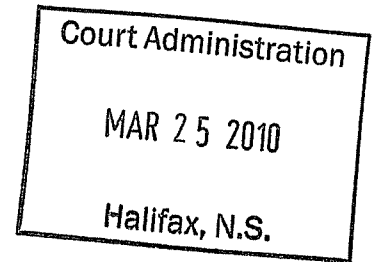


2010

Hfx. No. 326000

**SUPREME COURT OF NOVA SCOTIA**  
In Bankruptcy



BETWEEN:

**ADDENDA CAPITAL INC.**, a body corporate

**PLAINTIFF**

- and -

**NOVA NEW ENGLAND LIMITED**, a body corporate, **JAMES BRENNAN** and **TERRANCE BRENNAN**

**DEFENDANTS**

**AFFIDAVIT OF PAUL G. GOODMAN**

I, Paul G. Goodman, of Halifax, Nova Scotia, give evidence as follows:

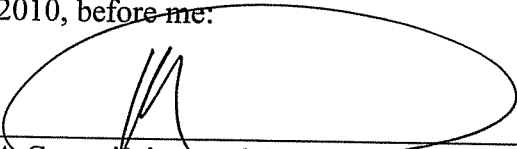
1. I am a Senior Vice President with BDO Canada Limited ("**BDO**"), of Halifax, Nova Scotia.
2. I have personal knowledge of the evidence sworn to in this Affidavit, except where otherwise stated to be based upon information or belief, in which case I do verily believe it to be true.
3. I state, in this Affidavit, the source of any information that is not based on my own personal knowledge, and I state the belief of the source.
4. By letter dated February 12, 2010 (the "**Initial Appointment Letter**"), a true copy of which is attached hereto and marked as Exhibit "1", BDO was appointed by Addenda Capital Inc. ("**Addenda**") to act as receiver of Nova New England Limited ("**NNEL**") with certain specific and limited duties, as defined in the Initial Appointment Letter, with effect from February 18, 2010. The effective date was later changed by Addenda to February 19, 2010.
5. BDO's appointment, as set out in paragraph 4 above, was made by Addenda pursuant to paragraph 38 of a mortgage (the "**Mortgage**") originally made NNEL in favour of Co-operators Investment Counselling Limited ("**Co-operators**") with respect to the property of NNEL located at 66-70-72 Ochterloney Street, 41 Wentworth Street, Dartmouth, Nova Scotia and also known as "Founders Corner" (the "**Property**"). The Mortgage was assigned to Addenda pursuant to an assignment of security dated August 19, 2008 (the "**Assignment Agreement**").

6. By letter dated February 18, 2010, a true copy of which is attached hereto and marked as Exhibit "2", Montrose Mortgage (Atlantic), acting as agent for Addenda, confirmed that BDO's mandate as receiver was to be extended to include the collection of occupancy fees, rents and gas recoveries under the terms of an assignment of rents and other monies made by NNEL to Co-operators and subsequently assigned to Addenda.
7. Attached hereto and marked Exhibit "3" is a true copy of the notice issued to the tenant in the commercial unit by BDO, dated February 25, 2010, requiring that all rents from the date of the notice forward be paid to BDO.
8. Attached hereto and marked Exhibit "4" is a true copy of the form of notice issued to the parties to the agreements of purchase and sale for the residential units by BDO, dated February 25, 2010, requiring that all occupancy fees from the date of the notice forward be paid to BDO.
9. By letter dated March 16, 2010, a true copy of which is attached hereto and marked as Exhibit "5", Addenda appointed BDO as a Receiver and Receiver/Manager without limitations and with the full powers of a Receiver and Receiver/Manager over the Property of NNEL as charged by the Mortgage referred to in Paragraph 5.
10. Presently at the Property, eighteen (18) units are occupied yielding monthly cash inflow for March of \$25,120, exclusive of gas recoveries and HST.
11. Attached as Exhibit "6" is a schedule detailing the status of the March collections (as at March 16, 2010) for occupancy fees, rent and gas recoveries for the units presently occupied.
12. Of the seventeen (17) units presently occupied, occupancy fees and gas recoveries are being collected pursuant to the terms of Agreements of Sale made between prospective purchasers and NNEL. Four of these units are presently rented to third parties.
13. There is one other occupied unit at the Property which is owned by NNEL (Unit C-3) which is rented as a commercial unit (C-3) to Tara Christine MacDonald and Zane Kelsall (operating as "Two if by Sea Café") pursuant to a lease dated July 31, 2009.
14. Attached hereto and marked as Exhibit "7" is a schedule detailing the status of each unit sold, occupied or not occupied, and the unsold units. There are sixteen (16) residential units "sold" and occupied and one (1) commercial unit "sold" and occupied. There are six (6) more units subject to Agreements of Sale, but not occupied. There is one (1) commercial unit (C-3) which is owned by NNEL and leased to Two if by Sea Café. There are fifteen (15) residential units and one (1) commercial unit (C-1) unsold.
15. Many of the units are unfinished. Attached and marked as Exhibit "8" is a schedule detailing the projected costs of the work remaining to be completed at the Property to fully finish the units. The schedule was prepared by Vince MacDonald, the project manager originally hired by NNEL but who now has been retained by BDO. I have

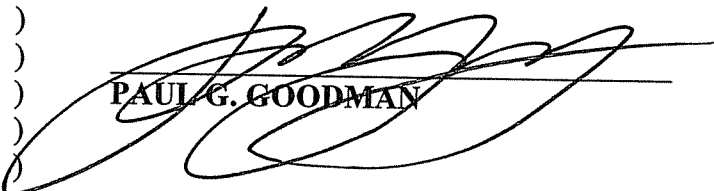
reviewed the attached schedule and believe it to be reasonably accurate although it is recognized that these cost estimates are only estimates at this stage.

16. Based on the cost estimates provided in Exhibit "8", I believe it would be prudent for the Receiver or Receiver/Manager to have authority to borrow an amount up to \$1,000,000 to provide for the completion of the units and the administration costs of the receivership.

SWORN TO: at Halifax, Province of )  
Nova Scotia, this 17<sup>th</sup> day of March, )  
2010, before me: )

  
A Commissioner of the Supreme Court  
of Nova Scotia )

*Maurice P. Chiasson*

  
PAUL G. GOODMAN )