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VIA MAIL and EMAIL jkendall@sympatico.ca

January 20, 2009

Ms. Joyce Kendall
Kendax Investments Inc.
2707, 45 Kingsbridge Garden Circle
Mississauga, ON L5R 3K4

Dear Ms. Kendall:

**Subject: Bonaventure Court
Chronology of Units Claimed by Kendax Investments Inc.**

Attached is a draft copy of a schedule on the chronology of your company's claim to units in Bonaventure Court that we will be using for purposes of a forthcoming report on the unit accounting presently being compiled by BSI&G. This schedule will be relevant information for the Court's determinations on various matters and issues contained within this report.

As noted within this draft schedule under footnote 2, the circumstances surrounding the sale/transfer back of the 20 units that you initially obtained in 1988 as partial consideration for commissions owed on your sale of units in the Properties are unknown to the Judicial Trustee. Can you please provide us with an explanation as to the circumstances involved with the sale/transfer back of these units to 658051 Ontario Limited ("658"), including copies of the applicable documentation for this sale/transfer back.

Additionally, please provide us with an explanation as to the circumstances surrounding 658's subsequent sale of these and other units noted in footnote 3, whereby the promissory notes under these agreements were assigned to your company, including copies of applicable documentation.

Yours very truly,
Alger & Associates Inc.



Bruce Alger

T 403 296 2970
balger@alger.ca

Attachment
BEA:bac

cc A. G. Young – via email ayoung@calgary-lawyer.ca
Doug Nishimura – via email dougn@bdplaw.com

Bonaventure Court
Chronology of units claimed by Kendax Investments Inc. ("Kendax")

Event/Description	Date	One Bedroom Units			Two Bedroom Units			Total Units					
		Opening	Additions	Reductions	Closing	Opening	Additions	Reductions	Closing	Opening	Additions	Reductions	Closing
1 Kendax commission payment	1999		10		10				10				10
2 Sale/transfer back to 658 for subseq. resale	1999-92	10		(10)		10	(10)			20		(20)	20
3 Sold by 658, assign. to Kendax & BO defaulted	1999-93		14		14				16				30
4 "Purchased" from 658 following BO default	1999-90	14	1		15			17		39			34
JT appointment	2002												
5 Duke units claimed	2003	15	4		19		5	24		34		9	43
6 Duke units no longer claimed	2004	19		(4)	15			19	(5)	43			34
7 Kiperchuk units no longer claimed	2005	15		(4)	11			19	(1)	34			29
Total units			29	(10)	11		34		(16)	63		(24)	29

SUMMARY	
Units with ownership dispute	9
Re: Units noted in 3 above	1
Re: Units noted in 4 above	10
Total Units with ownership dispute	20
Units without ownership dispute	7
Total units	27

Footnotes

- As consideration for commissions owed on the sale of units, Joyce Kendall was provided with 10 one bedroom and 10 two bedroom units in Bonaventure Court. The purchase price applicable to these units was less than the standard price used for selling these units to third party investors and excluded the applicable fee for the Financial Services Agreement (FSA) and the Revenue and Cash Flow Guarantee Agreement. The dollar figure of the mortgages stated in these agreements was less than that calculated by multiplying the Proportional Share of the Mortgages in the agreements by the total dollar amounts of the mortgages for the Properties stated in the applicable mortgage schedule in the agreements.
- The circumstances surrounding the sale/transfer back of these units to 658051 Ontario Ltd. ("658") by Joyce Kendall is unknown. An inquiry will be made as to the background on this matter. Aside from the 20 units noted in 2 above, there were 10 additional units that 658 sold to third party investors. 658 assigned the various Promissory Notes (PN) under these agreements to Kendax. The investors defaulted on these notes with Kendax claiming ownership thereafter. BSI is disputing the ownership of 13 of these units as noted in 8 below.
- The Proof of Ownership claim (POC) submitted by Kendax in July 2006 listed 4 units as being purchased from 658 following the alleged default by the beneficial owners on PN payments owing. One of these 4 owners is disputing the ownership by Kendax as noted in 9 below.
- In a list provided to the Judicial Trustee by Kendax in June 2003 Kendax claimed ownership to the units that the Respondents records showed as being beneficially owned by Dr. Ron Duke as a result of payment defaults (ie. see 3 above). T776's issued by the Respondent had always been in the name of Dr. Duke from 1993 to this date.
- In a communication to Dr. Duke's counsel on October 4, 2004, following inquiries by Dr. Duke's counsel to Kendax, Kendax acknowledges that Dr. Duke is the beneficial owner of the units in question and that Kendax only has a money interest against Dr. Duke.
- In a communication to the Judicial Trustee in July 2005, Kendax acknowledges that the estate of David Kiperchuk is the beneficial owner of the units in question and that Kendax only has a money interest against the estate. The Judicial Trustee was provided with a copy of a PPR registry of a Will of Enforcement registered against Mr. Kiperchuk on July 19, 2006. These units represent a sub-set of those units noted in 3 above.
- Disputed by BSI in Proof of Ownership claim submitted in July 2005.
- Disputed by Jacqueline Jean-Baptiste in Proof of Ownership claim submitted in July 2006.

Kendax unit chronology