

GENCO HOLDINGS LTD.
NOTICE AND STATEMENT OF RECEIVER
(Subsections 245(1) and 246(1) of the Bankruptcy & Insolvency Act)

In the Matter of the Court-appointed Receivership of Certain Real Property of Genco Holdings Ltd.
("Genco").

1. Please be advised that on Friday, March 22, 2019, Ernst & Young Inc. (the "Receiver") was appointed by an Order of the Honourable Justice B.E.C. Romaine (the "Order") as receiver and manager of Genco's current and future assets, undertakings and properties, including the proceeds thereof, but excluding the following:
 - a. The 634 Lands (as defined and subject to the HSBC Receivership Order granted March 22, 2019);
 - b. The 160 Acre Lands (as defined in the Order); and
 - c. The real property, including land, buildings and fixtures, municipally located at 1108 – 4th Street SW, Calgary, AB.

The Receiver was appointed in respect of the "Property" of Genco, which is principally comprised of its interest in real property located at 608 – 7th Street SW, Calgary, AB, an insolvent person that is described below:

608 – 7th Street SW

	Net Book Value ¹ as at <u>April 15, 2019</u>
Land	\$ 4,000,000
Building and other	7,239,068
Total	<u>\$11,239,068</u>

¹Net book value is based on unaudited books and records of Genco as at April 15, 2019 in respect of the Property, which may not represent fair market value. Net book value only relates to the Property located at 608 – 7th Street SW, Calgary, AB and does not include the net book value of any other properties or assets owned by Genco. Amounts are in Canadian dollars.

The Receiver was previously appointed in respect of the 634 Lands (as defined in the HSBC Receivership Order granted March 22, 2019) of Genco, located at 634 – 6th Avenue SW, Calgary, AB, an insolvent person that is described below:

634 – 6th Avenue SW

	Net Book Value ² as at <u>April 15, 2019</u>
Land	\$ 2,523,996
Building and other	16,555,336
Total	<u>\$19,079,332</u>

²Net book value is based on unaudited books and records of Genco as at April 15, 2019 in respect of the 634 Lands (as defined in the HSBC Receivership Order granted March 22, 2019), which may not represent fair market value. Net book value only relates to the 634 Lands and does not include the net book value of any other properties or assets owned by Genco. Amounts are in Canadian dollars.

2. To the extent permitted under the Order, the Receiver took possession and control of the Property on April 5, 2019.

3. The following information relates to the receivership:

- a) Principal address of the insolvent person: 1400, 707 – 7th Avenue SW
Calgary, AB
T2P 3H6
- b) Principal line of business: Real Estate (Holding and Development)
- c) Location of the business: Head Office – Calgary, AB

d) Amounts owed by Genco are as follows:

<u>Class of Creditor</u>	<u>Claim Amount</u>
Secured creditors – see attached Appendix A	\$43,034,487
Unsecured creditors – see attached Appendix A	\$3,098,936
Total	<u>\$46,133,423</u>

The intended action plan of the Receiver is to realize upon the Property through an orderly sales process.

e) The Receiver contact is:

Ernst & Young Inc.
Calgary City Centre, 2200, 215 - 2nd Street SW
Calgary, AB T2P 1M4

Attention: Jessica Murray
Telephone: (403) 206-5394
Facsimile: (403) 206-5075

Website: www.ey.com/ca/genco

Questions: gencoquestions@ca.ey.com

Dated at Calgary, Alberta this 15th day of April, 2019.

ERNST & YOUNG INC.
Court-appointed Receiver and Manager of
the Property



Peter Chisholm, CPA, CA, CIRP, LIT
Vice President

APPENDIX A

Genco Holdings Ltd.

Creditor listing as at April 5, 2019

Disclaimer: The secured claims identified in this schedule are as per Genco's books and records as at March 21, 2019, as disclosed in the Affidavit of Pali Bedi sworn and filed March 21, 2019. The unsecured claims identified in this schedule are as per Genco's books and records as at April 5, 2019 and are being provided for illustrative purposes only.

This claims listing does not in any way represent a complete or final determination of the classification or quantum of creditors' claims against Genco. Creditors' claims in this listing are those against Genco and are not representative of direct claims against the Property.

Secured Creditors	Amount
Maynbridge Capital Inc. ¹	\$ 18,000,000
HSBC Bank Canada ²	8,300,000
Canadian Western Bank ³	7,100,000
Harbour Mortgage Corp. ⁴	3,500,000
Bancorp ⁵	3,100,000
Bolero ⁶	2,000,000
ATB	TBD
Crown Capital	TBD
The City of Calgary ⁷	844,314
Bancorp Financial Services Inc. ⁵	97,254
HMT Holdings Inc. ⁴	72,493
The City of Edmonton ⁸	20,426
Total Secured Creditors	\$ 43,034,487

¹Total approximate indebtedness owing to Maynbridge Capital Inc. relates to a loan in a single advance in the principal amount of \$18.0 million in respect of Genco's Walden development and real property located at 608 - 7th Avenue SW.

²Total approximate indebtedness owing to HSBC Bank Canada of \$8.3 million is comprised of \$6.2 million related to the Property and \$2.1 million related to the 160 Acres Lands (as defined in the Order).

³Total approximate indebtedness owing to Canadian Western Bank of \$7.1 million relates entirely to real property located at 1108 - 4th Street SW.

⁴Total approximate indebtedness owing to Harbour Mortgage Corp. of \$3.5 million relates entirely to the 160 Acres Lands (as defined in the Order).

⁵Total approximate indebtedness owing to Bancorp of \$3.1 million relates entirely to the Property.

⁶Total approximate indebtedness owing to Bolero of \$2.0 million relates to Genco's Walden development, the 160 Acres Lands, and real property located at 608 - 7th Avenue SW.

⁷The City of Calgary may have a secured claim in respect of unpaid property taxes in relation to real property owned by Genco, which continue to accrue.

⁸The City of Edmonton may have a secured claim in respect of unpaid property taxes in relation to real property owned by Genco, which continue to accrue.

Unsecured Creditors	Amount
Kanwalpreet Dutt	\$ 737,500
Avison Young	594,381
Kris Vadan	500,000
Omicron Construction Management Ltd.	292,690
McCOR Management	243,571
MH Kassam Prof Corp	230,000
Norr Architects Engineers Planners	221,197
PB Genco Consulting Ltd.	126,000
JSS Barristers	85,594
Genco (Walden) Ltd	20,489
Altus Group Ltd.	12,443
Vadan Insurance Services Ltd.	10,000
Torys LLP	7,327
Canada Revenue Agency	5,800
KPMG LLP	5,427
J.R. Spronken & Associates Ltd.	2,951
David E. Prasow Professional Corporation	1,477
JASA Engineering Inc.	1,031
Paladin Security Group Ltd.	882
Rite-Way Fencing (2000) Inc.	158
Government of Alberta	20
Total Unsecured Creditors ⁹	\$ 3,098,936

⁹Total claims of unsecured creditors may omit payables recorded separately by property managers of Genco's real property holdings.

Total Secured and Unsecured Creditors	\$ 46,133,423
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