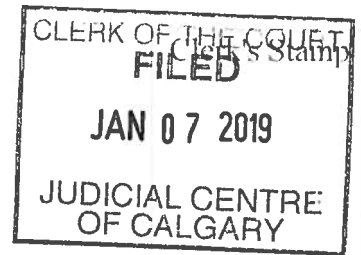


COURT FILE NUMBER 1001-03215
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF FIRST CALGARY SAVINGS & CREDIT UNION LTD.
DEFENDANTS PERERA SHAWNEE LTD., PERERA DEVELOPMENT CORPORATION, DON L. PERERA AND SHIRANIE M. PERERA



DOCUMENT **APPLICATION**
(Approval of Accounts and Activities, Amendment to Approved Settlement Conditions)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Osler, Hoskin & Harcourt LLP
Suite 2500, TransCanada Tower
450 – 1st Street SW
Calgary, Alberta T2P 5H1

Solicitors: A. Robert Anderson, Q.C. / Emily Paplawski
Phone: 403.260.7004 / 7071
Fax: 403.260.7024
Email: RAnderson@osler.com / epaplawski@osler.com
Matter: 1121689

NOTICE TO RESPONDENTS

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Justice.

To do so, you must be in Court when the application is heard as shown below:

Date: January 16, 2019
Time: 11:00 a.m.
Where: Calgary Courts Centre, 601 – 5th Street SW, Calgary, AB
Before Whom: The Honourable Madam Justice B.E.C. Romaine

Go to the end of this document to see what else you can do and when you must do it.

Orders Sought:

1. Deloitte Restructuring Inc. (the “**Receiver**”), in its capacity as receiver and manager of Perera Shawnee Ltd. and Perera Development Corporation (the “**Debtors**”) is seeking an Order (the “**Approval Order**”) substantially in the form attached hereto as **Schedule “A”**:
 - a. abridging the time for service of this Application, if necessary, and declaring that this Application is properly returnable today, and that further service of this Application other than to those listed on the Service List established in these proceedings is hereby dispensed with;
 - b. approving the Receiver’s Statement of Receipts and Disbursements as at January 3, 2019, as set out in the Seventy-Fourth Report of the Receiver, dated January 7, 2019 (the “**Seventy-Fourth Report**”);
 - c. approving the Receiver’s accounts and the accounts of its insolvency counsel, Osler Hoskin & Harcourt LLP (“**Osler**”) as set out in the Seventy-Fourth Report;
 - d. approving the actions, conduct and activities of the Receiver as described in the Seventy-Fourth Report and all other reports filed by the Receiver in these proceedings;
 - e. authorizing the Receiver to settle the Remaining Deposit Claim (as defined below) by returning up to the entire approximately \$24,000 continuing to be held in trust by McLeod Law LLP (“**McLeod**”) to the appropriate parties in exchange for a mutual release; and
 - f. granting such further and other relief as counsel may request and this Honourable Court may deem just.

Grounds for making this application:

Approval of Account and Activities

2. On March 3, 2010, the Receiver was appointed Receiver, without security, of all of the current and future assets, undertakings and properties of every nature and kind whatsoever

and wherever situate of the Debtors, including all proceeds thereof (the “**Receivership Order**”).

3. The Debtors were condominium real estate developers which had assets that consisted of a three phase condominium real estate project located at 10 Shawnee Hill SW, Calgary, Alberta known as the “Highbury” (the “**Project**”).
4. As detailed further in the Seventy-Fourth Report, the Receiver has been working with Condominium Corporation No. 0915321 (the “**Condo Corporation**”), and the Statesman Group of Companies Ltd. (“**Statesman**”), among others, since late 2012 to reach agreement on, and complete construction of, all work required to finish Phase I of the Project to its design specifications and carry out any repair to the common property determined to be deficient.
5. Currently, the only incomplete work remaining for completion by the Receiver is in the north section of Phase I and includes the curb, gutter, sidewalk, top asphalt coat for the City road and landscaping (the “**City Access Area**”). Construction on the City Access Area cannot proceed until Spring 2019, after which the Receivership will be largely complete.
6. In anticipation of the Receivership nearing completion, the Receiver has updated its Statement of Receipts and Disbursements and seeks the approval of this Court of such Statement of Receipts and Disbursements, of its actions, conduct and activities in the Receivership to date, and of the its accounts and the accounts of Osler.
7. Since Receivership Order, the Receiver has filed seventy four receiver’s reports providing the Court with, among other things, updates on the Receivership and the activities of the Receiver.
8. It is appropriate that the Receiver’s Statement of Receipts and Disbursements, its actions, conduct and activities in the Receivership, and its accounts and the accounts of Osler be approved.
9. Such further and other grounds as counsel may recommend and this Honourable Court may permit.

Amendment to Approved Settlement Conditions

10. At the date of the Receivership Order, several units in Phase I of the Project were subject to pre-receivership purchase contracts with various purchasers (the "**Presale Purchasers**"). Pursuant to their respective purchase contracts, the Presale Purchasers paid deposits (the "**Deposits**") which were held in trust by McLeod. All but 11 of the Deposits were released to the Debtors, or either one of them, prior to the date of Receivership.
11. Of the 11 remaining Deposits, the Receiver was successful in settling and disbursing 7 Deposits to their respective Presale Purchasers pursuant to various settlement agreements which were approved by the Court by Orders granted May 9, 2013. The Court authorized the Receiver by Order of the same date to settle the return of the remaining 4 Deposits without the requirement for further Court approval on the condition that such settlements comply with the requirements outlined in Schedule "1" to the Confidential Fifty-Seventh Report of the Receiver, dated May 3, 2013 (the "**Settlement Order**").
12. While the Receiver has successfully settled three of the remaining four Deposits according to the terms of the Settlement Order, no agreement has been reached with the fourth - and only remaining - Presale Purchaser (the "**Remaining Deposit Claim**"). McLeod continues to hold approximately \$24,000 in trust related to the Remaining Deposit Claim.
13. The Receiver seeks an Order authorizing it to settle the Remaining Deposit Claim by returning up to the entire sum continuing to be held by McLeod to the appropriate Presale Purchasers in exchange for a mutual release.

Affidavit or other Evidence and Materials to be used in Support of this Application:

14. The Seventy-Fourth Report of the Receiver, dated January 7, 2019;
15. Evidence and Reports of the Receiver previously filed in this Action; and
16. Such further and other evidence or materials as counsel may advise and this Honourable Court may permit.

Applicable Rules:

17. *The Alberta Rules of Court*, Alta Reg. 124/2010.

Applicable Acts and Regulations:

18. *The Bankruptcy and Insolvency Act*, RSC 1985, chap. B-3, as amended.

19. *The Judicature Act*, RSA 2000, c J-2, as amended.

Any Irregularity Complained of or Objection Relied On:

20. None.

How the Application is Proposed to be Heard or Considered:

21. In person before the Honourable Madam Justice B.E.C. Romaine on January 16, 2019 at 11:00 a.m.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

Schedule "A"

COURT FILE NUMBER 1001-03215
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
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DEFENDANTS PERERA SHAWNEE LTD., PERERA DEVELOPMENT CORPORATION, DON L. PERERA AND SHIRANIE M. PERERA



DOCUMENT **ORDER**
(Approval of Accounts and Activities, Amendment to Approved Settlement Conditions)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Osler, Hoskin & Harcourt LLP
Suite 2500, TransCanada Tower
450 – 1st Street SW
Calgary, Alberta T2P 5H1
Solicitors: A. Robert Anderson, Q.C. / Emily Paplawski
Phone: 403.260.7004 / 7071
Fax: 403.260.7024
Email: RAnderson@osler.com / epaplawski@osler.com
Matter: 1121689

DATE ON WHICH ORDER WAS PRONOUNCED: January 16, 2019

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Madam Justice B.E.C. Romaine

UPON THE APPLICATION of Deloitte Restructuring Inc., in its capacity as receiver and manager (the "**Receiver**") of Perera Shawnee Ltd. and Perera Development Corporation (the "**Debtors**"); **AND UPON** noting that the Receiver was appointed receiver and manager of the property, assets and undertakings of the Debtors pursuant to the Order of the Honourable Madam Justice A. Kent, granted March 3, 2010, as amended and restated on January 31, 2011 (the "**Receivership Order**"); **AND UPON** noting that the Debtors were condominium real estate developers which had assets that consisted of a three phase condominium real estate project located at 10 Shawnee Hill SW, Calgary, Alberta known as the "**Highbury**" (the "**Project**"); **AND UPON**

noting that that several units in Phase I of the Project were subject to pre-receivership purchase contracts with various purchasers (the "**Presale Purchasers**"); **AND UPON** noting that currently only one deposit (the "**Deposit**") of approximately \$24,000 (the "**Remaining Deposit Claim**") paid by a Presale Purchaser remains held in trust by McLeod Law LLP ("**McLeod**"); **AND UPON** noting the Order of this Honourable Court, granted May 9, 2013, permitting the Receiver to settle all claims, and disburse all deposits paid by Presale Purchasers without further Court approval provided that the terms of the settlement agreement and disbursement of the deposit satisfies the conditions found in Schedule "A" to the Confidential Fifty-Seventh Report of the Receiver, dated May 3, 2013 (the "**Settlement Terms Order**"); **AND UPON** reviewing the Seventy-Fourth Report of the Receiver, dated January 7, 2019 (the "**Seventy-Fourth Report**") and other Reports previously filed by the Receiver in this Action; **AND UPON** hearing from counsel for the Receiver and counsel for any other interested party appearing at the hearing of the Application; **AND UPON** reviewing the Affidavit of Service of _____, sworn January ____, 2019; **IT IS HEREBY ORDERED AND DECLARED THAT:**

1. Service of notice of this Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this Application, and time for service of this Application is abridged to that actually given.
2. The Receiver's accounts and the accounts of its independent counsel, Osler, Hoskin & Harcourt LLP ("**Osler**"), as set out in the Seventy-Fourth Report, are hereby approved.
3. The Receiver's Statement of Receipts and Disbursements, as set out in the Seventy-Fourth Report, is hereby approved.
4. The Receiver's actions, conduct and activities, as set out in the Seventy-Fourth Report and in all other reports filed by the Receiver herein, are ratified and approved.
5. Notwithstanding the terms of the Settlement Terms Order, the Receiver is authorized to settle the Remaining Deposit Claim by returning up to the entire Deposit continuing to be held in trust by McLeod to the appropriate Presale Purchasers in exchange for a mutual release.

6. McLeod is authorized to release the Deposit to the Receiver upon receipt of a filed copy of this Order and written notice from the Receiver that a mutual release has been executed between it and the appropriate Presale Purchasers.
7. The Receiver has leave to reapply to this Honourable Court for such further advice and directions as may be necessary.
8. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
9. Service of this Order on any party not attending this application is hereby dispensed with.

J.C.Q.B.A.