

COURT FILE NUMBER 1501 - 11817
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT EASYLOAN CORPORATION AND MIKE TERRIGNO
RESPONDENTS BASE MORTGAGE AND INVESTMENTS LTD. AND BASE FINANCE LTD.,
ARNOLD BREITKRUETZ, SUSAN BREITKRUETZ, SUSAN WAY AND GP
ENERGY INC.
DOCUMENT CONFIDENTIAL SUPPLEMENTARY REPORT TO THE FOURTH
REPORT OF THE RECEIVER
DATED APRIL 10, 2017
PREPARED BY BDO CANADA LIMITED

Clerk's Stamp:
CLERK OF THE COURT
FILED
APR 24 2017
JUDICIAL CENTRE
OF CALGARY

ADDRESS FOR SERVICE AND BILLINGTON BARRISTERS
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APPENDICES

- A. Comparative Market Analysis for the Properties offered for sale.
- B. Offers to Purchase - 724 - 55 Avenue SW, Calgary, AB
- C. Offers to Purchase - 728 - 55 Avenue SW, Calgary, AB
- D. Offer to Purchase - 735 - 55 Avenue SW, Calgary, AB
- E. Offers to Purchase - 63 Suncastle Bay SE, Calgary AB

INTRODUCTION AND BACKGROUND

1. This Confidential Supplementary Report to the Fourth Report of the Receiver is being submitted to the Court by BDO Canada Limited (“the Receiver”) in its capacity as Receiver and Manager of the Assets as outlined in the Fourth Report of the Receiver dated April 7, 2017 regarding Base Mortgage & Investments Ltd. and Base Finance Ltd. (“Base Mortgage” and “Base Finance” respectively, or jointly the “Debtors” or the “Companies”).
2. The purpose of this Confidential Supplementary Report to the Fourth Report of the Receiver (the “Supplementary Report”) is to provide the Court with a summary of the offers on the Properties as defined in the Fourth Report of the Receiver.

SUPPLEMENTAL INFORMATION TO THE COURT

3. Prior to listing the Properties for sale, the Receiver obtained a comparative market analysis “CMA” on each of the properties, as attached as **Appendix “A”**.
4. The Properties were listed for sale on March 10, 2017. The sales process resulted in multiple offers with varying terms and conditions.
5. The asking price of the Properties was based on the updated CMA’s obtained.
6. One unique offer was received from Mr. Darrel Winch through his company 2025876 Alberta Ltd., referred to herein as the “Bundle Offer”. Mr. Winch is firm on his offer being all or none, and the additional benefits of his offer include the following:
 - i. Mr. Winch has not retained a Realtor, therefore the estate will have less commission expense associated with the sales process, a value of approximately \$51,000;
 - ii. Mr. Winch accepts all responsibility for evicting the current tenants;
 - iii. Mr. Winch is not seeking any unattached goods; and
 - iv. Mr. Winch is motivated to close the deal as soon as possible.
7. A summary of the offers received to date are as follows:

Offer Summary						
<i>Prepared by BDO Canada Limited.</i>						
Property	1st Offer	2nd Offer	3rd Offer	4th Offer	Highest Offer	Bundle Offer
724 55 Ave SW	582,000	600,000	591,000	500,000	600,000	475,000
728 55 Ave SW	500,000	600,000	569,000		600,000	464,000
735 55 Ave SW					-	505,000
63 Suncastle Bay	1,300,000	1,200,000	1,200,000		1,300,000	1,190,000
					2,500,000	2,634,000
Value of Highest Offers	2,500,000					
Value of Bundle Offer	2,634,000					

8. The details of the offers for each property are as follows:

724 - 55 Avenue SW, Calgary Alberta

Offer #1 - 1317939 Alberta Ltd.

- Consideration \$582,000
- Deposit \$10,000
- Conditions NIL
- Closing Date May 1, 2017

Offer #2 - Keywest Homes (Highest Individual Offer)

- Consideration \$600,000
- Deposit \$30,000
- Conditions Acceptance of dual offer for 728 -55 Ave SW
- Closing Date April 28, 2017

Offer #3 - 2002978 Alberta LTD

- Consideration \$591,000
- Deposit \$30,000
- Conditions Acceptance of dual offer for 728 -55 Ave SW
Bank appraisal on property
- Closing Date May 15, 2017

Offer #4 - Hektor Askushai

- Consideration \$500,000
- Deposit \$10,000
- Conditions NIL
- Closing Date Upon acceptance of the Court

Bundle Offer - 2025876 Alberta Ltd.

- Consideration \$475,000
- Deposit \$200,000
- Conditions Acceptance of bundle offer on all four properties
Receiver maintain Insurance until possession
- Closing Date Upon acceptance of the Court

728 - 55 Avenue SW, Calgary Alberta

Offer #1 - Boris Pevzner / 1317939 Alberta Ltd.

- Consideration \$500,000
- Deposit \$10,000
- Conditions Acceptance of dual offer for 724 -55 Ave SW
- Closing Date May 1, 2017

Offer #2 - Keywest Homes (Highest Individual Offer)

- Consideration \$600,000
- Deposit \$30,000
- Conditions Acceptance of dual offer for 724 -55 Ave SW
- Closing Date April 28, 2017

Offer #3 - 2002978 Alberta LTD

- Consideration \$569,000
- Deposit \$30,000
- Conditions Acceptance of dual offer for 724 -55 Ave SW
Bank appraisal on property
- Closing Date May 15, 2017

Bundle Offer - 2025876 Alberta Ltd.

- Consideration \$464,000
- Deposit \$200,000
- Conditions Acceptance of bundle offer on all four properties
Receiver maintain Insurance until possession
- Closing Date Upon acceptance of the Court

735 - 55 Avenue SW, Calgary Alberta

Bundle Offer - 2025876 Alberta Ltd. (Only Offer)

- Consideration \$505,000
- Deposit \$200,000
- Conditions Acceptance of bundle offer on all four properties
Receiver maintain Insurance until possession
- Closing Date Upon acceptance of the Court

63 Suncastle Bay SE, Calgary Alberta

Offer #1 - Jamie & Kelly Newman (Highest Individual Offer)

- Consideration \$1,300,000
- Deposit \$25,000
- Conditions Financing
- Closing Date **September 1, 2017**

Offer #2 - Rochelle Dvorkin

- Consideration \$1,200,000
- Deposit \$30,000
- Conditions Financing
Property Inspection
- Closing Date 31 Days after acceptance of the Court

Offer #3 - Te Ma

- Consideration \$1,200,000

- Deposit \$50,000
- Conditions NIL
- Closing Date May 19, 2017

Bundle Offer - 2025876 Alberta Ltd.

- Consideration \$1,190,000
- Deposit \$200,000
- Conditions Acceptance of bundle offer on all four properties
Receiver maintain Insurance until possession
- Closing Date Upon acceptance of the Court

9. Enclosed as Appendix “B”, “C”, “D” and “E” are the Offers to Purchase (the “Offers”) for 724 - 55 Avenue SW, 728 - 55 Avenue SW, 735 - 55 Avenue SW and 63 Suncastle Bay SE, respectively.
10. The Receiver is of the view that the Bundle Offer made by 2025876 Alberta Ltd. has benefits over the other offers received to date as it realizes the highest amount for the Receivership Estate, because of the inclusion of 735, as well as for the following reasons:
- i. There are no conditions to the sale;
 - ii. Removes quickly the Receiver’s responsibility to maintain Insurance on the properties costing \$984 per month;
 - iii. The purchaser has not retained a Real Estate agent and therefore the estate would realize cost savings of approximately \$51,000 of Real Estate commissions to the buyer’s agent;
 - iv. This offer includes the purchasers’ responsibility to evict the current tenants of the Properties, which would minimize potentially large administration costs by the Receiver and their legal counsel; and
 - v. The offeror is motivated to close immediately and has provided a bank draft of \$200,000 as a deposit. This quick close would mitigate potential closing risks and costs associated with maintaining the properties, continuing to market them, and further court applications to have further offers accepted.

11. The alternative to the Bundle Offer would be to review the other offers and accept them based on their offer price and conditions. The Receiver would, if the Bundle Offer is not accepted, recommend the joint Keywest homes offer (offer #2) on 728 and 724 along with the no condition Te Ma offer on Suncastle (offer #3). This would leave the 735 property appraised at \$600,000 unsold.
12. Though a current amount of the security against 735 has not been provided, an original mortgage amount of \$495,000 was found on the Land Title Certificate from June, 2009 and would indicate that the full purchase price will not be available for the estate.
13. There is risk that the current offers will be lost if not accepted in the near future.
14. The Receiver respectfully requests that this report, the attached offers, and the appraisal remain permanently sealed in the event the sale does not close as approved by this Honourable Court, to protect the privacy of the offerors, and to keep the prices and conditions confidential in case it becomes necessary to market the properties again.

BDO CANADA LIMITED, solely in its capacity
As Court Appointed Receiver (as defined in
The Order), and not in its personal
Capacity

Per: _____
Name: Craig A. Fryzuk, CIRP, LIT
Title: Senior Vice-President