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Our File No.: 29754.3

COPY

July 29, 2010

Via Facsimile

The Honourable Madam Justice Jo'Anne Strekaf
Calgary Courts Centre
Suite 2301, 601 - 5 Street SW
Calgary AB T2P 5P7

Dear Madam Justice Strekaf:

Re: In the Matter of Concrete Equities Inc., et al. - Action No.: 0901 - 11048

In accordance with your direction at the hearing yesterday, please find enclosed the following authorities and materials to which we may refer at the application scheduled for 9:00 a.m. on Friday, July 30, 2010:

(a) *Crown Trust Co.* v. *Rosenberg*, 1986 CarswellOnt 235;

(b) *Re: 1730960 Ontario Ltd.*, 2009 CarswellOnt 4235.

(c) the Affidavit of Marc Rosso sworn July 29, 2010;

(d) Exhibit "A" for Identification and Exhibit 1 from the cross-examination of Steven Butt, conducted on July 29, 2010.

A brief cross-examination of Mr. Butt was conducted at noon today. The transcript of his cross-examination will only be available this evening, but will be forwarded as soon as possible.

Yours truly,

BENNETT JONES LLP

Chris Simard
CS/dmk
Enclosures
cc: Service List (via email)
Client (via email)

1986 CarswellOnt 235

Crown Trust Co. v. Rosenberg

CROWN TRUST COMPANY, SEAWAY TRUST COMPANY and GREYMAC TRUST COMPANY v. ROSENBERG et al.

Ontario Supreme Court, High Court of Justice

Anderson J.

Judgment: November 6, 1986
Docket: No. 1380/83

Subject: Corporate and Commercial; Insolvency

Receivers — Sale of debtor's assets — Approval by court — Court discussing obligations in determining whether to approve sale.

On a motion by a court appointed receiver and manager to approve the sale of certain properties, the duties of the court are to consider: whether the receiver has made a sufficient effort to get the best price and ensure he has not acted improvidently; the interests of all parties; the efficacy and integrity of the process by which offers have been obtained; and whether there has been unfairness in the working out of the process.

The court has the power and responsibility to disregard the recommendation of the receiver and to approve another offer or offers. On the other hand, the court ought not to enter into the market place or sit as on appeal from the decision of the receiver, reviewing in minute detail every element of the process by which his decision has been reached. Furthermore, the court ought not to embark on a process analogous to the trial of a claim by an unsuccessful bidder for something in the nature of specific performance or proceed against the recommendations of its receiver except in special circumstances or where the necessity and propriety of doing so are plain. It is only in exceptional circumstances that a court will intervene and proceed contrary to the receiver's recommendations if satisfied that the receiver has acted reasonably, prudently and fairly, and not arbitrarily.

It is necessary to keep in mind not only the function of the court but the function of the receiver. The receiver is selected and appointed having regard for experience and expertise in the duties which are involved. It is the function of the receiver to conduct negotiations and to assess the practical business aspects of the problems involved in the disposition of the assets. However, the court is not to apply an automatic stamp of approval to the decision of the receiver. The court has power to come to a different decision and a discretion to exercise which must be exercised judicially.

The courts have recognized that they are not making a decision in a vacuum; that they are concerned with the process not only as it affects the case at bar, but as it stands to affect situations of a similar nature in the future. The delicate balance of competing interests is relevant and material.

:

END OF DOCUMENT

C
2009 CarswellOnt 4235

1730960 Ontario Ltd., Re

IN THE MATTER OF THE RECEIVERSHIP OF 1730960 ONTARIO LTD.

Ontario Superior Court of Justice [Commercial List]

Cumming J.

Heard: July 9-10, 2009
Judgment: July 16, 2009
Docket: 31-1159124

Counsel: H. Manis for Receiver, Ira Smith Trustee, Receiver Inc.

G. Benchetrit for Portuguese Canadian Credit Union Limited

David Preger, E. Giacomelli for SF Partners Inc.

David Jackson for Pocrnic Realty Advisers Ltd.

A. Habas for 2148393 Ontario Inc., Rudan Holdings Limited

Brett D. Moldaver, A. Tiberini for 2205305 Ontario Inc.

Subject: Insolvency; Estates and Trusts

Bankruptcy and insolvency --- Administration of estate — Sale of assets — Sale by tender — Where highest tender not accepted

Agreement of purchase and sale for three properties of debtor, 173 Ltd., was reached between receiver and P for $3.5 million — After receiver filed motion record with court, offer was made by 220 Inc. to purchase properties for $3.8 million — 220 Inc. previously made offer for purchase which was not accepted by receiver — 220 Inc. took position that sale to P should not be approved by court — Receiver brought motion for order approving sale to P — Motion granted — Receiver properly and diligently considered interests of all stakeholders, including creditors and prospective purchasers, in recommending approval of P purchase — There was no evidence of any unfairness in sales process maintained by approval of P offer — Receiver made significant effort to obtain best price for properties and did not act improvidently — P followed court approved sales process, bargained in good faith, expended time and resources in doing its diligence and engaged professional advisors at considerable cost — There was significant reliance interest in bidder like P submitting offer with belief that if it was accepted, resulting agreement would be approved by court as long as there was proper and fair sales process — There was also reasonable expectation interest to P — 220 Inc.'s offer was not materially higher offer such as to suggest that P offer was not for fair market value — It was unfair and objectionable for party to wait until another bid was made and was accepted by receiver and then to make bid which was marginally higher and ask court not to approve agreement of purchase and sale resulting from accepted bid.

Cases considered by *Cumming J.*:

Royal Bank v. Soundair Corp. (1991), 7 C.B.R. (3d) 1, 83 D.L.R. (4th) 76, 46 O.A.C. 321, 4 O.R. (3d) 1, 1991 CarswellOnt 205 (Ont. C.A.) — followed

Statutes considered:

Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3

s. 47.1 [en. 1992, c. 27, s. 16(1)] — referred to

Courts of Justice Act, R.S.O. 1990, c. C.43

s. 101 — referred to

MOTION by receiver for order approving sale of three properties of debtor company.

***Cumming J.*:**

The Motion

1 The Receiver, appointed pursuant to s. 47.1 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as am., and s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 as am., moved July 9, 2009 for an Order approving, *inter alia*, the sale of three properties of the debtor, 1730960 Ontario Ltd. ("173"), to Pocrnic Realty Advisors Inc. ("Pocrnic") for a total price of $3.5 million.

Background

2 An offer by Pocrnic for $3.4 million was made June 2, 2009, signed back by the Receiver June 3, 2009 for $3.5 million, and accepted by Pocrnic. The waiver of conditions by Pocrnic was received June 22, 2009, resulting in a firm offer and an agreement of purchase and sale between Pocrnic and the Receiver, subject to Court approval, with a closing scheduled for 21 days following Court approval. Section #4 of Schedule "A" to the Agreement of Purchase and Sale provides that the agreement can be terminated by the purchaser if the Court has not granted approval within 21 days of Pocrnic's waiver of conditions by Pocrnic, that is, by July 13, 2009.

3 The Receiver filed the requisite Motion Record which included the Receiver's Second Report in support of its motion. The three properties have adult entertainment businesses operated thereon.

4 Late in the day of July 8, 2009, after the terms of the Pocrnic purchase agreement were a matter of the public record, offers to purchase the three properties (each conditional upon acceptance by the Receiver of all three offers-collectively these offers can be referred to as "220's July 8 offer")) were made by 2205305 Ontario Inc. ("220") to the Receiver for the total purchase price of $3.8 million. 220's July 8 offer had an expiry date of 5:00 pm. July 10, 2009. 220 is affiliated with Romspen Investment Corporation ("Romspen") a large non-bank

commercial/ industrial mortgage lender.

5 Counsel for 220 appeared at the July 9 hearing, handed a deposit cheque in respect of 220's July 8 offer to counsel for the Receiver and requested an adjournment in order to be able to file an affidavit in support of his client's position that the Pocrnic agreement to purchase not be approved by the Court, enabling the offer of 220 to be accepted or, at the least, the sale process to be reactivated to allow new bidding. After submissions, I granted an adjournment to 2:00 pm. July 10, and requested a Supplementary Second Report from the Receiver as to its position given the extraordinary development.

6 220 filed an affidavit of its officer, Mr. Wesley Roitman, at noon the next day, July 10, a Supplementary Second Report was filed by the Receiver and the hearing continued at 2:00pm July 10. In his affidavit Mr. Roitman stated that 220 would deliver revised offers that day, July 10 (referred to hereafter as "220's July 10 offer"), in replacement of 220's July 8 offer (due to expire at 5:00 pm. July 10). Mr. Roitman advised that 220's July 10 offer would be irrevocable until July 14, 2009 and the aggregate offer for the three properties would remain at $3.8 million but there would be a price adjustment within the prices for the three component properties whereby the price of one would be increased by $50,000. with a corresponding decrease in the price of another by $50,000.

7 The issue presented is whether the agreement to sell to Pocrnic should not be approved by the Court given 220's July 10 offer.

8 After extensive submissions I granted the Order requested by the Receiver approving the sale to Pocrnic, with reasons to follow. These are my reasons.

The Evidence

9 The Receiver initially sought a well-advertised auction of the properties. The stakeholders unanimously rejected the Receiver's recommendation and agreed that all of the properties should be listed for sale on the Multiple Listing Service with Coldwell Banker Case Realty ("Coldwell"). The properties were advertised in the Globe & Mail April 23 and 28, 2009. There were extensive web site hits, telephone enquiries and showings in respect of the properties. Some 3 to 5 offers were received on each of the subject properties.

10 220 had participated very actively in the sales process administered by the Receiver in early May, 2009. An offer was made by 220 and signed back by the Receiver May 13, 2009 with an irrevocable time of 3:00 pm. May 14, 2009, the only adjustment being the reduction of the conditional period proposed by 220 from 15 days to 10 days. (The Receiver states that it was later agreed in discussions to return the conditional period back to 15 days but this is disputed by 220.) In any event, 220 allowed the Receiver's counter-offer to lapse.

11 The Receiver states that there were continuing discussions between its counsel and 220 but that 220's financing was dependent upon an equity participation by Mr. H. Varela which was not readily forthcoming. Mr. Varella is reportedly the manager of the current corporate tenants operating the adult entertainment businesses at two of the properties. Although the Receiver says it anticipated that 220 would submit a further offer none was forthcoming until 220's July 8 offer was received. (In answer to a question posed in Court to the representative of Romspen present, it seems Mr. Varella was to have an equity position in 220 in the event of a successful purchase through 220's July 10 offer).

12 In his affidavit, Mr. Roitman is critical of the manner in which the Receiver has conducted the sale pro-

cess. He complains about the Receiver's realtor, Coldwell, placing marketing signage on one of the subject properties as adversely affecting the operation of the business as a going concern. He complains that in the May negotiations the Receiver was at one point seeking a guarantee from 220 that the substantial rent arrears of the tenant businesses would be paid. He complains that the Receiver allowed only a 10 day period rather than the 15 day period sought by 220 as the conditional period to secure financing. Mr. Roitman questions the commercial sense and efficacy to the Receiver's position on these issues.

13 220 had considerable time to arrange the financing necessary for the making of an offer. Mr. Roitman states that 220 needed an accepted offer to consummate the arrangement with the intended financing party. 220 had the option of making a bid subject to the condition of obtaining a subsequent financing commitment within a given time frame. 220's problems in arranging financing was not the responsibility of the Receiver.

14 In my view, Mr. Roitman's affidavit does not raise any meaningful challenges to the integrity of the sales process as conducted by the Receiver. Obviously, different judgments may be brought by different persons in commercial dealings and negotiations as to conditions and price. Nothing Mr. Roitman raises in his litany of complaints justifies a challenge to the Receiver's conduct and administration of the sales process. The record establishes the Receiver acted properly throughout the sales process seeking a result that was in the best interests of the stakeholders.

15 The Receiver's Supplementary Report does a comparative analysis of Pocrnic's offer and 220's July 8 offer, concluding that the latter has a price advantage of some $213,500. After further analysis during the course of submissions it seems the comparative price advantage of 220's July 10 offer (taking into account chattel sales) vis-à-vis the Pocrnic offer may be about $275,000.

16 History tends to repeat itself. It is noted that there was a previous receivership whereby the present debtor in receivership, 173, acquired the three properties. The Receiver received an offer on the very eve of its application for the approval of the sale of the properties. Wilton-Siegel J. in Reasons delivered October 17, 2007, granted the motion of the Receiver, and approved the sale to the proposed purchaser who had entered into the contract of purchase with the Receiver.

17 There was considerable mention of this previous history in the course of submissions. There were different views as to what had taken place, and why, in that previous receivership sales process. In my view, that history is not really relevant to the present motion. However, it is noted that Romspen was a participant in those historical events. As such, Romspen would be especially aware of the importance of the timeliness of offers to purchase in a receivership sales process and the necessity of maintaining the integrity of the sales process conducted by a receiver.

18 At the hearing July 10 counsel for the secured creditor SF Partners Inc. stated that it now supported the position of 220 in asking the court to not give approval to the proposed Pocrnic purchase. This was a very surprising position for this secured creditor to take as the record indicates that its counsel was active throughout the sales process and had not criticized the process being followed by the Receiver. Moreover, at the hearing July 9 counsel for this secured creditor did not offer any criticism of the sales process.

19 The provision in 220's July 10 offer whereby there would be a shift in $50,000. within the overall $3.8 million price offer by 220 as between the three properties would result in a benefit of $50,000. to SF Partners Inc. with a corresponding loss to the other creditors of the debtor. One can only speculate as to whether this overnight change by 220 between 220's July 8 offer and 220's July 10 offer was designed to gain support for

220's criticism of the sale process. Given the history of participation of counsel for SF Partners Inc. in the sales process and his non-criticism of the Receiver's administration of the sales process at the hearing July 9, I find the position of this secured creditor in supporting the position of 220's July 10 offer to be founded simply upon the potential gain of $50,000. to it through 220's July 10 offer. I find the submissions of this secured creditor criticising the Receiver's handling of the sales process to be of no merit or import.

20 The Receiver in its Supplementary Second Report again asked the Court to approve the sale to Pocrnic.

21 The principles applicable to the sale of assets in a receivership set forth by the Court of Appeal in *Royal Bank v. Soundair Corp.* (1991), 4 O.R. (3d) 1 (Ont. C.A.) have been met in the proceeding at hand.

22 The Receiver has properly and diligently considered the interests of all stakeholders, including the creditors and prospective purchasers, in recommending approval of the Pocrnic agreement to purchase. There is no real evidence of any unfairness in the working out of the sales process.

23 The integrity of the sales process is maintained by approval of the Pocrnic offer. The Court should not foster uncertainty in the bid process which would only discourage bids from prospective purchasers and lessen the objective of obtaining the highest possible price in the marketplace.

24 On the evidentiary record, the Receiver has made a significant effort to obtain the best price for the three properties and has not acted improvidently.

25 The record indicates the purchaser Pocrnic followed the Court-approved sales process, bargained at length in good faith, expended time and resources in doing its diligence and engaged professional advisors at considerable cost. There is a significant reliance interest (i.e. change of position through out-of-pocket expenditures)) in a bidder such as Pocrnic submitting an offer with the belief that if it is accepted the resulting agreement will be approved by the Court so long as there has been a proper and fair sales process. There is as well, of course, a reasonable expectation interest to Pocrnic with respect to the realization of the bargained-for benefits of the contractual exchange.

26 Neither 220's July 8 offer nor 220's July 10 offer, being some $275, 000 or about 8% higher than the offer of Pocrnic, is a materially higher offer such as to suggest that the Pocrnic offer was not for fair market value. The comparative difference in prices does not imply that the Pocrnic price offer is artificially low. The well-publicized, lengthy marketing process for the properties supports the conclusion the $3.5 million price offered by Pocrnic is fair market value for the properties. It is unfair and objectionable for a party to wait until another bid is made and has been accepted by the Receiver and then to make a bid which is marginally higher and ask the Court to not approve the agreement of purchase and sale resulting from the accepted bid.

Conclusion

27 For the reasons given, the motion of the Receiver was granted.

Motion granted.

END OF DOCUMENT

Action No.: 0901-11048
Deponent: Marc Rosso
Sworn: July 29, 2010

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

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, SECTION 13(2) OF THE *JUDICATURE ACT*, R.S.A. 2000, c. J-2, AS AMENDED AND SECTION 99(a) OF THE *BUSINESS CORPORATIONS ACT*, R.S.A. 2000, C. B-9, AS AMENDED

AND IN THE MATTER OF CONCRETE EQUITIES INC., WEALTHCRETE INVESTMENT CORPORATION, CONCRETE ASSOCIATES INVESTMENT CORPORATION, CONCRETE ASSOCIATES II INVESTMENT CORPORATION, CONCRETE ASSOCIATES III INVESTMENT CORPORATION, CONCRETE ASSOCIATES IV INVESTMENT CORPORATION, CONCRETE ASSOCIATES V INVESTMENT CORPORATION, EL GOLFO INVESTMENT CORPORATION, CONSTA KORAAL INVESTMENT CORPORATION, LUNA MORADA INVESTMENT CORPORATION, CONCRETE EQUITIES EXECUTIVE CLUB INC., 1456775 ALBERTA LTD., AND CONCRETE PLACE PROPERTIES LTD.

AFFIDAVIT OF MARC ROSSO

I, Marc Rosso, of the City of Calgary, in the Province of Alberta, Businessman, MAKE OATH AND SAY THAT:

1. I am a Sales Representative with the Capital Markets Group of Cushman Wakefield Ltd., the Judicial Listing Agent ("C&W" or the "Agent") appointed in this Action with respect to the SNC Lavalin Building (the "Building"). I have been actively involved in the judicial listing process with respect to the Building. As such, I have personal knowledge of the matters hereinafter deposed to, except where stated to be based on information and belief, in which case I verily believe the same to be true.

2. I have reviewed the July 29, 2010 Affidavit of Steven Butt sworn in these proceedings (the "Butt Affidavit") and make this Affidavit in response to the allegations set out therein.

Interaction with Other Commercial Brokerage Firms

3. In paragraphs 16 and 18 of the Butt Affidavit, Mr. Butt questions whether the Building was properly marketed, on the basis that the Building "seems never to have been marketed to any other Calgary and area commercial real estate brokerage firms at all." In my view, that statement is not correct.

4. C&W's policy on all exclusive listings is to co-operate with outside agents and pay them a portion of the commission payable, in the event that they bring forward prospects that have not been approached or informed of the opportunity by C&W. Therefore, when an outside agent approaches C&W with a potential purchaser on a C&W listing, we first inquire as to the identity of their client. If the client is not someone to whom C&W is directly marketing the property, we will "register" the client and deal with their agent. "Registration" could involve having the outside client (or its agent) sign a Confidentiality Agreement and taking various other steps to have the client qualified for disclosure to the vendor.

5. However, if an outside agent approaches C&W with a prospective purchaser who is already on C&W's contact list, C&W does not register that purchaser. Instead, C&W would market the property directly to the client.

6. To my knowledge and based on my experience in the commercial real estate industry in Calgary, this is the policy that is almost always followed by commercial brokers.

7. Following this policy ensures that C&W, or any other listing agent, has effective control over the listing process. The benefits of having this control include:

   (a) ensuring that the listing is presented accurately and consistently to all prospective purchasers (especially regarding financial information about the property); and

   (b) being able to report accurately back to the vendor on prospective purchasers and their intent.

8. For a transaction of this size, there is only a finite number of possible qualified purchasers. In my experience, not only do all commercial brokers in Calgary follow the

same process described above, they all maintain prospect lists (to whom they market their property listings) that include most if not all of the same qualified buyers. These lists are generated by commercial brokers from publicly-available transaction information.

9. For example, with respect to ReMax (mentioned by Mr. Butt at paragraphs 16 and 17 of the Butt Affidavit), D'Arcy Browning contacted C&W with a prospective purchaser, who was already on C&W's prospect list. As C&W was contacting and marketing to that purchaser directly, we advised Mr. Browning that we would not accept registration of that party. We did market directly to the party identified by Mr. Browning, but they never requested any additional information, nor did they make an offer. Attached as Exhibit "A" to this my Affidavit is a true copy of an email exchange between Tim Sommer of C&W, and D'Arcy Browning. I note that "Mike" at Target Realty was also cc'ed on emails in this chain.

10. Therefore, Mr. Butt's statements that C&W did not "send" the listing to ReMax and Target, is potentially misleading.

11. In other cases, when an outside agent contacted C&W with a prospective buyer who was not our C&W's prospect list, C&W registered such buyers, made all marketing information available to the outside agent and, in one case (with a client of Barclay Street), conducted a tour of the Building.

12. I disagree with Mr. Butt's statement that the industry-standard manner in which C&W marketed the Building "would greatly hinder the marketing and sales exposure of the building and would thus diminish the number of offers garnered." In my view, the Building was marketed comprehensively to all or the vast majority of prospective qualified purchasers. Since all the largest commercial brokers in Calgary have very similar or the same parties on their prospect lists, I am satisfied that substantially all of those prospects would have been reached in C&W's marketing. My belief in this regard is confirmed by the fact that C&W received 36 expressions of interest, 34 parties signed Confidentiality Agreements and we sent Confidential Information Memoranda to 34 parties. Those are strong numbers, especially given the state of the market and the relatively weak asset class of the Building.

Avenue Commercial

13. In paragraph 16 of the Butt Affidavit, Mr. Butt stated that the listing was never sent to Avenue Commercial. Again, this is potentially misleading. Avenue Commercial was well aware of the listing, being the property manager of the Building. Additionally, on May 6, 2010, Steven Butt and Michael Jonckheere from Avenue Commercial were present on a tour of the Building and were aware the building was listed for sale by Cushman & Wakefield. On May 10, 2010 C&W responded, via email, to a voice mail from Jim Martin of Avenue Commercial regarding the Building, by providing him the list price on the Building. Mr. Martin is the active leasing representative for the Building. On June 27th, 2010 Jim Martin requested a brochure and on June 28th, 2010 was provided a copy of our electronic brochure regarding the Building. Attached as Exhibit "B" to this my Affidavit is a true copy of the email correspondence with Mr. Martin.

Strategic

14. At paragraph 19 of the Butt Affidavit, Mr. Butt alleged that C&W did not contact the Strategic Group. This is entirely inaccurate. C&W sent an original email notification to Riaz Mamdani and Yossi Fixler of Strategic on May 2, 2010. A true copy of that email is attached as Exhibit "C" to this my Affidavit. I spoke with Mr. Fixler today who confirmed that he received that email.

15. On May 3, 2010, I discussed the opportunity to purchase the Building on the telephone with Mr. Fixler. Strategic did not request additional information from C&W, such as a Confidentiality Agreement, or for our detailed CIM.

16. Subsequent to sending the original "teaser" email on May 2, the follow up mailout was also sent to both Mr. Mamdani and Mr. Fixler.

17. There was no further dialogue with Strategic until Mr. Sommer and I had an informal meeting with Mr. Fixler on June 21. We asked if Strategic would be submitting an offer, and he indicated it would be unlikely given the difficulty Strategic anticipated in securing mortgage financing for the Building. This was in line with our understanding of

Strategic's current investment criteria - that is, if favorable financing cannot be obtained on an asset, they are less interested.

18. I make this Affidavit for the purpose of responding to the allegations set out in the Butt Affidavit.

SWORN BEFORE ME at the City of Calgary, in the Province of Alberta, this 29th day of July, 2010)	
A Commissioner for Oaths in and for the Province of Alberta)	MARC ROSSO

CHRIS SIMARD
Barrister and Solicitor

THIS IS EXHIBIT "A"
referred to in the Affidavit of
Marc Rosso
Sworn before me this 29th
day of July 20 10

CHRIS SIMARD
Barrister and Solicitor

From: Tim Sommer
Sent: Thursday, May 06, 2010 10:56 PM
To: dblaptop
Cc: 'Brad Little'; Marc Rosso; Erin Ellard; Chris Anderson; yorkesladerb@bennettjones.com; Mike@Target-Realty.com
Subject: RE: 909 5th Avenue SW, Calgary

D'Arcy,

We are not yet in the position to accept registrations ... however, I can tell you that these groups are on our distribution, so we would not accept your registration in any event.

Yours truly,

Tim Sommer
Vice President, Investment Sales
Capital Markets Group
Cushman & Wakefield Ltd.
East Tower - Suncor Energy Centre
1730, 111 5th Avenue SW
Calgary, AB T2P 3Y6

Tel: 403.261.1188
Fax: 403.264.2053
Cell: 403.870.8747

Email: tim.sommer@ca.cushwake.com
URL: www.cushmanwakefield.com

From: dblaptop [mailto:dblaptop@shaw.ca]
Sent: Tuesday, May 04, 2010 11:29 AM
To: Tim Sommer
Cc: 'Brad Little'; Marc Rosso; Erin Ellard; Chris Anderson; yorkesladerb@bennettjones.com; Mike@Target-Realty.com
Subject: RE: 909 5th Avenue SW, Calgary

Hi Tim, any news on price? We would like to register our buyer, CCS Corporation/Werklund Group (Foundation). Please send us any details at your earliest convenience, thanks in advance.

D'Arcy

D'Arcy Browning is a licenced realtor in the Province of Alberta, Canada, at the brokerage of ReMax Real Estate (Central) with a privacy policy in place.
http://www.darcybrowning.com Phone 403-730-8755 Fax 403-592-9395 or darcy@darcybrowning.com

COMMERCIAL

From: Tim Sommer [mailto:Tim.Sommer@ca.cushwake.com]
Sent: May-03-10 9:56 AM
To: dblaptop@shaw.ca
Cc: Brad Little; Marc Rosso; Erin Ellard; Chris Anderson
Subject: 909 5th Avenue SW, Calgary

D'Arcy,

Further to your email below, please be advised that as of May 1, 2010 we have been appointed by the Court as Judicial Listing agent for the above noted property.

We are in the process of finalizing marketing materials; meanwhile - in the best interest of our client, of communicating a consistent message to the market, and given our recent appointment as listing agent, we respectfully request that you cease any efforts to market this property until any prospects you intend to approach have been previously registered with, and such registration accepted by, Cushman & Wakefield.

Yours truly,

Tim Sommer
Vice President, Investment Sales
Capital Markets Group
Cushman & Wakefield Ltd.
East Tower - Suncor Energy Centre
1730, 111 5th Avenue SW

Calgary, AB T2P 3Y6

Tel: 403.261.1188
Fax: 403.264.2053

Email: tim.sommer@ca.cushwake.com
URL: www.cushmanwakefield.com

From: dblaptop [mailto:dblaptop@shaw.ca]
Sent: Friday, April 30, 2010 2:17 PM
To: Brad Little
Subject: SNC further update

A steering committee member is sending me the newest financial reports on SNC as sent by Avenue Property Mngr. One of the agents from the Expo called and emailed me for info to help generate on offer. We are meeting today and Monday to adjust an NOI,IRR using a 8ish cap with hopes of writing an offer early next week.

Again I'm not connected to Avenue, Steven Butt, or others except the group of LPs paying E&Y. I've not yet attempted to reach Neil Narfason regarding this matter but will if I receive no input from you. Sorry to be a bother, just trying to help the moms&pops hurt by this issue. It would be my intention to procure the highest sale price by multi-offers in the shortest time allowed. This is what I've done for over 2 decades.

Please advise me how you would like me to proceed. thanks

D'Arcy Browning is a licenced realtor in the Province of Alberta, Canada, at the brokerage of ReMax Real Estate (Central) with a privacy policy in place.
http://www.darcybrowning.com Phone 403-730-8755 Fax 403-592-9395 or darcy@darcybrowning.com

COMMERCIAL

THIS IS EXHIBIT "B"
referred to in the Affidavit of
Marc Rosso
Sworn before me this 29th
day of July, 2010

CHRIS SIMARD
Barrister and Solicitor

From: Marc Rosso
Sent: Monday, June 28, 2010 11:41 AM
To: Jim Martin
Subject: RE: SNC Lavalin
Sensitivity: Confidential

Jim,

Below is the brochure used for our electronic marketing campaign.

Please call to discuss.

CUSHMAN & WAKEFIELD
Global Real Estate Solutions™

JUDICIAL LISTING

909 5th Avenue SW
Calgary, Alberta, Canada

Cushman & Wakefield has been appointed by Court of Queens Bench to solicit offers to purchase this Class "B" ten storey office building, situated on the southwest corner of 5th Avenue and 8th Street SW.

Opportunity:	Leaseup, rollover, alternative use, owner-user
Building Area:	110,221 sf
Current Occupancy:	77%
Elevators:	3
Parking:	50 underground & 21 surface (1:1552)
Price:	$17,000,000 ($154.00 per square foot)

To register your interest, please contact Judicial Listing Agent:

Cushman & Wakefield Ltd.
1730, 111 - 5th Avenue SW
Calgary, AB T2P 3Y6
www.cushwake.com

Tim Sommer, Vice President
Capital Markets Group
403.261.1188
tim.sommer@ca.cushwake.com

Marc Rosso, Sales Representative
Capital Markets Group
403.261.1127
marc.rosso@ca.cushwake.com

Marc Rosso
Investment Sales, Capital Markets Group
Cushman & Wakefield Ltd.
1730, 111 - 5th Avenue SW
Calgary, AB T2P 3Y6

Tel: 403.261.1127
Fax: 403.264.2053

Email: marc.rosso@ca.cushwake.com
URL: www.cushmanwakefield.com

*** Please note! Our name has changed to Cushman & Wakefield Ltd. Please update your contact information as required***

From: Jim Martin [mailto:jmartin@avenuecommercial.ca]
Sent: Sunday, June 27, 2010 7:18 AM
To: Marc Rosso
Subject: RE: SNC Lavalin
Sensitivity: Confidential

Hello Marc,

May I see a brochure for 909 5 Avenue SW?

Jim Martin

Associate

AVENUE COMMERCIAL

Suite 207, 1324 11 Avenue SW
Direct: 403-252-8260
Cell: 403-650-3337
Toll Free 1-800-750-6766
Fax: 403-802-6768
Email: jmartin@avenuecommercial.ca
Website: www.avenuecommercial.ca

From: Marc Rosso [mailto:Marc.Rosso@ca.cushwake.com]
Sent: Monday, May 10, 2010 3:09 PM
To: Jim Martin
Subject: SNC Lavalin
Sensitivity: Confidential

Jim,

Received your message regarding the SNC Lavalin building. As we're still putting the final touches on our marketing material I have nothing to send your way, but I can tell you the list price will be $17M.

Let me know if you have any questions.

Regards,

Marc Rosso
Investment Sales, Capital Markets Group
Cushman & Wakefield Ltd.
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Calgary, AB T2P 3Y6

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Email: marc.rosso@ca.cushwake.com
URL: www.cushmanwakefield.com

*** Please note! Our name has changed to Cushman & Wakefield Ltd. Please update your contact information as required***

THIS IS EXHIBIT "C"
referred to in the Affidavit of
Marc Rosso
~~Sworn before me this~~ 29th
day of July 2010

CHRIS SIMARD
Barrister and Solicitor

Erin Ellard

From:	Tim Sommer
Sent:	Sunday, May 02, 2010 11:12 PM
To:	riaz@mamdani.com; Yossi Fixler
Cc:	Marc Rosso; Erin Ellard
Subject:	Judicial Listing - 909 5th Avenue SW, Calgary - 110,221sf Class B Office Building
Importance:	High

CUSHMAN & WAKEFIELD
Global Real Estate Solutions

JUDICIAL LISTING

909 5th Avenue SW
Calgary, Alberta, Canada

Cushman & Wakefield has been appointed by Court of Queens Bench to solicit offers to purchase this Class "B" ten storey office building, situated on the southeast corner of 5th Avenue and 8th Street SW.

Opportunity:	Leaseup, rollover, alternative use, owner-user
Building Area:	110,221 sf
Current Occupancy:	77%
Elevators:	3
Parking:	50 underground & 21 surface (1:1552)
Price:	$17,000,000 ($154.00 per square foot)

To register your interest, please contact Exclusive Judicial Listing Agent:

Cushman & Wakefield Ltd
1730, 111 - 5th Avenue SW
Calgary, AB T2P 3Y6
www.cushwake.com

Tim Sommer, Vice President
Capital Markets Group
403.261.1188
tim.sommer@ca.cushwake.com

Marc Rosso, Sales Representative
Capital Markets Group
403.261.1127
marc.rosso@ca.cushwake.com

Cushman & Wakefield is the Canadian operation of Cushman & Wakefield, the world's largest privately owned commercial real estate services firm. To find out more about Cushman & Wakefield, visit www.cushmanwakefield.com

DATE July 29, 2010 EXHIBIT NO. A for Identification
EXAM. OF Steven Butt.
Justyne A. Kawalilak
COURT REPORTER CSR(A) RPR
Amicus Reporting Group

Action No.: 0901 - 11048
Deponent: Marc Rosso
Sworn: July 29, 2010

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

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, SECTION 13(2) OF THE *JUDICATURE ACT*, R.S.A. 2000, c. J-2, AS AMENDED AND SECTION 99(a) OF THE *BUSINESS CORPORATIONS ACT*, R.S.A. 2000, C. B-9, AS AMENDED

AND IN THE MATTER OF CONCRETE EQUITIES INC., WEALTHCRETE INVESTMENT CORPORATION, CONCRETE ASSOCIATES INVESTMENT CORPORATION, CONCRETE ASSOCIATES II INVESTMENT CORPORATION, CONCRETE ASSOCIATES III INVESTMENT CORPORATION, CONCRETE ASSOCIATES IV INVESTMENT CORPORATION, CONCRETE ASSOCIATES V INVESTMENT CORPORATION, EL GOLFO INVESTMENT CORPORATION, CONSTA KORAAL INVESTMENT CORPORATION, LUNA MORADA INVESTMENT CORPORATION, CONCRETE EQUITIES EXECUTIVE CLUB INC., 1456775 ALBERTA LTD., AND CONCRETE PLACE PROPERTIES LTD.

AFFIDAVIT OF TIM SOMMER

BENNETT JONES LLP
Barristers and Solicitors
4500 Bankers Hall East
855 - 2nd Street S.W.
Calgary, Alberta T2P 4K7

Chris Simard

Telephone No. (403) 298-4485
Fax No. (403) 265-7219

File No. 29754-3

Erin Ellard

From: Tim Sommer
Sent: Sunday, May 02, 2010 11:12 PM
To: riaz@mamdani.com; Yossi Fixler
Cc: Marc Rosso; Erin Ellard
Subject: Judicial Listing - 909 5th Avenue SW, Calgary - 110,221sf Class B Office Building

Importance: High

CUSHMAN & WAKEFIELD®
Global Real Estate Solutions℠

JUDICIAL LISTING

909 5th Avenue SW
Calgary, Alberta, Canada

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Opportunity:	Leaseup, rollover, alternative use, owner-user
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To register your interest, please contact Exclusive Judicial Listing Agent:

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Cushman & Wakefield is the Canadian operation of Cushman & Wakefield, the world's largest privately owned commercial real estate services firm. To find out more about Cushman & Wakefield, visit www.cushmanwakefield.com

DATE July 29, 2010 EXHIBIT NO. A for Identification
EXAM. OF Steven Butt.
Justyne A. Kawalilak
COURT REPORTER CSR(A) RPR
Amicus Reporting Group

DATE July 29, 2010 EXHIBIT NO. 1
EXAM. OF Steven Butt.
Justyne A. Kawalilak
COURT REPORTER CSR(A) RPR
Amicus Reporting Group

THIS IS EXHIBIT " G "
referred to in the Affidavit of
Brad Little
Sworn before me this 14th
day of May 2009

CHRIS SIMARD
Barrister and Solicitor

FORBEARANCE AGREEMENT

THIS AGREEMENT is made effective as of the 9th day of February, 2009.

BETWEEN:

CONCRETE ASSOCIATES INVESTMENT CORPORATION
(the "Mortgagor")

- and -

THE STANDARD LIFE ASSURANCE COMPANY OF CANADA
(the "Mortgagee")

WHEREAS:

1. The Mortgagee made mortgage loan number 17862 with Fifth Avenue Syndication Ltd. (the "Original Mortgagor") as at September 1st, 2005 (the "Mortgage");

2. The Mortgage, Assignment of Rents Agreement and Specific and General Assignment of Leases were registered at the Land Titles Office for the South Alberta Land Registration District on the 26th day of September, 2005, respectively as Instrument Numbers 051 358 568, 051 358 569 and 051 358 570 and a General Security Agreement was registered at the Personal Property Registry on August 31, 2005 as registration number 05083133370 (collectively the "Original Security");

3. The Mortgage was assumed by the Mortgagor pursuant to a Mortgage Assumption Agreement made effective July 5th, 2006 (the "Mortgage Assumption Agreement") relating to the SNC Lavalin building located at 909 – 5th Avenue S.W., Calgary, Alberta on those lands legally described as Plan 3790P, Lots A-D and Plan A1, Block 26, Lots 14-16 excepting thereout the portion for street widening on Plan 821 1788 (hereinafter referred to as the "Lands");

4. Repayment of the Mortgage was guaranteed by each of Mr. Steven Butt, Mr. Varun Aurora, Mr. Garry Bobke and Mr. David Jones (collectively the "Guarantors") pursuant to written guarantees issued by each of the Guarantors (collectively the "Guarantees");

5. The Mortgage loan matured on October 1st, 2008, upon which the Mortgagee was able and did unilaterally extend a one-month over hold pursuant to paragraph 50 of the Mortgage, which extended the maturity date to November 1st, 2008 (the "One Month Over Hold");

6. Pursuant to the One Month Over Hold, interest began accruing at 7.75% and the Mortgagee will capitalize into the Mortgage balance its one-month extension fee of $8,823 which equalled the ten basis-point fee that the Original Mortgagor and Mortgagor both agreed to pay pursuant to the terms of the Mortgage and the Mortgage Assumption Agreement (the "Extension Fee");

7. As at November 1st, 2008, the Mortgagor was not able to repay the Mortgage loan and from that time, the Mortgagee has been relying upon paragraph 50 of the Mortgage to continue to collect interest at the rate of 7.75% and not withstanding that the Original Mortgagor and the Mortgagor were respectively in default under the Original Security and

the Mortgage Assumption Agreement, the Mortgagee did not take any actual enforcement steps under the Original Security, the Mortgage Assumption Agreement or the Guarantees;

8. The Mortgagee has in its possession a fee equal to the sum of $26,798 (the "Fee");

9. The Mortgagee, pursuant to a letter dated November 14th, 2008 to the Mortgagor extended an offer to allow for the November 1st 2008 maturity date to be extended another two months if such offer had been accepted. The term of such offer expired on November 19th, 2008 by which time the Borrower and the Guarantors had not fully complied with the terms of such offer. Therefore, such offer was of no further force and effect as at November 19th, 2008;

10. The following reports have been prepared for the Mortgagor: Update Phase I Environmental Site Assessment Report for the Existing Property prepared by Global Engineering and Testing Ltd. dated December 2008; Full Narrative Appraisal Report prepared by Colliers International Realty Advisors dated December 2008; and Preliminary Building Condition Assessment prepared by Pinchin Environmental dated December 15, 2008 (collectively the "Reports"); and

11. As at February 1st, 2009 (assuming the February 1st payment is honoured) the Mortgagor owed the Mortgagee $8,737,539.58, pursuant to the terms of the Mortgage (the "Indebtedness"), which does not include the Extension Fee;

NOW THEREFORE, in consideration of the foregoing and the terms and conditions contained herein and other considerations, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
NO AMENDMENT

1.1 Save as expressly provided herein, nothing in this Agreement is intended to alter, amend, modify or limit the existence or the effectiveness of any agreement between the Mortgagee and the Mortgagor, the Old Mortgagor or the Guarantors including, without limitation, the Original Security, the Mortgage Assumption Agreement or the Guarantees.

ARTICLE II
ACKNOWLEDGEMENT

~~2.1 The Mortgagor hereby acknowledges, agrees and represents that:~~

(a) as at the date hereof, there is no defence or set off to the claims of the Mortgagee for repayment of the Indebtedness;

(b) the Mortgage Assumption Agreement and the Original Security have been duly and properly executed and continue to be valid, binding and enforceable in accordance with their terms;

(c) it is indebted to the Mortgagee for the Indebtedness and the Extension Fee as at February 1st, 2009 and that interest on the Indebtedness and all other fees and expenses that properly accrue pursuant to the terms of the Original Security and the Mortgage Assumption Agreement shall form part of the Indebtedness;

(d) the terms of the Mortgage loan, the Original Security and the Mortgage Assumption Agreement, save as amended by this agreement, remain in full force and effect;

(e) the recitals are accurate and complete in every respect and form an integral part of this Forbearance Agreement;

(f) it hereby waives and agrees not to assert or cause to be asserted, and is hereby estopped from asserting or causing to be asserted on behalf of it, any defences or rights with respect to the legal effect of the Original Security or the Mortgage Assumption Agreement or other security, or the legality, validity or binding effect of the obligations of the Mortgagor and the enforceability of same.

ARTICLE III
MISCELLANEOUS

3.1 If any provision of this Agreement is or becomes illegal, invalid or unenforceable, the illegality, invalidity or unenforceability of that provision will not affect the legality, validity or enforceability of the remaining provisions of this Agreement.

3.2 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

3.3 Time shall be of the essence of this Agreement.

3.4 The Mortgagor has requested that the Mortgagee forbear from demanding repayment of the Indebtedness and enforcing its Original Security until April 1st, 2009 and the Mortgagee has agreed to do so, so long as the following conditions are satisfied: .

(1) The Mortgagor hereby acknowledges and confirms that all of the recitals are true, correct and accurate;

(2) The Mortgagor will continue to pay over hold interest at the rate of 7.75% and the monthly principal and interest payments of $77,311 shall continue to be made as per the terms of the Mortgage;

(3) The Mortgagee shall unconditionally forfeit the Fee concurrent with the signing of this Forbearance Agreement;

(4) The Mortgagor acknowledges its ongoing obligation to pay all of the Mortgagee's legal fees on a solicitor and his own client full indemnity basis as required by the Original Security on the understanding that such payment shall occur concurrent with the Mortgagor's paying out the Mortgagee's Mortgage loan, but in any event, such legal fees shall be paid on or before April 1st, 2009;

(5) The Mortgagor hereby covenants that it and its professional advisors will provide professional and timely communications and be responsive to the Mortgagee's ongoing reasonable requests for information and documentation which shall include, without restriction, matters relating to ownership, direction and corporate control of the Borrower,

ongoing financial information pertaining to operation of the Lands, and the CWB Refinancing (as hereafter defined);

(6) The Mortgagee acknowledges receipt of the Reports from the Mortgagor and the Mortgagor hereby undertakes to forthwith obtain reliance letters from the authors of the Reports in favour of the Mortgagee and the same will be provided the Mortgagee on a timely basis;

(7) The Mortgagor shall direct and authorize the Canadian Western Bank ("CWB") to speak to the Mortgagee and Bennett Jones LLP for the purposes of verifying the CWB's commitment to providing the Mortgagor with replacement financing to pay out the Mortgage loan;

(8) The Mortgagee shall be provided, by no later than February 27th, 2009, with a copy of the Mortgagor's executed commitment letter from the CWB (the "CWB Refinancing") concurrent with the Mortgagor's receipt thereof;

(9) The Mortgagor will repay all sums owing to the Mortgagee, pursuant to the terms of the Mortgage and the Mortgage Assumption Agreement, on or before April 1st, 2009 at which time the Mortgagee shall release all security and discharge all of its registrations at the Land Titles office and the Personal Property Registry; and

(10) The Mortgagor shall provide the Mortgagee with an irrevocable letter of credit by no later than February 27th, 2009, from a Canadian chartered bank satisfactory to the Mortgagee acting reasonably and the terms and conditions of such irrevocable letter of credit shall be satisfactory to the Mortgagee acting reasonably, which will provide that in the event the Mortgage loan is not repaid by April 1st, 2009, the Mortgagee shall be able to present such letter of credit to the issuer and receive the sum of $500,000 that will then be applied against the principal sum owing under the Mortgage.

3.5 Any failure by the Mortgagee to insist on strict performance of any provision of this Forbearance Agreement or the Original Security does not constitute a waiver of the provision of this Forbearance Agreement or the Original Security.

3.6 The Mortgagee, by this Forbearance Agreement, is not agreeing to any further extension of time, any forbearance of its rights in any way, any waiver, or other indulgence against the Mortgagor and the Original Mortgagor under the Mortgage Assumption Agreement and the Original Security and the Guarantors under the Guarantees to require repayment of the Mortgage loan.

3.7 As per the terms of the Mortgage and the Mortgage Assumption Agreement, the Mortgagor hereby again confirms that all legal fees and disbursements on a solicitor and his own client full indemnity basis that the Mortgagee has incurred and will continue to incur in respect of this matter are for the account of the Mortgagor.

3.8 The Mortgagor hereby acknowledges and agrees that the administration of the Mortgage loan, the Original Security and the Mortgage Assumption Agreement by the Mortgagee, and the Mortgagee's actions entering into this Forbearance Agreement, have been fair and reasonable. Further, the Mortgagor waives and agrees not to assert, cause to be asserted on its behalf and is hereby estopped from asserting or causing to be asserted on its behalf, any defences, rights or claims with respect to the Mortgage loan or the administration thereof, the Original Security or the Mortgage Assumption Agreement or the lender's actions entering into this Forbearance Agreement. The Mortgagor releases and remises the Mortgagee, its agents and solicitors from any and all claims with respect to the Mortgage loan or the administration thereof, the Original Security and Mortgage Assumption Agreement and the lender's actions in entering into this Forbearance Agreement, all up to the date of execution of this Forbearance Agreement. The

Mortgagor further acknowledges and agrees that, in executing and delivering this Forbearance Agreement, the Mortgagor is acting freely and without duress and has obtained independent legal advice.

3.9 In the event that the Mortgagor fails to comply with any of the terms and conditions of this Forbearance Agreement, the same will constitute an event of default under this Forbearance Agreement thereby allowing the Mortgagee to immediately terminate this Forbearance Agreement, demand repayment of the Indebtedness and commence enforcement and collection of the Mortgage loan pursuant to the Original Security, Mortgage Assumption Agreement and the Guarantees.

CONCRETE ASSOCIATES INVESTMENT CORPORATION

Per: ____________________
Name: VINCENZO DE PALMA
Title: EXECUTIVE PRESIDENT

Per: ____________________
Name: VARUN AURORA
Title:

THE STANDARD LIFE ASSURANCE COMPANY OF CANADA

Per: ____________________
Name:
Title:

Per: ____________________
Name: BRAD LITTLE
Title: REGIONAL DIRECTOR