D. Financial Statements and T-776 Income Tax Information

The financial statements for the Properties for the year-ended December 31, 2006, along with the T-776 "Statement of Real Estate Rentals" form were prepared and mailed out to Beneficial Owners in March, 2007 by Sloan Partners LLP. If you have not received this package, please contact the Judicial Trustee. The 2006 financial statements for the Properties are posted at www.bonaventurecourt.com.

E. Receipts and Disbursements

To March 31, 2007, the Judicial Trustee has received \$2,034,000 from Fireside Management Ltd. from which various costs of administration have been paid. The cash held in trust as at March 31, 2007 of \$1,172,811 is being held in an interest-bearing trust account, yielding Alberta Treasury Branch Prime rate less 2¼ percent, or 3¾ percent.

Fireside's Monthly Financial Statements for Bonaventure Court as of March 28, 2007 and the Judicial Trustee's Statement of Receipts and Disbursements as of March 31, 2007 are attached to this report and copies are also posted at www.bonaventurecourt.com.

F. Offer to Purchase

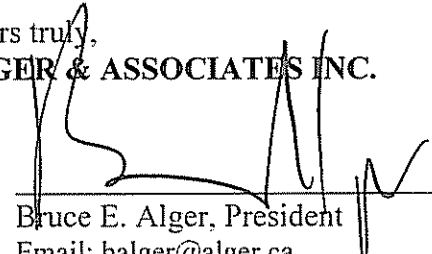
On March 28, 2007, the Judicial Trustee received via e-mail an unsolicited conditional offer from a real estate broker to purchase Bonaventure Court for \$24,340,000. As Judicial Trustee of Bonaventure Court we responded to the real estate broker that we took no position on this unsolicited offer, but confirmed to them that we would forward this e-mail to the Respondents, Applicant and BSIG, which we did do on that date.

G. Service of Report

This report has been sent to the Beneficial Owners and other interested parties via e-mail, where available, or via mail where not available. If recipients wish to receive a copy of future reports and other information from the Judicial Trustee via e-mail, please contact the Judicial Trustee. Similarly, if recipients wish to receive copies of future reports and other information via mail, please contact the Judicial Trustee. The Judicial Trustee can be contacted by telephone at 403-298-5800 or toll-free at 1-800-661-8284 or via e-mail at mcostello@alger.ca or balger@alger.ca.

DATED this 16th day of April, 2007.

Yours truly,
ALGER & ASSOCIATES INC.

Per: 

Bruce E. Alger, President
Email: balger@alger.ca

TO: Respondents
Attention: Donald Carmichael

AND TO: A.G. Young Legal Centre
Counsel for the Applicant
Attention: Anthony G. Young

AND TO: Burnet, Duckworth & Palmer LLP
Counsel for the Judicial Trustee
Attention: Carla Murray

AND TO: Fraser Milner Casgrain LLP
Counsel for Bonaventure Small Investors Group
Attention: David LeGeyt

AND TO: Court of Queen's Bench of Alberta

AND TO: The other Beneficial Owners and purported Beneficial Owners and other interested parties

PREPARED FOR :

PREPARED BY :

Fireside Management
822 - 5th Avenue S.W.
Calgary, Alberta
T2P 0N4

	Month to Date	%	Year to Date	%
REVENUE				
RENTAL REVENUES				
Rental Revenue-Res	145,405.00	96.30	414,750.00	97.16
Parking	160.00	.11	440.00	.10
Maintenance Recoveries	590.00	.39	1,265.00	.30
NSF Charge	150.00	.10	225.00	.05
Laundry	3,922.77	2.60	7,995.99	1.87
Late Fee	65.00	.04	145.00	.03
Sundry	706.65	.47	2,063.49	.48
TOTAL REVENUE	150,999.42	100.00	426,884.48	100.00
EXPENSES				
OPERATING EXPENSES				
Property Tax	11,476.00	7.60	34,428.00	8.06
Management Fee	4,366.90	2.89	12,854.25	3.01
Garbage	2,029.45	1.34	5,816.77	1.36
Janitorial			46.78	.01
G.S.T.			244.87	.06
Sundry Operating	115.78	.08	135.78	.03
Pest Control			197.10	.05
Advertising	217.21	.14	775.76	.18
TOTAL OPERATING	18,205.34	12.06	54,499.31	12.77
UTILITIES				
Light, Water & Sewer	6,568.13	4.35	11,791.44	2.76
Heat	16,633.99	11.02	54,980.96	12.88
Telephone	143.95	.10	509.28	.12
TOTAL UTILITIES	23,346.07	15.46	67,281.68	15.76
WAGES				
Wages	5,050.00	3.34	14,950.00	3.50
Wages-Maint. & Clnng.	1,005.00	.67	2,979.00	.70
TOTAL WAGES	6,055.00	4.01	17,929.00	4.20
REPAIRS & MAINTENANCE				
Building Interior Paint.	3,079.30	2.04	3,893.72	.91
Appliance Repairs	1,101.14	.73	2,172.84	.51
Carpet & Drapes Repairs	129.32	.09	5,782.73	1.35
Elect. Repair & Supplies	472.76	.31	2,087.77	.49
Plumbing Repairs	1,036.63	.69	2,048.36	.48
Heating & Air Condition	106.00	.07	13,308.66	3.12
General Repairs	1,814.01	1.20	4,294.25	1.01
Grounds & Parking Lot	1,710.81	1.13	8,246.77	1.93
Snow Removal	2,123.18	1.41	2,123.18	.50
TOTAL REPAIRS & MAINT.	11,573.15	7.66	43,958.28	10.30
REPLACEMENTS				
Structural Capital			7,367.00	1.73
TOTAL REPLACEMENTS			7,367.00	1.73
GENERAL & ADMINISTRATION				
Office Expenses	157.08	.10	1,843.45	.43
Bank Charges & Interest	63.56	.04	212.40	.05
TOTAL GEN. & ADMIN.	220.64	.15	2,055.85	.48
TOTAL EXPENSES	59,400.20	39.34	193,091.12	45.23
NET OPERATING INCOME	91,599.22	60.66	233,793.36	54.77

IN THE MATTER OF
KENDAX INVESTMENTS INC. V. DONALD CARMICHAEL & 658051 ONTARIO LTD.
JUDICIAL TRUSTEE'S STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JANUARY 22, 2003 TO MARCH 31, 2007

Receipts

Net receipts from Fireside Management Ltd.	\$ 2,034,000.00
Interest	59,785.91
Total Receipts	\$ 2,093,785.91

Disbursements

Accounting fees	17,839.44
G.S.T. on accounting fees	1,248.76
Website	7,030.62
Mortgage renewal fee	6,500.00
Mortgage re-financing expenses	80,074.03
Mortgage interest	12,779.33
Miscellaneous expenses	3,400.00
BSIG Costs	98,337.90
G.S.T. paid	4,480.71
P.S.T. paid	14.67
Judicial Trustee fee advances	375,186.63
Courier, Fax, Postage, Photocopies, Telephone and other disbursements	12,539.32
G.S.T. on Judicial Trustee fee advances and disbursements	27,154.42
Agent for the Judicial Trustee	18,357.28
G.S.T. on agent for the Judicial Trustee	1,284.95
Advances on Judicial Trustee's legal fees and costs	139,225.94
G.S.T. on Judicial Trustee's legal fees and costs	9,431.03
Solicitor for BSIG	93,363.64
G.S.T. on solicitor for BSIG	4,430.84
Solicitor for the mortgagee	7,821.57
G.S.T. on solicitor for the mortgagee	473.45
Total Disbursements	920,974.53

Cash Held in Trust

	\$ 1,172,811.38
--	------------------------

Action No. 0201-13248

IN THE COURT OF QUEEN'S
BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

BETWEEN:

KENDAX INVESTMENTS INC.

Applicant

- and -

**DONALD CARMICHAEL, 658051 ONTARIO
LIMITED and KINGSCROFT
INVESTMENTS LIMITED**

Respondents

- and -

**BONAVENTURE SMALL INVESTORS
GROUP**

Interested Party

**JUDICIAL TRUSTEE'S EIGHTH REPORT
TO THE BENEFICIAL OWNERS OF
CONDOMINIUM PLAN 8811686,
UNITS 1 – 195, 205 HERITAGE DRIVE SE,
CALGARY, ALBERTA ("BONAVENTURE
COURT" OR THE "PROPERTIES")**

Burnet, Duckworth & Palmer LLP
Barristers and Solicitors
First Canadian Centre
1400, 350 - 7th Avenue S.W.
Calgary, Alberta T2P 3N9

Attention: Carla Murray
Telephone: (403) 260-0326
Fax: (403) 260-0332

File No. 58585-1
