

2007 Balance Sheet Transition

Appendix 4

Bonaventure Court Beneficial Owners
Balance Sheet
December 31, 2007

	Per BSIG	JE #	Note		
ASSETS					
Current Assets					
Cash	\$ 1,536,006				\$ 1,536,006
Due From 658051	1,444,131	1	1	75,000	1,519,131
Due from Kingscroft Investmei	2,580,890	2, 9	2, 3	89,752	2,670,642
Due From Kingscroft Capital	26,736				26,736
Due From Winchester Properti	196,000				196,000
	<u>4,247,757</u>				<u>4,412,509</u>
Due From Kendax	1,156,852				1,156,852
	<u>6,940,616</u>				<u>7,105,367</u>
Other assets					
Prepaid Assets	2,674,835	3, 4	4	(2,674,835)	-
Capital assets	9,563,815				9,563,815
Reserve Fund	75,000	1	1	(75,000)	-
	<u>19,254,266</u>				<u>16,669,182</u>
LIABILITIES & EQUITY					
Current Liabilities					
Due to BO	1,243,031	5, 6, 7, 8	5	1,243,031	-
Due to Kingscroft	204,440	9	3	204,440	-
	1,447,471				-
Long term liabilities					
Mortgages Payable	5,191,040	2	2	(294,192)	5,485,232
Promissory Notes Payable	5,016,650	10, 11	6	4,913,455	103,195
	<u>11,655,161</u>				<u>5,588,427</u>
Beneficial owners' equity	7,599,105	3, 4, 5, 6, 7, 8, 10, 11	4, 5, 6	(3,481,651)	11,080,756
	<u>\$ 19,254,266</u>				<u>\$ 16,669,182</u>

Notes

1. 658 was charged \$75,000 for a reserve fund which, based on the best information available, does not appear to exist.
2. Payments of \$294,192 in excess of the appropriate amounts for the mortgage were made to Kingscroft. These amounts have been added to the amount receivable from Kingscroft.
3. From 1989 to 1993 Kingscroft was underpaid by \$204,440 regarding amounts due on the second mortgage. This amount has been set off against the amount receivable otherwise payable by Kingscroft.
4. In accordance with the UPAs, beneficial owners prepaid \$2,674,835 for a rental guarantee and the services as outlined in the FSA. These amounts were not initially paid in cash, but rather covered by promissory notes due to 658. At the end of May 2006, the Judicial Trustee undertook a proof of claim process to Beneficial Owners, which, amongst other things, asked Beneficial Owners to confirm payments on the promissory notes made directly to 658. These payments did not form part of the accounting records available from either Sloan or the property managers. While the records of Beneficial Owners were incomplete, based on the best information available it would appear that almost all owners had paid these promissory notes off with possible exceptions noted in Appendix "7". In cases where information was not available, it is not possible to determine accurately whether any payments have been made.
5. An amount of \$1,243,031 is due to the Beneficial Owners and discussed in detail in paragraph 35 of the report. Note that the specific amount is made up of various items in the discussion.
6. The accounting prepared by BSIG/Dixon records promissory notes payable for \$4,913,455 directly between the Beneficial Owners and 658 original purchase rental guarantee financial services agreement and appliance purchases.

In 2006, the Judicial Trustee sent proof of claims to Beneficial Owners to determine what amounts remained outstanding on these promissory notes. Almost all Beneficial Owners who responded indicated that they had paid these notes in full. The possible exceptions are as noted above and as contained in Appendix "7".