

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF
RETROCOM GROWTH FUND INC.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**SEVENTH REPORT OF RSM RICHTER INC.,
IN ITS CAPACITY AS TRUSTEE UNDER PROPOSAL**

**PURSUANT TO SECTION 58(d) AND SECTION 59(1)
OF THE *BANKRUPTCY AND INSOLVENCY ACT* ("BIA")**

JULY 16, 2008

RSM Richter Inc., ("Richter") of the City of Toronto, the Trustee acting in the Proposal of Retrocom Growth Fund Inc. ("RGFI" or the "Debtor"), hereby reports to the Court as follows:

1. RGFI lodged a proposal (the "Proposal") with the Trustee on the 31st day of January, 2007 and the Proposal was filed with the Official Receiver by Richter on the same date. On July 4, 2008, the Debtor lodged an amended proposal ("Amended Proposal") with the Trustee, which was filed with the Official Receiver by Richter on the same date. A copy of the Amended Proposal is attached as Exhibit "A".
2. The meeting to consider the Proposal has been adjourned on a number of occasions and was reconvened most recently on June 25, 2008, at which time it was adjourned to a date no later than September 30, 2008. The adjournments were necessary to allow the Company to finalize the terms of the Amended Proposal.
3. On the 4th day of July, 2008, the Trustee gave notice to the Division Office of the Superintendent of Bankruptcy and to every known creditor affected by the Amended Proposal, whose names and addresses are shown in Exhibit "B" to this report, of the calling of a meeting of creditors to be held on the 15th day of July, 2008, to consider the Amended Proposal.
4. With the notice was included an estimated statement of financial position of the Debtor, a list of the secured and unsecured creditors affected by the Amended Proposal who have claims of \$250 or more (and showing the amounts of their claims), a copy of the Amended Proposal, a form of proof of claim and proxy in blank and a voting letter (collectively, the "Notice Package"). A copy of the Notice Package is attached as Exhibit "C".
5. The meeting of creditors was held on the 15th day of July, 2008, and was presided over by Mr. Robert Harlang of Richter.

6. The Amended Proposal was accepted by the required majority of creditors, being 100% in dollar value (\$7.6 million) and 100% in number (11) of those creditors voting in person or by proxy.
7. A copy of the minutes of the meeting is attached as Exhibit "D".
8. On the 4th day of July, 2008, we did give due notice by mail to the Superintendent of Bankruptcy and to every known creditor of the application to Court by the Trustee for approval of the Amended Proposal, a copy of which is attached as Exhibit "E".
9. As background to the filing of the Amended Proposal, on August 1, 2006, the Debtor filed a Notice of Intention to Make a Proposal under the BIA. The Debtor was subsequently granted extensions of the time to file the Proposal, ultimately to January 31, 2007.
10. We are of the opinion that the Debtor's Amended Proposal is advantageous for the creditors for the following reasons:
 - The Debtor is currently insolvent, with assets having realizable values totaling less than is owed to the Debtor's secured and unsecured creditors. If the Amended Proposal is not approved, the Debtor will be deemed to have made an assignment in bankruptcy and there will be no funds available to the Debtor's unsecured creditors and;
 - The claims of Unaffected Creditors (as defined in the Amended Proposal) have been provided for and are to be satisfied.
11. A copy of this report was forwarded to the Official Receiver on this day.

DATED at Toronto this 17th day of July, 2008.



**RSM RICHTER INC.
TRUSTEE UNDER THE PROPOSAL OF
RETROCOM GROWTH FUND INC.
AND NOT IN ITS PERSONAL CAPACITY**

**In the Matter of the Proposal of Retrocom Growth Fund Inc.,
a Corporation Duly Incorporated under the Laws of Canada,
of the City of Toronto, in the Province of Ontario**

AMENDED PROPOSAL

Retrocom Growth Fund Inc. hereby submits the following proposal under Part III, Division I of the *Bankruptcy and Insolvency Act* (Canada).

ARTICLE I
DEFINITIONS

1.01 Definitions

In this Proposal:

"Act" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, B-3, as amended;

"Administrative Fees and Expenses" means:

- (a) all proper fees and expenses of the Trustee incurred both before and after the filing by the Debtor of this Proposal pursuant to the Act; and
- (b) all reasonable fees and disbursements of counsel to the Trustee and counsel and financial advisors of the Debtor with respect to any proceedings relating to or arising out of the Proposal, the preparation of the Proposal and negotiations in connection therewith, the performance by the Debtor of its obligations hereunder, and advice to the Debtor with respect thereto, all up to and including the Effective Date;

"Affected Claim" means any Claim except for an Unaffected Claim;

"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"Affected Creditors Class" means the class of Affected Creditors entitled to vote on this Proposal at the Creditors' Meeting;

"Affiliate" means any affiliate body corporate, as that term is defined in the *Canada Business Corporations Act*, of the Debtor. For greater certainty, neither Retrocom REIT nor RIMI shall be treated hereunder as an Affiliate;

"Articles of Reorganization" means the articles of reorganization to be filed in respect of the Debtor pursuant to the CBCA to give effect to the Reorganization, substantially in the form attached as Schedule "A" to this Proposal;

"CBCA" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended;

"Claim" means any right or claim of any Person that may be made in whole or in part against the Debtor, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind, which indebtedness, liability or obligation is in existence or which is based on an event, act or omission that occurred, or a condition that existed, in whole or in part prior to the Filing Date or that arises after the Filing Date as a result of or in connection with the repudiation of any Contract and any interest that may accrue thereon up to the Filing Date (or to the date of the repudiation of such Contract, where applicable) for which there is an obligation to pay, and amounts which such Person would be entitled to receive, pursuant to the terms of any Contract with such Person at law or in equity, by reason of the commission of a tort (intentional or unintentional), any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to property or assets or to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise) or for any other reason whatsoever against any property or assets, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, or any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, based in whole or in part on facts which existed prior to the Filing Date (or to the date of the repudiation of such Contract, where applicable), together with any other rights or claims not referred to above that, in whole or part, would have been claims provable in bankruptcy had the Debtor become bankrupt at the Filing Date (or the date of the repudiation of such Contract, if applicable), together with any other rights or claims, whether or not asserted, made after the Filing Date in any way, directly or indirectly related to any action taken or power exercised prior to the Filing Date;

"Contract" means any contract, agreement, lease (including any lease of personal, real, movable or immovable property), permit, license or arrangement;

"Court" means the Ontario Superior Court of Justice (Commercial List);

"Court Approval Date" means the date upon which the Court makes an order approving this Proposal;

"Creditor" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person;

"Debtor" means Retrocom Growth Fund Inc.;

"Effective Date" shall mean the date on which the transactions and agreements provided for in this Proposal, including the Reorganization, become effective, which shall be the date on which the certificate of the Trustee referenced in Section 2.02 is filed with the Court;

"Filing Date" means August 1, 2006, being the date upon which a notice of intention to make a proposal was filed by the Debtor with the Official Receiver in accordance with the Act;

"Governmental Authority" means any government, municipality, regulatory authority, governmental department, agency, commission, bureau, official, minister, agent, Court, board, tribunal, dispute settlement panel or body or other law, rule or regulation-making entity:

- (a) having or purporting to have jurisdiction on behalf of any nation, province, state or other geographic or political subdivision thereof; or
- (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"Inspector" means any inspector appointed pursuant to Section 6.01 hereof;

"Legislation" means the legislation referred to in subsection 60(1.1) of the Act;

"New Shares" means the new class of common shares in the capital of the Debtor to be created pursuant to the Articles of Reorganization;

"New Share Purchase Agreement" means the agreement dated as of March 14, 2008 between the Debtor and the New Share Purchaser for the purchase and sale of the New Shares, as amended, a copy of which is attached hereto as Schedule "B";

"New Share Purchaser" means the purchaser of the New Shares pursuant to the New Share Purchase Agreement;

"Old Equity" means all of the issued and outstanding equity in the capital of the Debtor, including, without limitation, all issued and outstanding ordinary shares, common shares and preferred shares, and any option, warrant or agreement or right to purchase such equity, save and except for the New Shares;

"Person" means any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, corporation, body corporate or Governmental Authority;

"Preferred Claim" means a Claim enumerated in Section 136(1) of the Act;

"Preferred Creditor" means the holder of a Preferred Claim but only with respect to, and to the extent of, that Preferred Claim;

"Proposal" means this Proposal of the Debtor, as may be amended or altered in accordance with the terms hereof;

"Proposal Fund" means the fund created pursuant to and described in Article V of this Proposal;

"Reorganization" means the reorganization of the Debtor pursuant to Section 191 of the CBCA, for which approval of the Court will be sought on the Court Approval Date, as described in Section 7.01 of this Proposal;

"Retained Properties" shall have the meaning ascribed thereto in the New Share Purchase Agreement;

"Retrocom REIT" means Retrocom Mid-Market Real Estate Investment Trust;

"RIMI" means Retrocom Investment Management Inc.;

"Secured Claims" means any Claim or portion thereof which was, as of the Filing Date, and still is, secured by a validly attached and existing security interest on the real or personal property of the Debtor, including security which was duly and properly perfected under the *Personal Property Security Act* (Ontario) at the Filing Date, to the extent, and only to the extent, of the lesser of: (a) the amount of such Claim as agreed to by the Debtor or as finally determined by a court of competent jurisdiction, and (b) the realizable value of the remaining property of the Debtor subject to such security interest having regard to, among other things, the priority of such security;

"Secured Creditor" means a creditor holding a Secured Claim, but only with respect to, and to the extent of, such Secured Claim. For greater certainty, any other claim by such creditor shall be an unsecured claim.

"Superintendent's Levy" means the levy payable to Superintendent of Bankruptcy pursuant to Section 147 of the Act;

"Trustee" means RSM Richter Inc., in its capacity as trustee in respect of this Proposal;

"Unaffected Claim" means only the following Claims and such other Claims as may be designated in this Proposal (or any amendments thereto) as not being affected by this Proposal and which are listed in the books and records of the Debtor or of which the Debtor and the Trustee have received actual notice:

- (i) claims for amounts due for goods or services actually supplied to, or at the request of, the Debtor after the Filing Date;
- (ii) Secured Claims;
- (iii) Administrative Fees and Expenses;
- (iv) Claims of the Trustee and its counsel, and Claims of the Debtor's counsel; and
- (v) Crown claims referred to in Section 4.03.

"Unaffected Creditor" means a creditor holding an Unaffected Claim, but only with respect to, and to the extent of such Unaffected Claim.

ARTICLE II
CONDITIONS PRECEDENT AND TRUSTEE'S CERTIFICATE

2.01 Conditions Precedent

The implementation of this Proposal shall be conditional upon the fulfillment of all of the following conditions:

- (a) The Proposal shall be approved by the Affected Creditors in accordance with the Act; and
- (b) The Proposal and the Reorganization shall be approved by the Court and all conditions to the completion of the transactions contemplated by the New Share Purchase Agreement shall have been satisfied or waived.

2.02 Trustee's Certificate

Upon the satisfaction (or, where applicable, waiver) of the conditions set out in Section 2.01, the Trustee shall file with the Court a certificate which states that all conditions precedent set out in Section 2.01 of this Proposal have been satisfied, and that the Effective Date has occurred. In so certifying that the conditions precedent set out in Section 2.01 of this Proposal have been satisfied, the Trustee shall be entitled to rely upon certificates, representations and confirmations from the Debtor or any director or officer thereof and the Trustee shall incur no liability in connection with its reliance thereon.

ARTICLE III
CLASSES OF CREDITORS

3.01 Class of Creditors

There shall be one class of Creditors for the purpose of voting on the Proposal, being the Affected Creditors Class.

ARTICLE IV
TREATMENT OF CREDITORS' CLAIMS

4.01 Preferred Claims

All proven Preferred Claims, as contemplated by Sections 136(1)(c) to 136(1)(i) of the Act, if any, will be paid without interest from the Filing Date in full from the Proposal Fund in priority to all Unsecured Claims but after reserving for the amounts set out in Section 5.01(b) of this Proposal, provided however that Preferred Claims of employees and former employees equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the Act if the Debtor became bankrupt on the Filing Date, shall be paid by the Trustee from the Proposal Fund immediately after approval of this Proposal by the Court. For greater certainty, amounts due or

which may become due pursuant to this paragraph do not include claims for severance or termination.

4.02 Affected Claims

Affected Claims, other than Preferred Claims shall be dealt with as follows:

Each Affected Creditor who, on the Effective Date, holds Affected Claims shall receive, in full and final satisfaction of its Affected Claims, payment of its *pro rata* share of the Proposal Fund in respect of its proven Affected Claims in accordance with Article V hereof.

4.03 Crown Claims

After the Court Approval Date, the Trustee shall pay from the Proposal Fund Her Majesty in Right of Canada and in Right of Ontario all amounts of a kind that could be subject to a demand under the Legislation, provided however that any such claims shall be paid from the Proposal Fund within six months after the Court Approval Date.

4.04 Interest on Claims

Interest shall not accrue or be paid on any Affected Claims after the Filing Date, and holders of Affected Claims shall only be entitled to interest accruing on or before the Filing Date on any such Affected Claims. All Claims in respect of interest on Affected Claims after the Filing Date shall be discharged and extinguished on the Effective Date.

ARTICLE V PAYMENT OF DISTRIBUTIONS TO CREDITORS

5.01 Composition and Distribution of Proposal Fund

Subject to Section 2.01, the Trustee shall distribute from time to time in accordance with the provisions of this Proposal to each holder of a proven Affected Claim its *pro rata* share of the remaining Proposal Fund, which shall comprise:

- (a) the aggregate of the following amounts:
 - (i) all assets of the Debtor as of the Effective Date, other than the Retained Properties; and
 - (ii) payments received by the Trustee pursuant to the New Share Purchase Agreement (including, without limitation, from the sale of the Retained Properties);

less:

- (b) the aggregate of the following amounts:

- (i) the amount owing to the holders of Secured Claims with valid and enforceable security over the property of the Debtor, to the extent of such Secured Claims, as may be reduced from time to time by agreement of the holders of such Secured Claims;
- (ii) a reasonable reserve, in an amount determined by the Trustee, on account of costs and expenses to be incurred by the Trustee after the Effective Date in carrying out the provisions of this Proposal and the Reorganization (which reserved funds will be paid by the Debtor to those in respect of which the reserves were set up);
- (iii) a reasonable reserve, in an amount to be determined by the Trustee, on account of claims relating to other Unaffected Claims (which reserved funds will be paid by the Debtor to those in respect of which the reserves were set up); and
- (iv) the amounts, if any, contemplated by Section 4.1(a)(iv) of the New Share Purchase Agreement.

The Trustee will only make distributions from the Proposal Fund if the amount available to be distributed makes such distributions economically practical, as determined by the Trustee, acting reasonably (having regard to, among any other considerations that the Trustee considers appropriate, the amount of liquid funds available to be distributed, any reserves or prior claims, the number of Persons to whom the distribution is to be made and the time at which further funds are expected to become available for distribution), which determination will be final and non-reviewable.

5.02 Disputed Claims

In the case of any Disputed Claim that has not been finally determined on the date of any distribution to Affected Creditors pursuant to this Proposal, the Trustee will reserve sufficient cash from the Proposal Fund to distribute to the Affected Creditor its pro-rata share in respect of such Disputed Claim in the event that such Disputed Claim becomes a proven Affected Claim. If the Disputed Claim becomes a proven Affected Claim in whole or in part in accordance with the Act after the applicable distribution date, the cash reserved in respect of such Disputed Claim (or an appropriate portion thereof) will be distributed to such Affected Creditor. If the Disputed Claim is ultimately disallowed in whole or in part in accordance with the Act after such distribution date, any cash reserved in respect of such Disputed Claim (or the appropriate portion thereof) will become available again for distribution from the Proposal Fund.

5.03 Transfer to Trustee

On the Effective Date, all assets of the Debtor, other than the Retained Properties, shall be, and shall be deemed to be, transferred and assigned by the Debtor to the Trustee for the benefit of the holders of proven Affected Claims.

ARTICLE VI **INSPECTORS**

6.01 Appointment and Powers of Inspectors

At any meeting of the Affected Creditors to be held to consider the Proposal, the Affected Creditors may appoint one or more, but not exceeding five, Inspectors whose powers shall include, in addition to the powers conferred to the Inspectors pursuant to the Act:

- (i) advising and directing the Trustee from time to time with respect to any matter that the Trustee may refer to them;
- (ii) advising the Trustee concerning any dispute that may arise as to the validity of claims of the Affected Creditors which the Trustee may refer to them; and
- (iii) directing the Trustee concerning any matter raised with the Inspectors by the Trustee related to the New Share Purchase Agreement and the Transactions contemplated thereby.

6.02 Referral of Decisions of Inspectors to the Court

Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it thinks just.

6.03 Directions to Debtor and Trustee

The Trustee shall be entitled to rely upon the decision of a majority in number of the Inspectors with respect to any direction and neither the Debtor nor the Trustee nor their respective legal counsel shall have any liability for acting in accordance with the decision of the Inspectors in respect thereof.

6.04 Discharge of Inspectors

The authority and term of office of the Inspectors shall terminate upon the discharge of the Trustee.

ARTICLE VII **REORGANIZATION**

7.01 Reorganization

In order to realize value for Affected Creditors from the remaining property of the Debtor in accordance with the New Share Purchase Agreement, on the Court Approval Date, the Debtor will concurrently seek an Order of the Court to approve and effect the Reorganization in order to, *inter alia*:

- (a) Create the New Shares; and

(b) cancel all of the issued and outstanding Old Equity in the capital of the Debtor,

all as more particularly set out in the Articles of Reorganization. Holders of Old Equity will not be entitled to any payment or compensation with respect to the cancellation of the Old Equity.

7.02 Coordinated Restructuring, Reorganization and Proposal

This Proposal contemplates a coordinated reorganization of the Debtor together with a compromise of Affected Claims against the Debtor. Therefore all of the actions, documents, agreements and funding necessary to implement each of the Reorganization and this Proposal must be in place and be final and irrevocable on or prior to the Effective Date.

**ARTICLE VIII
AMENDMENT TO THE PROPOSAL**

8.01 Amendment, Modification or Restatement of Proposal

This Proposal and any term hereof may be amended, modified or restated by the Debtor, including, without limitation, to the extent necessary to give effect to or facilitate the New Share Purchase Agreement and the transactions contemplated therein, or by the Affected Creditors with the consent of the Debtor, at or prior to the meeting of Creditors called to consider the same or at or prior to any adjournment thereof or, if made after the meeting of Creditors, any such amendment, restatement or modification may be made unilaterally by the Debtor if, in the opinion of the Debtor and the Trustee, it concerns a matter which is administrative in nature and required to better give effect to the implementation of the Proposal and the Reorganization or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors, or with the approval of the Court in any other case.

**ARTICLE IX
EFFECT OF PROPOSAL**

9.01 Binding Effect of Proposal

On the Effective Date, the Proposal shall be implemented by the Debtor and shall be fully effective and binding on the Debtor and all Persons affected by the Proposal. Without limitation, the treatment of Claims under the Proposal shall be final and binding on the Debtor, the Affected Creditors and all Persons affected by the Proposal and their respective heirs, executors, administrators, legal representatives, successors and assigns. For greater certainty, this Proposal shall not affect the Unaffected Creditors.

9.02 Amendments to Agreements and Paramouncy of Proposal

Notwithstanding the terms and conditions of all agreements or other arrangements with Affected Creditors entered into before the Filing Date, for so long as an event of default under this Proposal has not occurred, all such agreements or other arrangements will be deemed to be amended to the extent necessary to give effect to all the terms and conditions of this Proposal. In

the event of any conflict or inconsistency between the terms of such agreements or arrangements and the terms of this Proposal, the terms of this Proposal will govern and be paramount.

9.03 Deemed Consents and Authorizations of Affected Creditors

Upon approval of this Proposal by Affected Creditors and the Court in accordance with the Act, all Affected Creditors will be deemed to have given such consents and authorizations and to have taken such steps as are necessary to give effect to the terms of this Proposal.

9.04 Ability to Complete Transactions

Nothing contained in this Proposal shall prevent or constrain the Debtor from taking any action, or completing any transaction, in respect of the Retained Properties.

ARTICLE X

SUPERINTENDENT'S LEVY AND ADMINISTRATIVE FEES AND EXPENSES

10.01 Superintendent's Levy

All monies payable under the Proposal shall be paid by the Debtor to the Trustee and notwithstanding any other provision hereof, all payments or distributions made by the Trustee in respect of Affected Claims pursuant to the terms hereof shall be made net of the Superintendent's Levy required to be paid pursuant to Sections 147 and 60(4) of the Act.

10.02 Administrative Fees and Expenses

Administrative Fees and Expenses will be paid from the Proposal Fund in priority to all Claims of Preferred Creditors and Affected Creditors, claims pursuant to Section 4.03 and all other Claims of any Person.

ARTICLE XI

RELEASE OF CLAIMS

11.01 Proposal Releases

Upon the implementation of this Proposal on the Effective Date, the following Persons (being herein referred to individually as a "**Released Party**"): (i) the Debtor, its Affiliates and their respective various legal counsel; (ii) RSM Richter Inc., in all capacities, and its legal counsel; (iii) present and former directors and officers of the Debtor and its Affiliates in such capacities; (iv) the current legal counsel of the directors and officers of the Debtor; and (v) any Person claimed to be liable derivatively through any or all of the foregoing Persons; shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, including, without limitation, any and all Claims in respect of statutory liabilities of present and former directors,

officers and employees of the Debtor, and any alleged fiduciary or other duty, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Effective Date in any way relating to, arising out of or in connection with Claims, the business and affairs of the Debtor and its Affiliates, this Proposal and the Reorganization to the full extent permitted by law, and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Debtor's obligations under the Proposal or any related document), provided that nothing herein:

- (a) shall release or discharge a Released Party from or in respect of its obligations under this Proposal;
- (b) shall affect the right of any Person:
 - (i) to recover indemnity from any insurance coverage under which that Person is an insured, or
 - (ii) to obtain recovery on a Claim against a Released Party from any insurer that has provided insurance coverage pursuant to which that Released Party is an insured Person, but, for certainty, any Claim to which an insurer is or would otherwise be subrogated is released hereunder such that the insurer shall not have any Claim against a Released Party, and the recovery to which such Person shall be entitled shall be limited to the proceeds of insurance actually paid by the insurer with respect to the Claim;
- (c) shall release or discharge present or former directors of the Debtor with respect to matters set out in section 50(14) of the Act; or
- (d) shall release any Claim that the Debtor has or may have against any of its Affiliates.

11.02 Extinguishment of Claims

As and from the Effective Date, the treatment of Affected Claims under this Proposal shall be final and binding on all Persons affected by this Proposal (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and, upon implementation of this Proposal on the Effective Date, all Affected Claims shall be forever discharged and released, excepting only the obligations to make distributions in respect of such Affected Claims in the manner and to the extent provided for in this Proposal.

ARTICLE XII
TRUSTEE, CERTIFICATE OF COMPLETION AND DISCHARGE OF TRUSTEE

12.01 Proposal Trustee

RSM Richter Inc., shall be the Trustee pursuant to this Proposal. The Trustee is acting in its capacity as Trustee under this Proposal, and not in its personal capacity and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business, liabilities or obligations of the Debtor, whether existing as at the Filing Date or incurred subsequent thereto.

12.02 Discharge of Trustee

Upon completion of the distribution of the Proposal Fund by the Trustee in accordance with this Proposal, this Proposal shall be satisfied and all conditions and requirements fulfilled and met and the Trustee shall be entitled to be discharged.

ARTICLE XIII
GENERAL

13.01 Construction

In this Proposal, unless otherwise expressly stated or the context otherwise requires:

- (a) the division of the Proposal into Articles and Sections and the use of headings are for convenience of reference only and do not affect the construction or interpretation of the Proposal;
- (b) the words “hereunder”, “hereof” and similar expressions refer to the Proposal and not to any particular Article or Section and references to “Articles” or “Sections” are to Articles and Sections of the Proposal;
- (c) words importing the singular include the plural and vice versa and words importing any gender include all genders;
- (d) the word “including” means “including without limiting the generality of the foregoing”;
- (e) a reference to any statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder;
- (f) references to dollar amounts are to Canadian dollars unless otherwise specified; and
- (g) references to times are to local time in Toronto, Ontario.

13.02 Valuation

For purposes of proofs of claim, voting and distribution, all Claims shall be valued as at the Filing Date.

13.03 Successors and Assigns

The Proposal shall be binding on and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of each Affected Creditor and each and every other person named in or subject to the Proposal.

13.04 Governing Law

The Proposal shall be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein. Any disputes as to the interpretation or application of the Proposal and all proceedings taken in connection with the Proposal shall be subject to the exclusive jurisdiction of the Court.

Dated at Toronto, this day of July, 2008.

RETROCOM GROWTH FUND INC.

Per: _____
Name:
Title:

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The Proposal shall be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein. Any disputes as to the interpretation or application of the Proposal and all proceedings taken in connection with the Proposal shall be subject to the exclusive jurisdiction of the Court.

Dated at Toronto, this 4 day of July, 2008.

RETROCOM GROWTH FUND INC.

Per: _____

Joe Fashione

Name:

Title:

SCHEDULE "A"



Industry Canada

Industrie Canada

Canada Business
Corporations Act

Loi canadienne sur les
sociétés par actions

FORM 14 ARTICLES OF REORGANIZATION (SECTION 191)

FORMULAIRE 14 CLAUSES DE RÉORGANISATION (ARTICLE 191)

1 -- Name of Corporation - Dénomination sociale de la société RETROCOM GROWTH FUND INC.	2 -- Corporation No. - N° de la société 3751112
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3 -- In accordance with the order for reorganization, the articles of Incorporation are amended as follows: Conformément à l'ordonnance de réorganisation, les statuts constitutifs sont modifiés comme suit :

A. To create an unlimited number of a new class of shares, designated as ordinary shares, with the rights, privileges, restrictions and conditions attaching thereto as set forth in Schedule "A" hereto;

B. Effective following the issuance of no less than one (1) ordinary share, to cancel all issued Class A Series I Shares, Class A Series II Shares, Class A Series III Shares, Class A Series IV Shares, Class B Shares, Class C Series 1 Shares, Class C Series 2 Shares, Class C Series 3 Shares, Class C Series 4 Shares, Class C Series 5 Shares, Class C Series 6 Shares, Class C Series 7 Shares, Class C Series 8 Shares, Class C Series 9 Shares, Class C Series 10 Shares and Class C Series 11 Shares.

C. Effective following the issuance of no less than one (1) ordinary share, to remove from the Corporation's capital the Class A Series I Shares, Class A Series II Shares, Class A Series III Shares, Class A Series IV Shares, Class B Shares, Class C Series 1 Shares, Class C Series 2 Shares, Class C Series 3 Shares, Class C Series 4 Shares, Class C Series 5 Shares, Class C Series 6 Shares, Class C Series 7 Shares, Class C Series 8 Shares, Class C Series 9 Shares, Class C Series 10 Shares and Class C Series 11 Shares, and all rights, privileges, restrictions and conditions attaching thereto;

D. To cancel all issued and outstanding warrants, options and agreements or other rights granted by the Corporation to purchase Class A Series I Shares, Class A Series II Shares, Class A Series III Shares, Class A Series IV Shares, Class B Shares, Class C Series 1 Shares, Class C Series 2 Shares, Class C Series 3 Shares, Class C Series 4 Shares, Class C Series 5 Shares, Class C Series 6 Shares, Class C Series 7 Shares, Class C Series 8 Shares, Class C Series 9 Shares, Class C Series 10 Shares and Class C Series 11 Shares, whether vested or not; and

E. To declare that the capital of the Corporation after giving effect to the foregoing consists of an unlimited number of ordinary shares with the rights, privileges, restrictions and conditions attaching thereto as set for in Schedule "A".

Signature	Printed Name - Nom en lettres moulées	4 -- Capacity of - En qualité de	5 -- Tel. No. - N° de tél.
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FOR DEPARTMENTAL USE ONLY - À L'USAGE DU MINISTÈRE SEULEMENT

SCHEDULE "A"

ORDINARY SHARES

Voting Rights

Each holder of ordinary shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Corporation and to vote thereat, except meetings at which only holders of a specified class of shares (other than the ordinary shares) or specified series of shares are entitled to vote. At all meetings of which notice must be given to the holders of the ordinary shares, each holder of ordinary shares shall be entitled to one vote in respect of each ordinary share held by such holder.

Dividends

The holders of the ordinary shares shall be entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive any dividend declared by the Corporation.

Liquidation, Dissolution or Winding-up

The holders of the ordinary shares shall be entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive the remaining property of the Corporation on a liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary.

N°	Name	Address 1	Address 2	City/Prov	Amount Filed
Secured					
1	Fasken Martineau DuMoulin LLP	66 Wellington St. W.	Ste. 4200	Toronto, ON	36,805.04
	Total - Secured				<u>36,805.04</u>
Unsecured					
2	1578312 Ontario Inc.	c/o Piccin Bottos LLP	4370 Steeles Ave. W., Ste. 201	Woodbridge, ON	1,991,080.44
3	Retrcm Investment Management Inc.	222 Bay Street	PO Box 124, 18th Flr.	Toronto, ON	912,965.65
4	Aylesworth LLP	222 Bay Street	PO Box 124, 18th Flr.	Toronto, ON	153,454.00
5	Canada Revenue Agency 89773 7102 RC0002	Toronto West Tax Services Office	PO Box 6000, 5800 Hurontario St.	Mississauga, ON	193,493.59
6	Canada Revenue Agency 89069 9630 RC0002	Toronto West Tax Services Office	PO Box 6000, 5800 Hurontario St.	Mississauga, ON	74,286.44
7	Citigroup Fund Services Canada Inc.	2920 Matheson Blvd. East	Suite 900	Mississauga, ON	107,628.22
8	CNW Group	20 Bay Street, Waterpark Plc.	Suite 1500	Toronto, ON	1,946.21
9	Cole Valuation Partners Limited	80 Richmond St. W.	Ste. 2000	Toronto, ON	8,715.55
10	Commerce Capital Inc.	912-294 Portage Ave.		Winnipeg, MB	36,597.00
11	Fasken Martineau DuMoulin LLP	66 Wellington St. W.	Ste. 4200	Toronto, ON	172,576.93
12	FundServ Inc.	130 King St. W.	17th Fl.	Toronto, ON	4,847.82
13	IBEW Local 353	1377 Lawrence Ave. E.		Toronto, ON	1,030,684.92
14	IF Propco Holdings (ON) 29 Ltd.	c/o Chaitons LLP	185 Sheppard Ave. W.	Toronto, ON	6,767,816.43
15	Ministry of Finance	33 King St. W.		Oshawa, ON	2,732,712.98
16	Paul F. Jr. Black	1066 Glenbrook Ave.		Oakville, ON	1,000.00
17	Prov. of Nova Scotia, Dept. of Finance	1723 Hollis St.	7th Flr.	Halifax, NS	305,610.00
18	Royal Bank of Canada	c/o Minden Gross LLP	145 King St. W. Ste., 2200	Toronto, ON	447,644.85
19	Maxium Financial Services Inc.	20 Eglinton Ave. W., Suite 1820	PO Box 2037	Toronto, ON	35,609.99
20	Smith Nixon & Co. LLP	390 Bay St.	Ste. 1900	Toronto, ON	32,614.00
21	Stewart McKelvey Stirling Scales	1959 Upper Water Street	P.O. Box 997	Halifax, NS	1,932.79
	Total - Unsecured				<u>15,013,217.81</u>
Contingent					
22	Robert Blakely	130 Albert Street	Ste. 1902	Ottawa, ON	4,122,778.39
23	Robert Nash	National Bank Financial	333 Dufferin Avenue	London, ON	4,122,778.39
24	Paul F. Black Jr	1066 Glenbrook Avenue		Oakville, ON	4,122,778.39
25	Joe Fashion	IBEW Local 353	1377 Lawrence Ave. E	Toronto, ON	4,122,778.39
26	Neil McCormick	930 Sheldon Ct.		Burlington, ON	4,122,778.39
27	Patrick Dillon	c/o Ontario Building Trades	35 International Blvd.	Etobicoke, ON	4,122,778.39
	Total - Contingent				<u>24,736,670.34</u>

RSM Richter

**Report of RSM Richter Inc. as
Trustee Under Proposal of
Retrocom Growth Fund Inc.**

RSM Richter Inc.
Toronto, July 4, 2008

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**IN THE MATTER OF THE PROPOSAL OF
RETROCOM GROWTH FUND INC.
OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO**

TRUSTEE'S REPORT TO CREDITORS

July 4, 2008

1. INTRODUCTION

1.1 Notice of Intention to Make a Proposal to Creditors

On August 1, 2006, Retrocom Growth Fund Inc. (the "Company" or "Retrocom") filed a Notice of Intention to Make a Proposal (the "NOI") with the office of the Superintendent of Bankruptcy, pursuant to the provisions of Section 50.4 of the *Bankruptcy and Insolvency Act* ("BIA"). RSM Richter Inc. ("Richter" or "Trustee") consented to act as Trustee under the NOI.

The Company was granted four extensions of the time required to file its proposal by the Ontario Superior Court of Justice (the "Court"), and ultimately filed its proposal (the "Proposal") on January 31, 2007.

1.2 Interim Receivership

On October 16, 2006, Richter was appointed interim receiver of the Company by the Court, pursuant to Section 47.1 of the BIA, with its powers limited to controlling the Company's receipts and disbursements, controlling the Company's books and records and engaging certain management personnel.

1.3 The Proposal

On January 31, 2007, the Company filed the Proposal pursuant to the BIA with Richter and the Superintendent of Bankruptcy. The Proposal contemplated the sale of the Company in a manner that could permit the purchaser (“Original Purchaser”), among other things, to enjoy the benefit of certain tax attributes of the Company.

As set out in the Trustee’s letter to the creditors dated September 12, 2007, Retrocom was informed by the Original Purchaser upon its completion of due diligence that, due to the nature of the business activities of Retrocom, the Original Purchaser would only be able to utilize a portion of the tax attributes and would only complete a transaction if there were a significant price reduction. As has been previously disclosed, the reduced price offered by the Original Purchaser was not acceptable to the Company and it made the decision to terminate the transaction with the Original Purchaser, and to proceed with other potential purchasers.

1.4 The Amended Proposal

Subsequent to the termination of the agreement with the Original Purchaser, the Company was faced with the option of procuring a replacement transaction or terminating the NOI process and becoming a bankrupt. In the case of bankruptcy, there would be little chance of recovery for the Company’s creditors other than from its few remaining assets. As set out in the sixth report of the Trustee dated February 7, 2008, the Trustee had contacted The Rose Corporation (“Rose” or the “Purchaser”) (one of the unsuccessful bidders in the sale process in which the Original Purchaser was identified), which indicated that it was still interested in acquiring the Company. Counsel to the Company, Bennett Jones LLP (“Bennett Jones”), also contacted a number of other potentially interested sources, none of which expressed interest. As Rose was a client of

the Trustee's affiliate, the negotiations of the agreement with Rose ("Agreement") were conducted by Bennett Jones. On March 14, 2008, the Company and Rose finalized and executed the Agreement. A summary of the key terms of the Agreement is as follows:

- The Company would receive \$1.5 million, which is to be provided by Rose, plus the net proceeds of the Remaining Assets (defined below);
- The Agreement is conditional on, *inter alia*, due diligence to be conducted by Rose; and
- Under certain circumstances, if the Agreement is not completed after Rose waives its conditions, Rose would be entitled to reimbursement of its due diligence expenses, up to \$75,000 and a break fee of \$75,000.

The Agreement was the subject of a motion before the Court on February 13, 2008 and the Court authorized the Agreement to be executed by the Company.

On July 4, 2008, after completion of due diligence by the Purchaser, waiver or satisfaction of a number of the conditions precedent to proceeding and the making of certain administrative amendments to the Agreement, the Company filed an amended proposal pursuant to the BIA (the "Amended Proposal") with Richter and the Superintendent of Bankruptcy. The Amended Proposal is included with this package of information. A "blacklined" version of the Amended Proposal, which highlights the changes in the Amended Proposal, is annexed as Appendix "A" to this report ("Report"). The Agreement and the recent amendment to the Agreement are available for review at: <http://www.rsmrichter.com/Restructuring/Retrocom.aspx>.

Also included in this package are the following:

- Notice of General Meeting of Creditors;
- Condensed Statement of Financial Position;
- List of creditors with corresponding claim amounts;

- Proof of claim form and proxy; and
- Voting letter.

Creditors which have previously filed a claim with the Trustee do not need to file a new claim in respect of the Amended Proposal.

1.5 Restrictions

In developing this Report, the Trustee has relied upon unaudited financial information prepared for the Company by professionals not associated with the Trustee. The Trustee has not performed an audit or other verification of such information. Certain of this information, including financial information, is future oriented. Such future oriented information is based on management's assumptions regarding future events. Actual results achieved are likely to vary from this information and such variations may be material. Any use which a third party makes of this Report, or any reliance or decisions based on this Report, are the responsibility of such third party.

2. BACKGROUND AND HISTORIC FINANCIAL INFORMATION

Background information concerning the Company, including historical financial information, causes of the Company's financial difficulties and the details of certain of the Company's past investments, is included in the Proposal Report, a copy of which was previously sent to creditors and can be found on the Trustee's website at:
www.rsmrichter.com.

3. PRESENT FINANCIAL POSITION¹

A summary of the Company's estimated financial position as at June 13, 2008 is as follows:

ASSETS	(\$000's)
Cash ²	246
Mortgage receivable (book value)	377
Other receivable	75
Funds held by the Corporation of the Town of Midland (book value)	186
Real estate investments ³	605
Realization reserve	(232)
Total assets	1,257
LIABILITIES	
Professional fees outstanding	514
Accounts payable and accrued liabilities ⁴	15,220
Total liabilities	15,734
SHAREHOLDERS' EQUITY (DEFICIT)	
Deficit	(14,477)
Total liabilities and shareholders' equity	1,257

3.1 Remaining Assets

The details of the Company's remaining assets (the "Remaining Assets") are set out in the following sections.

¹ As noted in Section 1.2, we have not performed a detailed review of the Company's accounting records or its accounting practices.

² Of the cash on hand as at June 13, 2008, approximately \$208,000 was received by the Company from a Canadian financial institution relating to the proceeds of security held in respect of a letter of credit. A third party has claimed entitlement to the funds and negotiations are ongoing with respect to a potential settlement between the Company and the third party.

³ Estimated values of the remaining investments. Actual proceeds from these investments may vary materially from the estimate.

⁴ According to the claims register as at June 13, 2008. Includes claims filed to date less claims that have been disallowed and for which the appeal period has expired. Includes secured and post-filing claims. As certain claims remain subject to review and full or partial disallowance by the Trustee and as creditors are eligible to file claims through to the date of distribution, the total claims are subject to material change. Amount shown does not include unliquidated or contingent claims which may be significant.

3.1.1 Mortgage receivable

The Company maintains an interest in a portion of a mortgage pursuant to which Commerce Capital Inc. ("Commerce Capital") is the lead lender. The book value of the Company's portion of the mortgage is approximately \$377,000. Retrocom is to be repaid its portion of the mortgage on the earlier of February 28, 2009 and the date upon which the property is sold.

3.1.2 Smithers land

The Smithers land is a piece of vacant land adjoining the Smithers Mall in British Columbia. Retrocom previously entered into an agreement with the anchor tenant of the mall to purchase Retrocom's interest in the Smithers land in September, 2008 for approximately \$525,000. The Trustee has engaged in discussions with representatives of Safeway, who have indicated their readiness to close as scheduled.

3.1.3 Chilliwack land

The Company has an unregistered interest in a land-locked parcel of land adjacent to the Chilliwack Mall in Chilliwack, British Columbia. The property has limited potential purchasers and uses. The Trustee has engaged in preliminary discussions with a potential purchaser with a view to it being possible to consummate a transaction after the Proposal is implemented.

3.1.4 Receivable re: Rushview Holdings Inc.

The transaction for the sale of the Rushview property closed in January, 2007; the Company received net proceeds of approximately \$390,000. At the time of closing, the Company's joint venture partner, Villarboit Development Corporation ("Villarboit"), advised that certain amounts were due from certain tenants for fiscal 2007 property tax adjustments. The Trustee continues to correspond with Villarboit regarding the amount

due to the Company, which is estimated by Villarboit to be approximately \$75,000. The Trustee is advised by Villarboit that payment is to be made to the Company in July, 2008.

3.1.5 Funds held by the Corporation of the Town of Midland

The Company owned a property located in Midland, Ontario, which was sold by the mortgagee in 2007. The Company had previously supplied the Corporation of the Town of Midland (the “Town”) with security, guaranteeing obligations of the Company to perform construction work in respect of the Midland property. Approximately \$186,000 remains in the possession of the Town. The Company advises that the work required to be completed in respect of the property is estimated to cost approximately \$40,000. The Town has advised that it will release any funds not required to satisfy the Company’s obligations once construction on the property (currently being conducted by a third-party) is complete. Accordingly, the quantum and timing of receipt of the excess funds by the Company is uncertain.

3.1.6 Segregated cash

The funds held (approximately \$208,000) are subject to a claim by a third party. Negotiations in that regard are underway and legal proceedings may be necessary. Accordingly, it is uncertain whether Retrocom will be entitled to retain these funds.

4. THE AMENDED PROPOSAL

The Amended Proposal contemplates settling the Company’s obligations to its Affected Creditors (as defined in the Amended Proposal) (“Creditors”) and reorganizing its capital structure. The Amended Proposal also contemplates that Rose would become the sole shareholder of the Company. Existing shareholders would have their shares cancelled for no consideration. Rose would pay \$1.5 million, less a small holdback, plus

the ultimate net proceeds of certain retained assets (which holdback is the subject of the amendment to the Agreement referred to previously), all of which would be available to the Creditors pursuant to the Amended Proposal after satisfaction of certain prior claims as are referred to subsequently.

The Amended Proposal, if accepted and approved, in simple terms would provide a fund in full satisfaction of all claims against the Company, with an amount estimated to be approximately \$1.435 million (see Appendix “B”) that would become available for Affected Creditors (as defined in the Amended Proposal). The expected recovery contemplates full satisfaction of certain secured claims and post-filing claims. The details of these claims are as follows:

- Secured claim of Fasken Martineau DuMoulin LLP (“Fasken”) (approximately \$37,000) for legal fees rendered to the Company prior to the filing of the NOI, which obligation was secured by a general security agreement between Fasken, the Company and others, dated June 7, 2006 (“GSA”);
- Post-filing claim of the Ontario Ministry of Finance (approximately \$25,000) for capital taxes accruing after the filing of the NOI;
- Post-filing claim of Aylesworth LLP (“Aylesworth”) (\$145,000) for legal services rendered after the filing of the NOI. Aylesworth filed proofs of claim totalling approximately \$1.28 million, being a claim of approximately \$298,000 for legal services, and a claim of approximately \$986,000 pursuant to a management agreement between the Company and Retrocom Investment Management Inc. (Aylesworth has advised that the benefit of this latter claim was assigned to Aylesworth). Pursuant to a settlement between the Company and Aylesworth, Aylesworth’s unsecured claims will be reduced to approximately \$1.07 million; and
- Trustee and legal fees associated with the interim receivership and proposal proceedings.

The Proposal fund would be comprised of the following:

- The proceeds from the realization of all of the Company’s Remaining Assets (as detailed in Section 3.1); plus

- The proceeds from the issuance of new shares to the Purchaser (approximately \$1.5 million); less
- Post-NOI filing claims, secured claims and the unpaid and projected professional costs of implementing the Amended Proposal.

A schedule detailing the estimated recovery is provided in Appendix “B”.

As stated in our letter to creditors dated June 17, 2008, Rose recently advised Bennett Jones that as a result of Rose’s due diligence review in respect of the Company, Rose has waived the condition to the Agreement relating to its environmental review. Rose has also confirmed its satisfaction with the tax returns of the Company. In order for the remaining conditions to the Agreement to be satisfied, certain final negotiations must be completed and certain documents must be delivered to Rose pursuant to the Agreement. As well, the conditions to the Agreement include acceptance of the Amended Proposal by Creditors and approval of same by the Court. While the parties continue to co-operate to satisfy the conditions to the Agreement, there is no guarantee that the sale will be completed.

As creditors are aware, the meeting to consider the Amended Proposal (“Meeting”) has been adjourned on a number of occasions and was reconvened on June 25, 2008, at which time the Meeting was adjourned in order to allow the Company to file its Amended Proposal in contemplation of completing the transaction with Rose. The Meeting will be reconvened on July 15, 2008. Should the Amended Proposal be accepted by Creditors at the Meeting and approved by the Court, the closing date for the Agreement is anticipated to occur expeditiously.

5. RELEASES

The Amended Proposal provides for claims to be released against the Company, its officers and directors, as well as certain others. These standard releases will not preclude pursuance of insurers to the extent of insurance coverage.

6. PREFERENTIAL PAYMENTS

As part of the Trustee's statutory duties under the BIA, a review of the Company's disbursement records must be undertaken to determine if any significant disbursements, during the three-month period prior to the filing of the NOI, could be deemed to be preferential payments, settlements or reviewable transactions in the event of bankruptcy. Our review of the records of the Company has revealed that there were no preference payments for the period from May 1, 2006 to August 1, 2006.

7. ESTIMATED DISTRIBUTION IN THE EVENT OF BANKRUPTCY

Richter prepared a statement of net estimated realization in the event of bankruptcy which indicates that there would be no funds available for distribution to unsecured creditors. This analysis is based on the assumption that the Amended Proposal is not accepted and the Company is deemed bankrupt. In such a case, there would be no distribution to unsecured creditors, which compares unfavourably to the estimated proposal fund totaling \$1.435 million as contemplated by the Amended Proposal.

8. ACCEPTANCE OF THE AMENDED PROPOSAL

In order for the Amended Proposal to be accepted, two-thirds in dollar value and over 50% in number of the Affected Creditors' class voting must vote in favour of the Amended Proposal. The Amended Proposal must also be approved by the Court.

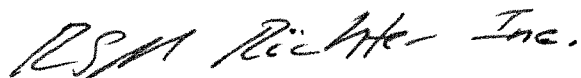
Rejection of the Amended Proposal would result in the Company thereupon being declared bankrupt.

9. CONCLUSION

The Amended Proposal provides for the Creditors to receive proceeds from realization of the Company's assets, which the Creditors would also receive in a bankruptcy, plus the proceeds from the issuance of the new shares. The Amended Proposal provides Creditors with a superior recovery than that estimated in a bankruptcy. Accordingly, the Trustee supports the Amended Proposal and recommends that Creditors vote to accept same.

The Trustee's report, as required by Section 50(5) of the BIA, will be tabled at the meeting of creditors to consider the Amended Proposal.

Yours very truly,

A handwritten signature in cursive script that reads "RSM Richter Inc.".

**RSM RICHTER INC.,
IN ITS CAPACITY AS TRUSTEE UNDER THE PROPOSAL OF
RETROCOM GROWTH FUND INC.
AND NOT IN ITS PERSONAL CAPACITY**

**In the Matter of the Proposal of Retrocom Growth Fund Inc.,
a Corporation Duly Incorporated under the Laws of Canada,
of the City of Toronto, in the Province of Ontario**

AMENDED PROPOSAL

Retrocom Growth Fund Inc. hereby submits the following proposal under Part III, Division I of the *Bankruptcy and Insolvency Act* (Canada).

**ARTICLE I
DEFINITIONS**

1.01 Definitions

In this Proposal:

"**Act**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, B-3, as amended;

"**Administrative Fees and Expenses**" means:

- (a) all proper fees and expenses of the Trustee incurred both before and after the filing by the Debtor of this Proposal pursuant to the Act; and
- (b) all reasonable fees and disbursements of counsel to the Trustee and counsel and financial advisors of the Debtor with respect to any proceedings relating to or arising out of the Proposal, the preparation of the Proposal and negotiations in connection therewith, the performance by the Debtor of its obligations hereunder, and advice to the Debtor with respect thereto, all up to and including the Effective Date;

"**Affected Claim**" means any Claim except for an Unaffected Claim;

"**Affected Creditor**" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"**Affected Creditors Class**" means the class of Affected Creditors entitled to vote on this Proposal at the Creditors' Meeting;

"**Affiliate**" means any affiliate body corporate, as that term is defined in the *Canada Business Corporations Act*, of the Debtor. For greater certainty, neither Retrocom REIT nor RIMI shall be treated hereunder as an Affiliate;

"**Articles of Reorganization**" means the articles of reorganization to be filed in respect of the Debtor pursuant to the CBCA to give effect to the Reorganization, substantially in the form attached as Schedule "A" to this Proposal;

"**CBCA**" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended;

"Claim" means any right or claim of any Person that may be made in whole or in part against the Debtor, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind, which indebtedness, liability or obligation is in existence or which is based on an event, act or omission that occurred, or a condition that existed, in whole or in part prior to the Filing Date or that arises after the Filing Date as a result of or in connection with the repudiation of any Contract and any interest that may accrue thereon up to the Filing Date (or to the date of the repudiation of such Contract, where applicable) for which there is an obligation to pay, and amounts which such Person would be entitled to receive, pursuant to the terms of any Contract with such Person at law or in equity, by reason of the commission of a tort (intentional or unintentional), any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to property or assets or to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise) or for any other reason whatsoever against any property or assets, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, or any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, based in whole or in part on facts which existed prior to the Filing Date (or to the date of the repudiation of such Contract, where applicable), together with any other rights or claims not referred to above that, in whole or part, would have been claims provable in bankruptcy had the Debtor become bankrupt at the Filing Date (or the date of the repudiation of such Contract, if applicable), together with any other rights or claims, whether or not asserted, made after the Filing Date in any way, directly or indirectly related to any action taken or power exercised prior to the Filing Date;

"Contract" means any contract, agreement, lease (including any lease of personal, real, movable or immovable property), permit, license or arrangement;

"Court" means the Ontario Superior Court of Justice (Commercial List);

"Court Approval Date" means the date upon which the Court makes an order approving this Proposal;

"Creditor" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person;

"Debtor" means Retrocom Growth Fund Inc.;

"Effective Date" shall mean the date on which the transactions and agreements provided for in this Proposal, including the Reorganization ~~Steps set out in Schedule "A"~~ hereto, become effective, which shall be the date on which the certificate of the Trustee referenced in Section 2.02 is filed with the Court;

"Filing Date" means August 1, 2006, being the date upon which a notice of intention to make a proposal was filed by the Debtor with the Official Receiver in accordance with the Act;

"Governmental Authority" means any government, municipality, regulatory authority, governmental department, agency, commission, bureau, official, minister, agent, Court, board, tribunal, dispute settlement panel or body or other law, rule or regulation-making entity:

- (a) having or purporting to have jurisdiction on behalf of any nation, province, state or other geographic or political subdivision thereof; or
- (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"Inspector" means any inspector appointed pursuant to Section 6.01 hereof;

"Legislation" means the legislation referred to in subsection 60(1.1) of the Act;

~~**"Litigation Claims"** means any and all claims, rights or choses in action that the Debtor may have against any Person, including, without limitation, RIMI;~~

~~**"Litigation Fund"** means a separate bank account, maintained by the Trustee, comprised of monies set aside from time to time, at the direction of the Inspectors, from the Proposal Fund, provided that sufficient funds are available in the Proposal Fund after reserving for the amounts contemplated in this Proposal;~~

"New Shares" means the new class of common shares in the capital of the Debtor to be created pursuant to the Articles of Reorganization;

~~**"New Share Purchase Agreement"** means the agreement to be entered into before February 28, 2007 dated as of March 14, 2008 between the Debtor and the New Share Purchaser for the purchase and sale of the New Shares, as amended, a copy of which is attached hereto as Schedule "B";~~

"New Share Purchaser" means the purchaser of the New Shares pursuant to the New Share Purchase Agreement;

"Old Equity" means all of the issued and outstanding equity in the capital of the Debtor, including, without limitation, all issued and outstanding ordinary shares, common shares and preferred shares, and any option, warrant or agreement or right to purchase such equity, save and except for the New Shares;

"Person" means any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, corporation, body corporate or Governmental Authority;

"Preferred Claim" means a Claim enumerated in Section 136(1) of the Act;

"Preferred Creditor" means the holder of a Preferred Claim but only with respect to, and to the extent of, that Preferred Claim;

"Proposal" means this Proposal of the Debtor, as may be amended or altered in accordance with the terms hereof;

"Proposal Fund" means the fund created pursuant to and described in Article V of this Proposal;

"Reorganization" means the reorganization of the Debtor pursuant to Section 191 of the CBCA, for which approval of the Court will be sought on the Court Approval Date, as described in Section 7.01 of this Proposal;

"Retained Assets" ~~means the assets of the Debtor to be retained by the Debtor subsequent to the Effective Date pursuant to the terms of~~ **"Properties"** shall have the meaning ascribed thereto in the New Share Purchase Agreement, and not transferred to the Trustee;

"Retrocom REIT" means Retrocom Mid-Market Real Estate Investment Trust;

"RIMI" means Retrocom Investment Management Inc.;

"Secured Claims" means any Claim or portion thereof which was, as of the Filing Date, and still is, secured by a validly attached and existing security interest on the real or personal property of the Debtor, including security which was duly and properly perfected under the *Personal Property Security Act* (Ontario) at the Filing Date, to the extent, and only to the extent, of the lesser of: (a) the amount of such Claim as agreed to by the Debtor or as finally determined by a court of competent jurisdiction, and (b) the realizable value of the remaining property of the Debtor subject to such security interest having regard to, among other things, the priority of such security;

"Secured Creditor" means a creditor holding a Secured Claim, but only with respect to, and to the extent of, such Secured Claim. For greater certainty, any other claim by such creditor shall be an unsecured claim.

"Superintendent's Levy" means the levy payable to Superintendent of Bankruptcy pursuant to Section 147 of the Act;

"Trustee" means RSM Richter Inc., in its capacity as trustee in respect of this Proposal;

"Unaffected Claim" means only the following Claims and such other Claims as may be designated in this Proposal (or any amendments thereto) as not being affected by this Proposal and which are listed in the books and records of the Debtor or of which the Debtor and the Trustee have received actual notice:

- (i) claims for amounts due for goods or services actually supplied to, or at the request of, the Debtor after the Filing Date;
- (ii) Secured Claims;
- (iii) Administrative Fees and Expenses;

(iv) ~~(iii)~~ Claims of the Trustee and its counsel, and Claims of the Debtor's counsel; and

(v) ~~(iv)~~ Crown claims referred to in Section 4.03.

"**Unaffected Creditor**" means a creditor holding an Unaffected Claim, but only with respect to, and to the extent of such Unaffected Claim.

ARTICLE II

CONDITIONS PRECEDENT AND TRUSTEE'S CERTIFICATE

2.01 Conditions Precedent

The implementation of this Proposal shall be conditional upon the fulfillment of all of the following conditions:

- (a) The Proposal shall be approved by the Affected Creditors in accordance with the Act; and
- (b) The Proposal and the Reorganization shall be approved by the Court and all ~~appeal periods with respect to the approval orders in respect thereof shall have expired or the Debtor shall have decided to implement and complete the Proposal prior to the expiry of such appeal periods~~conditions to the completion of the transactions contemplated by the New Share Purchase Agreement shall have been satisfied or waived.

2.02 Trustee's Certificate

Upon the satisfaction (or, where applicable, waiver) of the conditions set out in Section 2.01, the Trustee shall file with the Court a certificate which states that all conditions precedent set out in Section 2.01 of this Proposal have been satisfied, and that the Effective Date has occurred. In so certifying that the conditions precedent set out in Section 2.01 of this Proposal have been satisfied, the Trustee shall be entitled to rely upon certificates, representations and confirmations from the Debtor or any director or officer thereof and the Trustee shall incur no liability in connection with its reliance thereon.

ARTICLE III

CLASSES OF CREDITORS

3.01 Class of Creditors

There shall be one class of Creditors for the purpose of voting on the Proposal, being the Affected Creditors Class.

ARTICLE IV
TREATMENT OF CREDITORS' CLAIMS

4.01 Preferred Claims

All proven Preferred Claims, as contemplated by Sections 136(1)(c) to 136(1)(i) of the Act, if any, will be paid without interest from the Filing Date in full from the Proposal Fund in priority to all Unsecured Claims but after reserving for the amounts set out in Section 5.01(b) of this Proposal, provided however that Preferred Claims of employees and former employees equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the Act if the Debtor became bankrupt on the Filing Date, shall be paid by the Trustee from the Proposal Fund immediately after approval of this Proposal by the Court. For greater certainty, amounts due or which may become due pursuant to this paragraph do not include claims for severance or termination.

4.02 Affected Claims

Affected Claims, other than Preferred Claims shall be dealt with as follows:

Each Affected Creditor who, on the Effective Date, holds Affected Claims shall receive, in full and final satisfaction of its Affected Claims, payment of its *pro rata* share of the Proposal Fund in respect of its proven Affected Claims in accordance with Article V hereof.

4.03 Crown Claims

After the Court Approval Date, the Trustee shall pay from the Proposal Fund Her Majesty in Right of Canada and in Right of Ontario all amounts of a kind that could be subject to a demand under the Legislation, provided however that any such claims shall be paid from the Proposal Fund within six months after the Court Approval Date.

4.04 Interest on Claims

Interest shall not accrue or be paid on any Affected Claims after the Filing Date, and holders of Affected Claims shall only be entitled to interest accruing on or before the Filing Date on any such Affected Claims. All Claims in respect of interest on Affected Claims after the Filing Date shall be discharged and extinguished on the Effective Date.

ARTICLE V
PAYMENT OF DISTRIBUTIONS TO CREDITORS

5.01 Composition and Distribution of Proposal Fund

Subject to Section 2.01, the Trustee shall distribute from time to time in accordance with the provisions of this Proposal to each holder of a proven Affected Claim its *pro rata* share of the remaining Proposal Fund, which shall comprise:

- (a) the aggregate of the following amounts:

- (i) all assets of the Debtor as of the Effective Date, other than the Retained ~~Assets~~Properties; ~~and~~
- (ii) payments received by the Trustee pursuant to the New Share Purchase Agreement; ~~and~~
- ~~(iii) any proceeds received by the Trustee from Litigation Claims pursued by the Trustee for the benefit of the Affected Creditors, (including, without limitation, any proceeds resulting from any judgment, order or settlement in respect of such Litigation Claims; from the sale of the Retained Properties);~~

less:

- (b) the aggregate of the following amounts:
 - (i) the amount owing to the holders of Secured Claims with valid and enforceable security over the property of the Debtor, to the extent of such Secured Claims, as may be reduced from time to time by agreement of the holders of such Secured Claims;
 - (ii) a reasonable reserve, in an amount determined by the Trustee, on account of costs and expenses to be incurred by the Trustee after the Effective Date in carrying out the provisions of this Proposal and the Reorganization ~~and including, without limitation, Administrative Fees and Expenses; (which reserved funds will be paid by the Debtor to those in respect of which the reserves were set up);~~
 - (iii) a reasonable reserve, in an amount to be determined by the Trustee, on account of ~~goods or services actually supplied to the Debtor after the Filing Date~~claims relating to other Unaffected Claims (which reserved funds will be paid by the Debtor to those in respect of which the reserves were set up); and
 - (iv) ~~the amounts paid pursuant to Section 4.03 hereof, if any, contemplated by~~Section 4.1(a)(iv) of the New Share Purchase Agreement.
 - ~~(v) the Litigation Fund, to the extent, if any, determined by the Inspectors to be allocated therefor in accordance with Article VI; and~~

The Trustee will only make distributions from the Proposal Fund if the amount available to be distributed makes such distributions economically practical, as determined by the Trustee, acting reasonably (having regard to, among any other considerations that the Trustee considers appropriate, the amount of liquid funds available to be distributed, any reserves or prior claims, the number of Persons to whom the distribution is to be made and the time at which further funds are expected to become available for distribution), which determination will be final and non-reviewable.

5.02 Disputed Claims

In the case of any Disputed Claim that has not been finally determined on the date of any distribution to Affected Creditors pursuant to this Proposal, the Trustee will reserve sufficient cash from the Proposal Fund to distribute to the Affected Creditor its pro-rata share in respect of such Disputed Claim in the event that such Disputed Claim becomes a proven Affected Claim. If the Disputed Claim becomes a proven Affected Claim in whole or in part in accordance with the Act after the applicable distribution date, the cash reserved in respect of such Disputed Claim (or an appropriate portion thereof) will be distributed to such Affected Creditor. If the Disputed Claim is ultimately disallowed in whole or in part in accordance with the Act after such distribution date, any cash reserved in respect of such Disputed Claim (or the appropriate portion thereof) will become available again for distribution from the Proposal Fund.

5.03 Transfer to Trustee

On the Effective Date, all assets of the Debtor, ~~including Litigation Claims but excluding other than~~ the Retained Assets~~Properties~~, shall be, and shall be deemed to be, transferred and assigned by the Debtor to the Trustee for the benefit of the holders of proven Affected Claims.

ARTICLE VI **INSPECTORS**

6.01 Appointment and Powers of Inspectors

At any meeting of the Affected Creditors to be held to consider the Proposal, the Affected Creditors may appoint one or more, but not exceeding five, Inspectors whose powers shall include, in addition to the powers conferred to the Inspectors pursuant to the Act:

- (i) advising and directing the Trustee from time to time with respect to any matter that the Trustee may refer to them;
- (ii) advising the Trustee concerning any dispute that may arise as to the validity of claims of the Affected Creditors which the Trustee may refer to them; and
- ~~(iii) considering the Litigation Claims and determining what Litigation Claims, if any, are to be pursued and, in consultation with the Trustee, overseeing and administering any such Litigation Claims, including, without limitation, the following:~~
 - ~~(A) commencing or continuing any litigation, action, application or other proceeding or any step in connection therewith;~~
 - ~~(B) retaining any counsel, advisor or professional in connection with the litigation, action, application or proceeding commenced or contemplated, and to instruct such counsel, advisors or professionals;~~

- ~~(C) — determining the amount of funds that are reasonably required to pursue any step, litigation, action, application or proceeding, including any fees or costs payable to counsel, advisors or professionals in respect thereof, and providing directions to the trustee to retain such funds from the Proposal Fund, if and when such funds become available, for the Litigation Fund;~~
- ~~(D) — authorizing any settlement, resolution, discontinuance or dismissal of any litigation, action, step or proceeding, whether commenced prior to or after the implementation of this Proposal, in respect of Litigation Claims; and~~

- (iii) ~~(iv)~~ directing the Trustee concerning any matter raised with the Inspectors by the Trustee related to the New Share Purchase Agreement and the Transactions contemplated thereby.

6.02 Referral of Decisions of Inspectors to the Court

Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it thinks just.

6.03 Directions to Debtor and Trustee

The Trustee shall be entitled to rely upon the decision of a majority in number of the Inspectors with respect to any direction, ~~including, without limitation, in respect of any matter in relation to the Litigation Claims,~~ and neither the Debtor nor the Trustee nor their respective legal counsel shall have any liability for acting in accordance with the decision of the Inspectors in respect thereof.

6.04 Discharge of Inspectors

The authority and term of office of the Inspectors shall terminate upon the discharge of the Trustee.

ARTICLE VII **REORGANIZATION**

7.01 Reorganization

In order to realize value for Affected Creditors from the remaining property of the Debtor in accordance with the New Share Purchase Agreement, on the Court Approval Date, the Debtor will concurrently seek an Order of the Court to approve and effect the Reorganization in order to, *inter alia*:

- (a) Create the New Shares; and

(b) cancel all of the issued and outstanding Old Equity in the capital of the Debtor, all as more particularly set out in the Articles of Reorganization. Holders of Old Equity will not be entitled to any payment or compensation with respect to the cancellation of the Old Equity.

7.02 Coordinated Restructuring, Reorganization and Proposal

This Proposal contemplates a coordinated reorganization of the Debtor together with a compromise of Affected Claims against the Debtor. Therefore all of the actions, documents, agreements and funding necessary to implement each of the Reorganization and this Proposal must be in place and be final and irrevocable on or prior to the Effective Date.

**ARTICLE VIII
AMENDMENT TO THE PROPOSAL**

8.01 Amendment, Modification or Restatement of Proposal

This Proposal and any term hereof may be amended, modified or restated by the Debtor, including, without limitation, to the extent necessary to give effect to or facilitate the New Share Purchase Agreement and the transactions contemplated therein, or by the Affected Creditors with the consent of the Debtor, at or prior to the meeting of Creditors called to consider the same or at or prior to any adjournment thereof or, if made after the meeting of Creditors, any such amendment, restatement or modification may be made unilaterally by the Debtor if, in the opinion of the Debtor and the Trustee, it concerns a matter which is administrative in nature and required to better give effect to the implementation of the Proposal and the Reorganization or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors, or with the approval of the Court in any other case.

**ARTICLE IX
EFFECT OF PROPOSAL**

9.01 Binding Effect of Proposal

On the Effective Date, the Proposal shall be implemented by the Debtor and shall be fully effective and binding on the Debtor and all Persons affected by the Proposal. Without limitation, the treatment of Claims under the Proposal shall be final and binding on the Debtor, the Affected Creditors and all Persons affected by the Proposal and their respective heirs, executors, administrators, legal representatives, successors and assigns. For greater certainty, this Proposal shall not affect the Unaffected Creditors.

9.02 Amendments to Agreements and Paramountcy of Proposal

Notwithstanding the terms and conditions of all agreements or other arrangements with Affected Creditors entered into before the Filing Date, for so long as an event of default under this Proposal has not occurred, all such agreements or other arrangements will be deemed to be amended to the extent necessary to give effect to all the terms and conditions of this Proposal. In

the event of any conflict or inconsistency between the terms of such agreements or arrangements and the terms of this Proposal, the terms of this Proposal will govern and be paramount.

9.03 Deemed Consents and Authorizations of Affected Creditors

Upon approval of this Proposal by Affected Creditors and the Court in accordance with the Act, all Affected Creditors will be deemed to have given such consents and authorizations and to have taken such steps as are necessary to give effect to the terms of this Proposal.

9.04 Ability to Complete Transactions

Nothing contained in this Proposal shall prevent or constrain the Debtor from taking any action, or completing any transaction, in respect of the Retained Properties.

ARTICLE X **SUPERINTENDENT'S LEVY AND ADMINISTRATIVE FEES AND EXPENSES**

10.01 Superintendent's Levy

All monies payable under the Proposal shall be paid by the Debtor to the Trustee and notwithstanding any other provision hereof, all payments or distributions made by the Trustee in respect of Affected Claims pursuant to the terms hereof shall be made net of the Superintendent's Levy required to be paid pursuant to Sections 147 and 60(4) of the Act.

10.02 Administrative Fees and Expenses

Administrative Fees and Expenses will be paid from the Proposal Fund in priority to all Claims of Preferred Creditors and Affected Creditors, claims pursuant to Section 4.03, ~~payments to the Litigation Fund,~~4.03 and all other Claims of any Person.

ARTICLE XI **RELEASE OF CLAIMS**

11.01 Proposal Releases

Upon the implementation of this Proposal on the Effective Date, the following Persons (being herein referred to individually as a "**Released Party**"): (i) the Debtor, its Affiliates and their respective various legal counsel; (ii) RSM Richter Inc., in all capacities, and its legal counsel; (iii) present and former directors and officers of the Debtor and its Affiliates in such capacities; (iv) the current legal counsel of the directors and officers of the Debtor; and (v) any Person claimed to be liable derivatively through any or all of the foregoing Persons; shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, including, without limitation, any and all Claims in respect of statutory liabilities of present and former directors,

officers and employees of ~~any of the Related Entities~~ Debtor, and any alleged fiduciary or other duty, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Effective Date in any way relating to, arising out of or in connection with Claims, the business and affairs of the Debtor and its Affiliates, this Proposal and the Reorganization to the full extent permitted by law, and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Debtor's obligations under the Proposal or any related document), provided that nothing herein:

- (a) shall release or discharge a Released Party from or in respect of its obligations under this Proposal;
- (b) shall affect the right of any Person:
 - (i) to recover indemnity from any insurance coverage under which that Person is an insured, or
 - (ii) to obtain recovery on a Claim against a Released Party from any insurer that has provided insurance coverage pursuant to which that Released Party is an insured Person, but, for certainty, any Claim to which an insurer is or would otherwise be subrogated is released hereunder such that the insurer shall not have any Claim against a Released Party, and the recovery to which such Person shall be entitled shall be limited to the proceeds of insurance actually paid by the insurer with respect to the Claim;
- (c) shall release or discharge present or former directors ~~of any of the Related Entities~~ Debtor with respect to matters set out in section 50(14) of the Act;
- ~~(d) shall release or discharge RIMI or Retrocom REIT or any of their present or former directors or officers, in such capacity; or~~
- (d) ~~(e)~~ shall release any Claim that the Debtor has or may have against any of its Affiliates.

11.02 Extinguishment of Claims

As and from the Effective Date, the treatment of Affected Claims under this Proposal shall be final and binding on all Persons affected by this Proposal (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and, upon implementation of this Proposal on the Effective Date, all Affected Claims shall be forever discharged and released, excepting only the obligations to make distributions in respect of such Affected Claims in the manner and to the extent provided for in this Proposal.

ARTICLE XII
TRUSTEE, CERTIFICATE OF COMPLETION AND DISCHARGE OF TRUSTEE

12.01 Proposal Trustee

RSM Richter Inc., shall be the Trustee pursuant to this Proposal. The Trustee is acting in its capacity as Trustee under this Proposal, and not in its personal capacity and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business, liabilities or obligations of the Debtor, whether existing as at the Filing Date or incurred subsequent thereto.

12.02 Discharge of Trustee

Upon completion of the distribution of the Proposal Fund by the Trustee in accordance with this Proposal, this Proposal shall be satisfied and all conditions and requirements fulfilled and met and the Trustee shall be entitled to be discharged.

ARTICLE XIII
GENERAL

13.01 Construction

In this Proposal, unless otherwise expressly stated or the context otherwise requires:

- (a) the division of the Proposal into Articles and Sections and the use of headings are for convenience of reference only and do not affect the construction or interpretation of the Proposal;
- (b) the words “hereunder”, “hereof” and similar expressions refer to the Proposal and not to any particular Article or Section and references to “Articles” or “Sections” are to Articles and Sections of the Proposal;
- (c) words importing the singular include the plural and vice versa and words importing any gender include all genders;
- (d) the word “including” means “including without limiting the generality of the foregoing”;
- (e) a reference to any statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder;
- (f) references to dollar amounts are to Canadian dollars unless otherwise specified; and
- (g) references to times are to local time in Toronto, Ontario.

13.02 Valuation

For purposes of proofs of claim, voting and distribution, all Claims shall be valued as at the Filing Date.

13.03 Successors and Assigns

The Proposal shall be binding on and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of each Affected Creditor and each and every other person named in or subject to the Proposal.

13.04 Governing Law

The Proposal shall be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein. Any disputes as to the interpretation or application of the Proposal and all proceedings taken in connection with the Proposal shall be subject to the exclusive jurisdiction of the Court.

| Dated at Toronto, this 30th 4th —day of January, 2007, July, 2008.

RETROCOM GROWTH FUND INC.

Per: _____
Name:
Title:

SCHEDULE "A"

ARTICLES OF REORGANIZATION

SCHEDULE "B"

NEW SHARE PURCHASE AGREEMENT

Document comparison by Workshare Professional on 03 July 2008 10:37:23 AM

Input:	
Document 1 ID	interwovenSite://bjdocs/WSLegal/3487049/4
Description	#3487049v4<WSLegal> - FILED THIS VERSION - Proposal - Retrocom Growth Fund Inc. v4
Document 2 ID	interwovenSite://bjdocs/WSLegal/3639693/4
Description	#3639693v4<WSLegal> - AMENDED PROPOSAL
Rendering set	standard

Legend:	
Insertion	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	35
Deletions	36
Moved from	1
Moved to	1
Style change	0
Format changed	0
Total changes	73

Retrocom Growth Fund Inc.
Estimated Recovery
June 13, 2008
(\$, Unaudited)

Appendix "B"

	Bankruptcy	Amended Proposal
<u>Projected Receipts:</u>		
Cash on hand	38,000	38,000
Segregated cash subject to litigation	208,000	208,000
Commerce Capital mortgage receivable	377,000	377,000
Chilliwack land	80,000	80,000
Smithers land	525,000	525,000
Receivable re: Rushview	75,000	75,000
Realization reserve	(333,000)	(333,000)
Tax loss sale	-	1,500,000
Total projected receipts	<u>970,000</u>	<u>2,470,000</u>
<u>Less: Projected Disbursements</u>		
Unpaid professional fees (secured)	514,000	514,000
Estimated professional fees to completion (secured)	250,000	300,000
Other expenses	14,000	14,000
Post-filing and other secured claims	207,000	207,000
Reimbursement of expenses to The Rose Corporation	75,000	-
Total projected disbursements	<u>1,060,000</u>	<u>1,035,000</u>
Estimated recoveries available to unsecured creditors	<u>nil</u>	<u>1,435,000</u>

Estate No.: 31-452496

**IN THE MATTER OF THE PROPOSAL OF RETROCOM GROWTH FUND INC.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**NOTICE OF THE GENERAL MEETING OF CREDITORS TO CONSIDER THE
AMENDED PROPOSAL OF RETROCOM GROWTH FUND INC.**

TAKE NOTICE THAT Retrocom Growth Fund Inc. has lodged with the Trustee an amended proposal under the *Bankruptcy and Insolvency Act*.

A copy of the amended proposal, a statement of estimated financial position and a list of the creditors affected by the amended proposal are available on the website of the Trustee Under Proposal at: www.rsmrichter.com.

The adjourned general meeting of the creditors was held on June 25, 2008 and was adjourned at that time (the "Meeting"). The Meeting will be resumed and continued on the 15th day of July, 2008, at the hour of 10:00 a.m., at the offices of the Trustee Under the Proposal, RSM Richter Inc., 200 King Street West, Suite 1100, Toronto, Ontario, M5H 3T4.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with the Trustee prior thereto.

DATED at Toronto, 4th day of July, 2008.

RSM Richter Inc.

RSM RICHTER INC.
TRUSTEE UNDER THE PROPOSAL OF
RETROCOM GROWTH FUND INC.
AND NOT IN ITS PERSONAL CAPACITY

Estate No.: 31-452496

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF RETROCOM GROWTH FUND INC.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**NOTICE OF HEARING OF APPLICATION FOR
COURT APPROVAL OF PROPOSAL
(Paragraph 58(b) of the *Bankruptcy and Insolvency Act*)**

TAKE NOTICE THAT an application will be made to the Court at 330 University Avenue, Toronto, Ontario, on the 22nd day of July, 2008, at 10:00 a.m., to approve the proposal of Retrocom Growth Fund Inc., if such proposal is accepted by the creditors at a meeting to be held on the 15th day of July, 2008.

DATED at Toronto, this 4th day of July, 2008.

RSM Richter Inc.

**RSM RICHTER INC.
TRUSTEE UNDER THE PROPOSAL OF
RETROCOM GROWTH FUND INC.
AND NOT IN ITS PERSONAL CAPACITY**

200 King Street West
Suite 1100, P.O. Box 48
Toronto, ON M5H 3T4

Estate No.: 31-452496

**IN THE MATTER OF THE PROPOSAL OF RETROCOM GROWTH FUND INC.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**VOTING LETTER
Bankruptcy and Insolvency Act
(Paragraphs 51(1)(f) and 66.15(3)(c))**

I/We, _____, creditor,
of _____

a creditor in the above matter for the sum of \$ _____, hereby
request the trustee acting with respect to the proposal of Retrocom Growth Fund Inc. to
record my vote

PLEASE TICK OFF OR INDICATE YOUR VOTE AS FOLLOWS:

For _____

Against _____

acceptance of the amended proposal dated July 4, 2008.

DATED at _____, this ____ day of _____, 2008.

(Signature of Witness)

(Signature of individual creditor or person
signing on behalf of corporate creditor)

(Print name and title of person signing on
behalf of creditor)

Retrocom Growth Fund Inc.
Listing of creditors having filed proofs of claim
July 3, 2008

N°	Name	Address 1	Address 2	City/Prov	Amount Filed
Secured					
1	Fasken Martineau DuMoulin LLP	66 Wellington St. W.	Ste. 4200	Toronto, ON	36,805.04
	Total - Secured				<u>36,805.04</u>
Unsecured					
2	1578312 Ontario Inc.	c/o Piccin Bottos LLP	4370 Steeles Ave. W., Ste. 201	Woodbridge, ON	1,991,080.44
3	Retrcom Investment Management Inc.	222 Bay Street	PO Box 124, 18th Flr.	Toronto, ON	912,965.65
4	Aylesworth LLP	222 Bay Street	PO Box 124, 18th Flr.	Toronto, ON	153,454.00
5	Canada Revenue Agency 89773 7102 RC0002	Toronto West Tax Services Office	PO Box 6000, 5800 Hurontario St.	Mississauga, ON	193,493.59
6	Canada Revenue Agency 89069 9630 RC0002	Toronto West Tax Services Office	PO Box 6000, 5800 Hurontario St.	Mississauga, ON	74,286.44
7	Citigroup Fund Services Canada Inc.	2920 Matheson Blvd. East	Suite 900	Mississauga, ON	107,628.22
8	CNW Group	20 Bay Street, Waterpark Plc.	Suite 1500	Toronto, ON	1,946.21
9	Cole Valuation Partners Limited	80 Richmond St. W.	Ste. 2000	Toronto, ON	8,715.55
10	Commerce Capital Inc.	912-294 Portage Ave.		Winnipeg, MB	36,597.00
11	Fasken Martineau DuMoulin LLP	66 Wellington St. W.	Ste. 4200	Toronto, ON	172,576.93
12	FundServ Inc.	130 King St. W.	17th Fl.	Toronto, ON	4,847.82
13	IBEW Local 353	1377 Lawrence Ave. E.		Toronto, ON	1,030,684.92
14	IF Propco Holdings (ON) 29 Ltd.	c/o Chaitons LLP	185 Sheppard Ave. W.	Toronto, ON	6,767,816.43
15	Ministry of Finance	33 King St. W.		Oshawa, ON	2,732,712.98
16	Paul F. Jr. Black	1066 Glenbrook Ave.		Oakville, ON	1,000.00
17	Prov. of Nova Scotia, Dept. of Finance	1723 Hollis St.	7th Flr.	Halifax, NS	305,610.00
18	Royal Bank of Canada	c/o Minden Gross LLP	145 King St. W. Ste., 2200	Toronto, ON	447,644.85
19	Maxium Financial Services Inc.	20 Eglinton Ave. W., Suite 1820	PO Box 2037	Toronto, ON	35,609.99
20	Smith Nixon & Co. LLP	390 Bay St.	Ste. 1900	Toronto, ON	32,614.00
21	Stewart McKelvey Stirling Scales	1959 Upper Water Street	P.O. Box 997	Halifax, NS	1,932.79
	Total - Unsecured				<u>15,013,217.81</u>
Contingent					
22	Robert Blakely	130 Albert Street	Ste. 1902	Ottawa, ON	4,122,778.39
23	Robert Nash	National Bank Financial	333 Dufferin Avenue	London, ON	4,122,778.39
24	Paul F. Black Jr	1066 Glenbrook Avenue		Oakville, ON	4,122,778.39
25	Joe Fashion	IBEW Local 353	1377 Lawrence Ave. E	Toronto, ON	4,122,778.39
26	Neil McCormick	930 Sheldon Ct.		Burlington, ON	4,122,778.39
27	Patrick Dillon	c/o Ontario Building Trades	35 International Blvd.	Etobicoke, ON	4,122,778.39
	Total - Contingent				<u>24,736,670.34</u>

Proof of Claim

(Subsections 50(13), 50.1(1) and 65.2(4), paragraphs 51(1)(e) and 66.14(b); subsections 81.2(1), 102(2), 124(2) and 128(1) of the Act)

200 King Street West
P.O. Box 48, Suite 1100
Toronto, ON M5H 3T4
Facsimile: (416) 932-6200

(All notices or correspondence regarding this claim must be forwarded to the following address:)

In the matter of the bankruptcy (or the proposal, or the receivership) of (name of debtor) of (city and province) and the claim of creditor.

I, (name of creditor), of (city and province), do hereby certify:

- That I am a creditor of the above-named debtor (or that I am (state position or title) of (name of creditor)).
- That I have knowledge of all the circumstances connected with the claim referred to below.
- That the debtor was, at the date of bankruptcy, or the date of the receivership, or in the case of a proposal, the date of the notice of intention or of the proposal, (if no notice of intention was filed), namely the day of and still is, indebted to the creditor in the sum of \$....., as specified in the statement of account (or affidavit or solemn declaration) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account, or affidavit or solemn declaration must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

☐ A. UNSECURED CLAIM OF \$.....That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description.)☐ Regarding the amount of \$....., I do not claim a right to a priority.☐ Regarding the amount of \$....., I claim a right to a priority under section 136 of the Act.
(Set out on an attached sheet details to support priority claim.)☐ B. CLAIM OF LANDLORD FOR DISCLAIMER OF A LEASE \$.....That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are set out on the attached sheet(s).
(Give full particulars of the claim, including the calculations upon which the claim is based.)☐ C. SECURED CLAIM OF \$.....That in respect of this debt, I hold assets of the debtor valued at \$..... as security, particulars of which are as follows:
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)☐ D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$.....

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$..... (Attach a copy of sales agreement and delivery receipts.)

☐ E. CLAIM AGAINST DIRECTOR \$.....

(To be filed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are set out on the attached sheet(s).
(Give full particulars of the claim, including the calculations upon which the claim is based.)

- That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of Section 4 of the Act.
- That the following are the payments that I have received from, and the credits that I have allowed to, the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments and credits.)

(Applicable only in the case of the bankruptcy of an individual.)

- ☐ I request to be advised of any material change in the financial situation of the bankrupt, pursuant to subparagraph 102(3)(b)(i) of the Act.
- ☐ I request to be advised of any amendment made regarding the amount that the bankrupt is required to pay, pursuant to subsection 68(4) of the Act.
- ☐ I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at, this day of

Witness

Creditor

Creditor's Phone Number: Fax Number: E-mail Address:

NOTE: If an affidavit or solemn declaration is attached, it must have been made before a person qualified to take affidavits or solemn declarations.**WARNINGS:** A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

GENERAL PROXY

(Paragraphs 51(1)(e) and 66.15(3)(b) and subsection 102(2))

In the matter of the bankruptcy (or proposal or the receivership) of (name of debtor)

I (or We), (name of creditor), of (name of city, town or village), a creditor in the above matter hereby appoint of to be my (or our) proxy in the above matter except as to the receipt of dividends, with (or without) power to appoint another general proxy in his or her place.

DATED AT this day of, 19...

Witness

Individual Creditor

OR

Name of Corporate Creditor

Per:

Name and Title of Signing Officer

Witness

DIRECTIONS FOR COMPLETION OF THIS FORM ARE ON THE REVERSE SIDE

Checklist for Proofs of Claim

This checklist is provided to assist you in preparing the accompanying proof of claim form and, where required, proxy form in a complete and accurate manner. Please specifically check each requirement.

Under Section 109 of the Bankruptcy and Insolvency Act only those creditors who have filed their claims in the proper form with the trustee before the time appointed for the meeting, are entitled to vote at the meeting.

Section 124 states that every creditor shall prove his claim and the creditor who does not prove his claim is not entitled to share in any distribution that may be made.

General

- ♦ The signature of a witness is required;
- ♦ The claim must be signed personally by the individual completing this declaration;
- ♦ Give the complete address where all notices or correspondence is to be forwarded;
- ♦ The amount of the statement of account must correspond to the amount indicated on the proof of claim.

Paragraph 1

- ♦ Creditor must state full and complete legal name of company or firm;
- ♦ If the individual completing the proof of claim is not the creditor himself, he/she must state his/her position or title.

Paragraph 3

- ♦ The statement of account must be complete;
- ♦ A detailed statement of account must be attached to the proof of claim and must show the date, the number and the amount of all the invoices or charges, together with the date, the number and the amount of all credits or payments. A statement of account is not complete if it begins with an amount brought forward.

Paragraph 4

- ♦ An unsecured creditor must complete sub-paragraph 4A and indicate if priority is claimed pursuant to Section 136.
- ♦ Sub-paragraph 4B must be completed by a landlord only in a Proposal, for any claim related to disclaimer of lease. The amount of the claim is to be calculated according to the terms of the proposal. Provide details of calculation.
- ♦ A secured creditor must complete sub-paragraph 4C and provide a certified true copy of the security instrument as registered.
- ♦ A farmer, fisherman or aqua-culturist creditor must complete sub-paragraph 4D and provide a copy of the sales agreement and delivery documents.
- ♦ Sub-paragraph 4E is to be completed only in a Proposal, and only if the Proposal provides for the compromise of claims against Directors. Provide full details including calculations.

Paragraph 5

- ♦ All claimants must indicate if he or she is related or not to the debtor, as defined in Section 2 of the Bankruptcy and Insolvency Act, by striking out "AM" or "IS" or "AM NOT" or "IS NOT".

Paragraph 6

- ♦ All claimants must attach a detailed list of all payments or credits received or granted, as follows:
 - a) Within the three (3) months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are not related;
 - b) Within the twelve (12) months preceding the bankruptcy or proposal, in the case where the claimant and the debtor are related.

- P R O X Y -

Note: The Bankruptcy and Insolvency Act permits a proof of claim to be made by a duly authorized agent of a creditor but this does not give such a person power to vote at the first meeting of creditors or to act as the proxy of the creditor.

General

- ♦ A creditor may vote either in person or by proxy;
- ♦ A debtor may not be appointed as proxy to vote at any meeting of his creditors;
- ♦ The Trustee may be appointed as a proxy for any creditor;
- ♦ In order for a duly authorized person to have a right to vote he must himself be a creditor or be the holder of a property executed proxy. The name of the creditor must appear in the proxy.

**In the Matter of the Proposal of Retrocom Growth Fund Inc.,
a Corporation Duly Incorporated under the Laws of Canada,
of the City of Toronto, in the Province of Ontario**

AMENDED PROPOSAL

Retrocom Growth Fund Inc. hereby submits the following proposal under Part III, Division I of the *Bankruptcy and Insolvency Act* (Canada).

**ARTICLE I
DEFINITIONS**

1.01 Definitions

In this Proposal:

"**Act**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, B-3, as amended;

"**Administrative Fees and Expenses**" means:

- (a) all proper fees and expenses of the Trustee incurred both before and after the filing by the Debtor of this Proposal pursuant to the Act; and
- (b) all reasonable fees and disbursements of counsel to the Trustee and counsel and financial advisors of the Debtor with respect to any proceedings relating to or arising out of the Proposal, the preparation of the Proposal and negotiations in connection therewith, the performance by the Debtor of its obligations hereunder, and advice to the Debtor with respect thereto, all up to and including the Effective Date;

"**Affected Claim**" means any Claim except for an Unaffected Claim;

"**Affected Creditor**" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"**Affected Creditors Class**" means the class of Affected Creditors entitled to vote on this Proposal at the Creditors' Meeting;

"**Affiliate**" means any affiliate body corporate, as that term is defined in the *Canada Business Corporations Act*, of the Debtor. For greater certainty, neither Retrocom REIT nor RIMI shall be treated hereunder as an Affiliate;

"**Articles of Reorganization**" means the articles of reorganization to be filed in respect of the Debtor pursuant to the CBCA to give effect to the Reorganization, substantially in the form attached as Schedule "A" to this Proposal;

"**CBCA**" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended;

"Claim" means any right or claim of any Person that may be made in whole or in part against the Debtor, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind, which indebtedness, liability or obligation is in existence or which is based on an event, act or omission that occurred, or a condition that existed, in whole or in part prior to the Filing Date or that arises after the Filing Date as a result of or in connection with the repudiation of any Contract and any interest that may accrue thereon up to the Filing Date (or to the date of the repudiation of such Contract, where applicable) for which there is an obligation to pay, and amounts which such Person would be entitled to receive, pursuant to the terms of any Contract with such Person at law or in equity, by reason of the commission of a tort (intentional or unintentional), any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to property or assets or to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise) or for any other reason whatsoever against any property or assets, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, or any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, based in whole or in part on facts which existed prior to the Filing Date (or to the date of the repudiation of such Contract, where applicable), together with any other rights or claims not referred to above that, in whole or part, would have been claims provable in bankruptcy had the Debtor become bankrupt at the Filing Date (or the date of the repudiation of such Contract, if applicable), together with any other rights or claims, whether or not asserted, made after the Filing Date in any way, directly or indirectly related to any action taken or power exercised prior to the Filing Date;

"Contract" means any contract, agreement, lease (including any lease of personal, real, movable or immovable property), permit, license or arrangement;

"Court" means the Ontario Superior Court of Justice (Commercial List);

"Court Approval Date" means the date upon which the Court makes an order approving this Proposal;

"Creditor" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person;

"Debtor" means Retrocom Growth Fund Inc.;

"Effective Date" shall mean the date on which the transactions and agreements provided for in this Proposal, including the Reorganization, become effective, which shall be the date on which the certificate of the Trustee referenced in Section 2.02 is filed with the Court;

"Filing Date" means August 1, 2006, being the date upon which a notice of intention to make a proposal was filed by the Debtor with the Official Receiver in accordance with the Act;

"Governmental Authority" means any government, municipality, regulatory authority, governmental department, agency, commission, bureau, official, minister, agent, Court, board, tribunal, dispute settlement panel or body or other law, rule or regulation-making entity:

- (a) having or purporting to have jurisdiction on behalf of any nation, province, state or other geographic or political subdivision thereof; or
- (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"Inspector" means any inspector appointed pursuant to Section 6.01 hereof;

"Legislation" means the legislation referred to in subsection 60(1.1) of the Act;

"New Shares" means the new class of common shares in the capital of the Debtor to be created pursuant to the Articles of Reorganization;

"New Share Purchase Agreement" means the agreement dated as of March 14, 2008 between the Debtor and the New Share Purchaser for the purchase and sale of the New Shares, as amended, a copy of which is attached hereto as Schedule "B";

"New Share Purchaser" means the purchaser of the New Shares pursuant to the New Share Purchase Agreement;

"Old Equity" means all of the issued and outstanding equity in the capital of the Debtor, including, without limitation, all issued and outstanding ordinary shares, common shares and preferred shares, and any option, warrant or agreement or right to purchase such equity, save and except for the New Shares;

"Person" means any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, corporation, body corporate or Governmental Authority;

"Preferred Claim" means a Claim enumerated in Section 136(1) of the Act;

"Preferred Creditor" means the holder of a Preferred Claim but only with respect to, and to the extent of, that Preferred Claim;

"Proposal" means this Proposal of the Debtor, as may be amended or altered in accordance with the terms hereof;

"Proposal Fund" means the fund created pursuant to and described in Article V of this Proposal;

"Reorganization" means the reorganization of the Debtor pursuant to Section 191 of the CBCA, for which approval of the Court will be sought on the Court Approval Date, as described in Section 7.01 of this Proposal;

"Retained Properties" shall have the meaning ascribed thereto in the New Share Purchase Agreement;

"Retrocom REIT" means Retrocom Mid-Market Real Estate Investment Trust;

"RIMI" means Retrocom Investment Management Inc.;

"Secured Claims" means any Claim or portion thereof which was, as of the Filing Date, and still is, secured by a validly attached and existing security interest on the real or personal property of the Debtor, including security which was duly and properly perfected under the *Personal Property Security Act* (Ontario) at the Filing Date, to the extent, and only to the extent, of the lesser of: (a) the amount of such Claim as agreed to by the Debtor or as finally determined by a court of competent jurisdiction, and (b) the realizable value of the remaining property of the Debtor subject to such security interest having regard to, among other things, the priority of such security;

"Secured Creditor" means a creditor holding a Secured Claim, but only with respect to, and to the extent of, such Secured Claim. For greater certainty, any other claim by such creditor shall be an unsecured claim.

"Superintendent's Levy" means the levy payable to Superintendent of Bankruptcy pursuant to Section 147 of the Act;

"Trustee" means RSM Richter Inc., in its capacity as trustee in respect of this Proposal;

"Unaffected Claim" means only the following Claims and such other Claims as may be designated in this Proposal (or any amendments thereto) as not being affected by this Proposal and which are listed in the books and records of the Debtor or of which the Debtor and the Trustee have received actual notice:

- (i) claims for amounts due for goods or services actually supplied to, or at the request of, the Debtor after the Filing Date;
- (ii) Secured Claims;
- (iii) Administrative Fees and Expenses;
- (iv) Claims of the Trustee and its counsel, and Claims of the Debtor's counsel;
and
- (v) Crown claims referred to in Section 4.03.

"Unaffected Creditor" means a creditor holding an Unaffected Claim, but only with respect to, and to the extent of such Unaffected Claim.

ARTICLE II
CONDITIONS PRECEDENT AND TRUSTEE'S CERTIFICATE

2.01 Conditions Precedent

The implementation of this Proposal shall be conditional upon the fulfillment of all of the following conditions:

- (a) The Proposal shall be approved by the Affected Creditors in accordance with the Act; and
- (b) The Proposal and the Reorganization shall be approved by the Court and all conditions to the completion of the transactions contemplated by the New Share Purchase Agreement shall have been satisfied or waived.

2.02 Trustee's Certificate

Upon the satisfaction (or, where applicable, waiver) of the conditions set out in Section 2.01, the Trustee shall file with the Court a certificate which states that all conditions precedent set out in Section 2.01 of this Proposal have been satisfied, and that the Effective Date has occurred. In so certifying that the conditions precedent set out in Section 2.01 of this Proposal have been satisfied, the Trustee shall be entitled to rely upon certificates, representations and confirmations from the Debtor or any director or officer thereof and the Trustee shall incur no liability in connection with its reliance thereon.

ARTICLE III
CLASSES OF CREDITORS

3.01 Class of Creditors

There shall be one class of Creditors for the purpose of voting on the Proposal, being the Affected Creditors Class.

ARTICLE IV
TREATMENT OF CREDITORS' CLAIMS

4.01 Preferred Claims

All proven Preferred Claims, as contemplated by Sections 136(1)(c) to 136(1)(i) of the Act, if any, will be paid without interest from the Filing Date in full from the Proposal Fund in priority to all Unsecured Claims but after reserving for the amounts set out in Section 5.01(b) of this Proposal, provided however that Preferred Claims of employees and former employees equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the Act if the Debtor became bankrupt on the Filing Date, shall be paid by the Trustee from the Proposal Fund immediately after approval of this Proposal by the Court. For greater certainty, amounts due or

which may become due pursuant to this paragraph do not include claims for severance or termination.

4.02 Affected Claims

Affected Claims, other than Preferred Claims shall be dealt with as follows:

Each Affected Creditor who, on the Effective Date, holds Affected Claims shall receive, in full and final satisfaction of its Affected Claims, payment of its *pro rata* share of the Proposal Fund in respect of its proven Affected Claims in accordance with Article V hereof.

4.03 Crown Claims

After the Court Approval Date, the Trustee shall pay from the Proposal Fund Her Majesty in Right of Canada and in Right of Ontario all amounts of a kind that could be subject to a demand under the Legislation, provided however that any such claims shall be paid from the Proposal Fund within six months after the Court Approval Date.

4.04 Interest on Claims

Interest shall not accrue or be paid on any Affected Claims after the Filing Date, and holders of Affected Claims shall only be entitled to interest accruing on or before the Filing Date on any such Affected Claims. All Claims in respect of interest on Affected Claims after the Filing Date shall be discharged and extinguished on the Effective Date.

ARTICLE V **PAYMENT OF DISTRIBUTIONS TO CREDITORS**

5.01 Composition and Distribution of Proposal Fund

Subject to Section 2.01, the Trustee shall distribute from time to time in accordance with the provisions of this Proposal to each holder of a proven Affected Claim its *pro rata* share of the remaining Proposal Fund, which shall comprise:

- (a) the aggregate of the following amounts:
 - (i) all assets of the Debtor as of the Effective Date, other than the Retained Properties; and
 - (ii) payments received by the Trustee pursuant to the New Share Purchase Agreement (including, without limitation, from the sale of the Retained Properties);

less:

- (b) the aggregate of the following amounts:

- (i) the amount owing to the holders of Secured Claims with valid and enforceable security over the property of the Debtor, to the extent of such Secured Claims, as may be reduced from time to time by agreement of the holders of such Secured Claims;
- (ii) a reasonable reserve, in an amount determined by the Trustee, on account of costs and expenses to be incurred by the Trustee after the Effective Date in carrying out the provisions of this Proposal and the Reorganization (which reserved funds will be paid by the Debtor to those in respect of which the reserves were set up);
- (iii) a reasonable reserve, in an amount to be determined by the Trustee, on account of claims relating to other Unaffected Claims (which reserved funds will be paid by the Debtor to those in respect of which the reserves were set up); and
- (iv) the amounts, if any, contemplated by Section 4.1(a)(iv) of the New Share Purchase Agreement.

The Trustee will only make distributions from the Proposal Fund if the amount available to be distributed makes such distributions economically practical, as determined by the Trustee, acting reasonably (having regard to, among any other considerations that the Trustee considers appropriate, the amount of liquid funds available to be distributed, any reserves or prior claims, the number of Persons to whom the distribution is to be made and the time at which further funds are expected to become available for distribution), which determination will be final and non-reviewable.

5.02 Disputed Claims

In the case of any Disputed Claim that has not been finally determined on the date of any distribution to Affected Creditors pursuant to this Proposal, the Trustee will reserve sufficient cash from the Proposal Fund to distribute to the Affected Creditor its pro-rata share in respect of such Disputed Claim in the event that such Disputed Claim becomes a proven Affected Claim. If the Disputed Claim becomes a proven Affected Claim in whole or in part in accordance with the Act after the applicable distribution date, the cash reserved in respect of such Disputed Claim (or an appropriate portion thereof) will be distributed to such Affected Creditor. If the Disputed Claim is ultimately disallowed in whole or in part in accordance with the Act after such distribution date, any cash reserved in respect of such Disputed Claim (or the appropriate portion thereof) will become available again for distribution from the Proposal Fund.

5.03 Transfer to Trustee

On the Effective Date, all assets of the Debtor, other than the Retained Properties, shall be, and shall be deemed to be, transferred and assigned by the Debtor to the Trustee for the benefit of the holders of proven Affected Claims.

ARTICLE VI **INSPECTORS**

6.01 Appointment and Powers of Inspectors

At any meeting of the Affected Creditors to be held to consider the Proposal, the Affected Creditors may appoint one or more, but not exceeding five, Inspectors whose powers shall include, in addition to the powers conferred to the Inspectors pursuant to the Act:

- (i) advising and directing the Trustee from time to time with respect to any matter that the Trustee may refer to them;
- (ii) advising the Trustee concerning any dispute that may arise as to the validity of claims of the Affected Creditors which the Trustee may refer to them; and
- (iii) directing the Trustee concerning any matter raised with the Inspectors by the Trustee related to the New Share Purchase Agreement and the Transactions contemplated thereby.

6.02 Referral of Decisions of Inspectors to the Court

Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it thinks just.

6.03 Directions to Debtor and Trustee

The Trustee shall be entitled to rely upon the decision of a majority in number of the Inspectors with respect to any direction and neither the Debtor nor the Trustee nor their respective legal counsel shall have any liability for acting in accordance with the decision of the Inspectors in respect thereof.

6.04 Discharge of Inspectors

The authority and term of office of the Inspectors shall terminate upon the discharge of the Trustee.

ARTICLE VII **REORGANIZATION**

7.01 Reorganization

In order to realize value for Affected Creditors from the remaining property of the Debtor in accordance with the New Share Purchase Agreement, on the Court Approval Date, the Debtor will concurrently seek an Order of the Court to approve and effect the Reorganization in order to, *inter alia*:

- (a) Create the New Shares; and

(b) cancel all of the issued and outstanding Old Equity in the capital of the Debtor, all as more particularly set out in the Articles of Reorganization. Holders of Old Equity will not be entitled to any payment or compensation with respect to the cancellation of the Old Equity.

7.02 Coordinated Restructuring, Reorganization and Proposal

This Proposal contemplates a coordinated reorganization of the Debtor together with a compromise of Affected Claims against the Debtor. Therefore all of the actions, documents, agreements and funding necessary to implement each of the Reorganization and this Proposal must be in place and be final and irrevocable on or prior to the Effective Date.

**ARTICLE VIII
AMENDMENT TO THE PROPOSAL**

8.01 Amendment, Modification or Restatement of Proposal

This Proposal and any term hereof may be amended, modified or restated by the Debtor, including, without limitation, to the extent necessary to give effect to or facilitate the New Share Purchase Agreement and the transactions contemplated therein, or by the Affected Creditors with the consent of the Debtor, at or prior to the meeting of Creditors called to consider the same or at or prior to any adjournment thereof or, if made after the meeting of Creditors, any such amendment, restatement or modification may be made unilaterally by the Debtor if, in the opinion of the Debtor and the Trustee, it concerns a matter which is administrative in nature and required to better give effect to the implementation of the Proposal and the Reorganization or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors, or with the approval of the Court in any other case.

**ARTICLE IX
EFFECT OF PROPOSAL**

9.01 Binding Effect of Proposal

On the Effective Date, the Proposal shall be implemented by the Debtor and shall be fully effective and binding on the Debtor and all Persons affected by the Proposal. Without limitation, the treatment of Claims under the Proposal shall be final and binding on the Debtor, the Affected Creditors and all Persons affected by the Proposal and their respective heirs, executors, administrators, legal representatives, successors and assigns. For greater certainty, this Proposal shall not affect the Unaffected Creditors.

9.02 Amendments to Agreements and Paramountcy of Proposal

Notwithstanding the terms and conditions of all agreements or other arrangements with Affected Creditors entered into before the Filing Date, for so long as an event of default under this Proposal has not occurred, all such agreements or other arrangements will be deemed to be amended to the extent necessary to give effect to all the terms and conditions of this Proposal. In

the event of any conflict or inconsistency between the terms of such agreements or arrangements and the terms of this Proposal, the terms of this Proposal will govern and be paramount.

9.03 Deemed Consents and Authorizations of Affected Creditors

Upon approval of this Proposal by Affected Creditors and the Court in accordance with the Act, all Affected Creditors will be deemed to have given such consents and authorizations and to have taken such steps as are necessary to give effect to the terms of this Proposal.

9.04 Ability to Complete Transactions

Nothing contained in this Proposal shall prevent or constrain the Debtor from taking any action, or completing any transaction, in respect of the Retained Properties.

ARTICLE X
SUPERINTENDENT'S LEVY AND ADMINISTRATIVE FEES AND EXPENSES

10.01 Superintendent's Levy

All monies payable under the Proposal shall be paid by the Debtor to the Trustee and notwithstanding any other provision hereof, all payments or distributions made by the Trustee in respect of Affected Claims pursuant to the terms hereof shall be made net of the Superintendent's Levy required to be paid pursuant to Sections 147 and 60(4) of the Act.

10.02 Administrative Fees and Expenses

Administrative Fees and Expenses will be paid from the Proposal Fund in priority to all Claims of Preferred Creditors and Affected Creditors, claims pursuant to Section 4.03 and all other Claims of any Person.

ARTICLE XI
RELEASE OF CLAIMS

11.01 Proposal Releases

Upon the implementation of this Proposal on the Effective Date, the following Persons (being herein referred to individually as a "**Released Party**"): (i) the Debtor, its Affiliates and their respective various legal counsel; (ii) RSM Richter Inc., in all capacities, and its legal counsel; (iii) present and former directors and officers of the Debtor and its Affiliates in such capacities; (iv) the current legal counsel of the directors and officers of the Debtor; and (v) any Person claimed to be liable derivatively through any or all of the foregoing Persons; shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, including, without limitation, any and all Claims in respect of statutory liabilities of present and former directors,

officers and employees of the Debtor, and any alleged fiduciary or other duty, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Effective Date in any way relating to, arising out of or in connection with Claims, the business and affairs of the Debtor and its Affiliates, this Proposal and the Reorganization to the full extent permitted by law, and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Debtor's obligations under the Proposal or any related document), provided that nothing herein:

- (a) shall release or discharge a Released Party from or in respect of its obligations under this Proposal;
- (b) shall affect the right of any Person:
 - (i) to recover indemnity from any insurance coverage under which that Person is an insured, or
 - (ii) to obtain recovery on a Claim against a Released Party from any insurer that has provided insurance coverage pursuant to which that Released Party is an insured Person, but, for certainty, any Claim to which an insurer is or would otherwise be subrogated is released hereunder such that the insurer shall not have any Claim against a Released Party, and the recovery to which such Person shall be entitled shall be limited to the proceeds of insurance actually paid by the insurer with respect to the Claim;
- (c) shall release or discharge present or former directors of the Debtor with respect to matters set out in section 50(14) of the Act; or
- (d) shall release any Claim that the Debtor has or may have against any of its Affiliates.

11.02 Extinguishment of Claims

As and from the Effective Date, the treatment of Affected Claims under this Proposal shall be final and binding on all Persons affected by this Proposal (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and, upon implementation of this Proposal on the Effective Date, all Affected Claims shall be forever discharged and released, excepting only the obligations to make distributions in respect of such Affected Claims in the manner and to the extent provided for in this Proposal.

ARTICLE XII
TRUSTEE, CERTIFICATE OF COMPLETION AND DISCHARGE OF TRUSTEE

12.01 Proposal Trustee

RSM Richter Inc., shall be the Trustee pursuant to this Proposal. The Trustee is acting in its capacity as Trustee under this Proposal, and not in its personal capacity and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business, liabilities or obligations of the Debtor, whether existing as at the Filing Date or incurred subsequent thereto.

12.02 Discharge of Trustee

Upon completion of the distribution of the Proposal Fund by the Trustee in accordance with this Proposal, this Proposal shall be satisfied and all conditions and requirements fulfilled and met and the Trustee shall be entitled to be discharged.

ARTICLE XIII
GENERAL

13.01 Construction

In this Proposal, unless otherwise expressly stated or the context otherwise requires:

- (a) the division of the Proposal into Articles and Sections and the use of headings are for convenience of reference only and do not affect the construction or interpretation of the Proposal;
- (b) the words “hereunder”, “hereof” and similar expressions refer to the Proposal and not to any particular Article or Section and references to “Articles” or “Sections” are to Articles and Sections of the Proposal;
- (c) words importing the singular include the plural and vice versa and words importing any gender include all genders;
- (d) the word “including” means “including without limiting the generality of the foregoing”;
- (e) a reference to any statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder;
- (f) references to dollar amounts are to Canadian dollars unless otherwise specified; and
- (g) references to times are to local time in Toronto, Ontario.

13.02 Valuation

For purposes of proofs of claim, voting and distribution, all Claims shall be valued as at the Filing Date.

13.03 Successors and Assigns

The Proposal shall be binding on and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of each Affected Creditor and each and every other person named in or subject to the Proposal.

13.04 Governing Law

The Proposal shall be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein. Any disputes as to the interpretation or application of the Proposal and all proceedings taken in connection with the Proposal shall be subject to the exclusive jurisdiction of the Court.

Dated at Toronto, this day of July, 2008.

RETROCOM GROWTH FUND INC.

Per: _____
Name:
Title:

- 13 -

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The Proposal shall be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein. Any disputes as to the interpretation or application of the Proposal and all proceedings taken in connection with the Proposal shall be subject to the exclusive jurisdiction of the Court.

Dated at Toronto, this 4 day of July, 2008.

RETROCOM GROWTH FUND INC.

Per:



Name:

Title:

SCHEDULE "A"

ARTICLES OF REORGANIZATION

SCHEDULE "A"



Industry Canada Industrie Canada
Canada Business Loi canadienne sur les
Corporations Act sociétés par actions

FORM 14 ARTICLES OF REORGANIZATION (SECTION 191)

FORMULAIRE 14 CLAUSES DE RÉORGANISATION (ARTICLE 191)

1 -- Name of Corporation - Dénomination sociale de la société RETROCOM GROWTH FUND INC.	2 -- Corporation No. - N° de la société 3751112
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3 -- In accordance with the order for reorganization, the articles of incorporation are amended as follows: Conformément à l'ordonnance de réorganisation, les statuts constitutifs sont modifiés comme suit :

- A. To create an unlimited number of a new class of shares, designated as ordinary shares, with the rights, privileges, restrictions and conditions attaching thereto as set forth in Schedule "A" hereto;
- B. Effective following the issuance of no less than one (1) ordinary share, to cancel all issued Class A Series I Shares, Class A Series II Shares, Class A Series III Shares, Class A Series IV Shares, Class B Shares, Class C Series 1 Shares, Class C Series 2 Shares, Class C Series 3 Shares, Class C Series 4 Shares, Class C Series 5 Shares, Class C Series 6 Shares, Class C Series 7 Shares, Class C Series 8 Shares, Class C Series 9 Shares, Class C Series 10 Shares and Class C Series 11 Shares.
- C. Effective following the issuance of no less than one (1) ordinary share, to remove from the Corporation's capital the Class A Series I Shares, Class A Series II Shares, Class A Series III Shares, Class A Series IV Shares, Class B Shares, Class C Series 1 Shares, Class C Series 2 Shares, Class C Series 3 Shares, Class C Series 4 Shares, Class C Series 5 Shares, Class C Series 6 Shares, Class C Series 7 Shares, Class C Series 8 Shares, Class C Series 9 Shares, Class C Series 10 Shares and Class C Series 11 Shares, and all rights, privileges, restrictions and conditions attaching thereto;
- D. To cancel all issued and outstanding warrants, options and agreements or other rights granted by the Corporation to purchase Class A Series I Shares, Class A Series II Shares, Class A Series III Shares, Class A Series IV Shares, Class B Shares, Class C Series 1 Shares, Class C Series 2 Shares, Class C Series 3 Shares, Class C Series 4 Shares, Class C Series 5 Shares, Class C Series 6 Shares, Class C Series 7 Shares, Class C Series 8 Shares, Class C Series 9 Shares, Class C Series 10 Shares and Class C Series 11 Shares, whether vested or not; and
- E. To declare that the capital of the Corporation after giving effect to the foregoing consists of an unlimited number of ordinary shares with the rights, privileges, restrictions and conditions attaching thereto as set for in Schedule "A".

Signature	Printed Name - Nom en lettres mouillées	4 -- Capacity of - En qualité de	5 -- Tel. No. - N° de tél.
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FOR DEPARTMENTAL USE ONLY - À L'USAGE DU MINISTÈRE SEULEMENT
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SCHEDULE "A"
ORDINARY SHARES

Voting Rights

Each holder of ordinary shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Corporation and to vote thereat, except meetings at which only holders of a specified class of shares (other than the ordinary shares) or specified series of shares are entitled to vote. At all meetings of which notice must be given to the holders of the ordinary shares, each holder of ordinary shares shall be entitled to one vote in respect of each ordinary share held by such holder.

Dividends

The holders of the ordinary shares shall be entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive any dividend declared by the Corporation.

Liquidation, Dissolution or Winding-up

The holders of the ordinary shares shall be entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive the remaining property of the Corporation on a liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary.

SCHEDULE "B"

NEW SHARE PURCHASE AGREEMENT

File No.: 31-452496

**IN THE MATTER OF THE PROPOSAL OF RETROCOM GROWTH FUND INC.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

MINUTES OF CONTINUED GENERAL MEETING OF CREDITORS

1. Minutes of the Continued General Meeting of Creditors held at the offices of the Proposal Trustee, RSM Richter Inc., 200 King Street West, Suite 1100, Toronto, Ontario, on the 15th day of July, 2008, at 10:00 a.m.
2. An attendance list of those present is attached hereto as Appendix "1".
3. Robert Harlang acted as Chair and Renee Schwartz acted as Recording Secretary.
4. The Chair called the meeting to order at 10:00 a.m. and announced the presence of a quorum and that the meeting was duly constituted.
5. Mr. Harlang informed the meeting that he would act as Chair pursuant to Section 51(3) of the *Bankruptcy and Insolvency Act* and would decide any questions or disputes arising at the meeting and from any such decision any creditor may appeal to the Court.
6. The Chair advised that the Recording Secretary had tabled the following documents:
 - Amended Proposal
 - Minutes of seven adjourned meetings held during the period February 21, 2007 to June 25, 2008
 - Trustee's Affidavit of Mailing dated July 8, 2008 and related documents including Notice of Continued General Meeting of Creditors; a list of creditors affected by the Proposal; a blank voting letter; Notice of Hearing of Application for Court Approval of Proposal; and the Trustee's Report to Creditors dated July 4, 2008 ("Report")
 - Proofs of Claim as filed
7. The Chair summarized the claims register, advising that to date there are 14 admitted claims totalling \$5.085 million. Three additional claims totalling \$4.9 million were admitted for voting purposes only.
8. The Chair summarized the Trustee's Report to Creditors and the Amended Proposal, highlighting the following:
 - Other assets

It is anticipated that the remaining assets will be realized over the next six to nine

months. The funds realized will be used to pay outstanding professional fees and post-filing claims; the balance will be distributed to the creditors.

- Proposal vis-à-vis bankruptcy

The Amended Proposal contemplates the Company receiving \$1.5 million of additional funds, which would be available for post-filing costs and to creditors. If the Amended Proposal is not approved, the Debtor will be deemed to have made an assignment in bankruptcy and there will be no funds available to the Debtor's unsecured creditors.

9. The Chair called for questions.

Q: Wayne Seddon - has the Ministry of Finance's ("MOF") claim been admitted?

A: Robert Harlang ("RH") - Certain claims, including the MOF's claim, have been held in abeyance, pending the closing of the transaction with the purchaser. These claims were not resolved as it was imprudent for the estate to expend time in dealing with the claims if there were no funds to distribute to the creditors. Once the transaction has closed, the Trustee will determine the admissibility of these claims.

Q: Frank Piccin ("FP") - Will the Trustee send a letter to the creditors indicating which claims are being disputed and why?

A: RH - Yes.

Q: FP - There are Directors' claims totalling approximately \$25 million ("Contingent Claims"). Have these claims been admitted?

A: Rick Orzy - If the Amended Proposal is approved today, the Contingent Claims will be moot.

Vote on Proposal

10. The Chair requested a motion from the creditors to accept the Amended Proposal.
11. A motion was made by Mr. Seddon and seconded by Mr. Piccin for a resolution to accept the Amended Proposal of Retrocom Growth Fund Inc. The Motion was unanimously carried.
12. The Proposal was accepted by eleven voting unsecured creditors, with claims totaling \$7.6 million, representing 100% in number and 100% in dollar value of the total voting unsecured claims filed.

Appointment of Inspectors

13. The Chair summarized the powers of the Inspectors, as set out in Section 6.01 of the Amended Proposal, noting that an Inspector would not be able participate in advising the Trustee with respect to a disputed claim where the Inspector has an interest in the claim.
14. The following Inspectors were appointed:
 - Wayne Seddon
 - Frank Piccin

Court Approval of Proposal

15. The Chair advised that July 22, 2008 at 10:00 a.m. has been set for Court Approval of the Proposal. Notices were sent to the creditors on July 4, 2008 and the motion material will be sent to the creditors whose claims have been filed within the next few days.

Completion of the Transaction

16. The Chair advised that following Court approval, the next step will be to complete the transaction with The Rose Corp. which is expected to happen by the end of July.

Termination of Meeting

17. There being no further business the meeting was terminated.

Dated at Toronto, Ontario this 15th day of July, 2008.



Robert Harlang, Chair



Renee Schwartz, Recording
Secretary







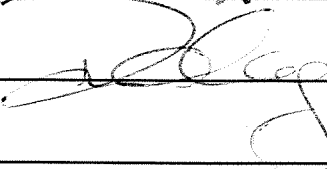
ESTATE FILE NO.: 31-452496

**IN THE MATTER OF THE PROPOSAL OF RETROCOM GROWTH FUND INC.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

CONTINUED GENERAL MEETING OF CREDITORS

July 15, 2008

ATTENDANCE REGISTER

NAME (Please print)	SIGNATURE	REPRESENTING
S. Richard Ozy		RGFI
Josh Sidsworth		RGFI
Daniel (Sebel)		Trustee
Tony Reyes		for Proposal Trustee
Robert Fabes		RGFI
Keneo Schwab		Trustee
ROBERT. HARRISON		Trustee
PRESENT BY TELEPHONE CONFERENCE:		
G. Piccin ("Frank")		1598312 Ontario Inc.
Wayne Sedden		Ontario Ministry of Finance
Aristotle Labedev		"

Estate No.: 31-452496

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF RETROCOM GROWTH FUND INC.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**NOTICE OF HEARING OF APPLICATION FOR
COURT APPROVAL OF PROPOSAL
(Paragraph 58(b) of the *Bankruptcy and Insolvency Act*)**

TAKE NOTICE THAT an application will be made to the Court at 330 University Avenue, Toronto, Ontario, on the 22nd day of July, 2008, at 10:00 a.m., to approve the proposal of Retrocom Growth Fund Inc., if such proposal is accepted by the creditors at a meeting to be held on the 15th day of July, 2008.

DATED at Toronto, this 4th day of July, 2008.

RSM Richter Inc.

**RSM RICHTER INC.
TRUSTEE UNDER THE PROPOSAL OF
RETROCOM GROWTH FUND INC.
AND NOT IN ITS PERSONAL CAPACITY**

200 King Street West
Suite 1100, P.O. Box 48
Toronto, ON M5H 3T4