

I hereby certify this to be a true copy of  
the original Order  
Dated this 2 day of Sept 10  
[Signature]  
for Clerk of the Court

Action No. 0901-17143

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

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*  
R.S.C. 1985 c. B-3, AS AMENDED

AND IN THE MATTER OF THE RECEIVERSHIP OF SIGNATURE CAPITAL INC., CONB DEVELOPMENT CORP., CONB FINANCE CORP., CONB CAPITAL CORP., URBAN ELEMENTS CENTRE GP LTD., URBAN ELEMENTS CENTRE LIMITED PARTNERSHIP, SIGNATURE UEC CAPITAL INC., WESTSTONE DEVELOPMENT CORP., WESTSTONE FINANCE CORP., SIGNATURE LAKESIDE RV FINANCE CORP., ALLAN BEACH DEVELOPMENTS GP LTD., ALLAN BEACH LIMITED PARTNERSHIP, BEACHES WEST CAPITAL CORP., POPLAR GROVE DEVELOPMENTS GP LTD., POPLAR GROVE LIMITED PARTNERSHIP, BIRCH BAY DEVELOPMENTS GP LTD., BIRCH BAY DEVELOPMENTS LIMITED PARTNERSHIP, FRANCOIS CAPITAL CORP., A VIRGINIA WILSON HOLDINGS, FIR CREST RESORT DEVELOPMENT LP, FIR CREST RESORT DEVELOPMENT GP LTD., FIR CREST FINANCE CORP., FIR CREST CAPITAL CORP., SCI FINANCE CORP., SIGNATURE US SUNBELT CAPITAL CORP., SIGNATURE US SUNBELT INVESTMENT CORP., SCI BRIDGE II FINANCE CORP., SUMMERS PLACE GP LTD., SUMMERS PLACE LIMITED PARTNERSHIP, METRO WEST I GP LTD., METRO WEST II GP LTD., SIGNATURE LETHBRIDGE FAIRVIEW CAPITAL CORP., HEARTHWOOD I LIMITED PARTNERSHIP, HEARTHWOOD II LIMITED PARTNERSHIP, HEARTHWOOD III LIMITED PARTNERSHIP, HEARTHWOOD I DEVELOPMENTS GP LTD., HEARTHWOOD II DEVELOPMENTS GP LTD., and HEARTHWOOD III DEVELOPMENTS GP LTD. (collectively the "Signature Companies")

BEFORE THE HONOURABLE ) At Calgary Courts Centre, in the City of  
MADAM JUSTICE K. M. HORNER ) Calgary, in the Province of Alberta, on  
IN CHAMBERS ) Wednesday, the 1<sup>st</sup> day of September, 2010.  
)

**ORDER**

UPON THE APPLICATION of RSM Richter Inc., as Receiver and Manager of the Signature Companies (the "Receiver"); AND UPON HEARING READ the Receiver's Sixth Report dated August 17, 2010 (the "Receiver's Sixth Report"); AND UPON the Court being satisfied that Pavel and Laila Lidmila have been served with notice of this Application; AND UPON HEARING Counsel for the Receiver and Counsel for other interested parties;

IT IS HEREBY ORDERED AND DIRECTED THAT:

1. Service of this Application is good and sufficient, and service of this Order on any party other than those set forth in the Notice of Motion is hereby dispensed with.
2. The Receiver is hereby authorized and directed to release the funds in its trust account related to the sale of the property owned by Poplar Grove Developments GP Ltd. for

application to the professional fees and other costs directly related to Poplar Grove; in respect of an allocation of the administrative costs related to the Receivership Proceedings; and any remaining balance to the creditors in relation to Poplar Grove.


3. The Registrar of Prince Rupert Land Titles Office is hereby ordered and directed to register the Covenant attached as Schedule "A" hereto on title to the Birch Bay property, being:

Parcel Identifier 024-817-139  
Lot A  
District Lots 1017  
and 5002  
Range 5  
Coast District  
Plan PRP 45360  
(Title No.: BB1105235 from  
Title No.: BB496145)

in priority to Mortgage BB30217 in favour of Pavel Lidmila and Laila Lidmila.

4. The Receiver is hereby authorized and directed to execute the Form "C" and Priority Agreement to effect the registration in Paragraph 3 above.
5. The Receiver is hereby directed to make a distribution of up to \$1.5 million to the creditors of Weststone Finance Corp. substantially in accordance with the Weststone Distribution Schedule attached as Appendix "H" to the Receiver's Sixth Report.
6. The Receiver is hereby directed to make a distribution to the creditors of SCI Bridge II Finance Corp. substantially in accordance with the SCI Bridge Distribution Schedule attached as Appendix "I" to the Receiver's Sixth Report.
7. The Management Services and Distribution of Funds Agreement dated August 6, 2010 between Condo Condo Consulting Ltd. and Signature US Sunbelt LLC (a copy of which is attached as Appendix "L" to the Receiver's Sixth Report) is hereby approved.
8. The Receiver or any interested party shall be at liberty to re-apply for further advice, assistance and direction as may be necessary to give full force and effect to the terms of this Order or apply to vary the Order within seven (7) days of the date hereof.
9. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

10. Service of the within Order may be effected by electronic transmission.

  
\_\_\_\_\_  
J.C.Q.B.A.

ENTERED this 2 day of September, 2010  
2010.

K. MCAUSLAND



\_\_\_\_\_  
CLERK OF THE COURT

SCHEDULE "A"

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, R.S.B.C. 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.



1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

ALLISON READ  
HEATHER SADLER JENKINS LLP  
SUITE 700 - 550 VICTORIA STREET  
PRINCE GEORGE BC V2L 2K1

PHONE 250-565-8000  
FILE 29613-1/GAZ

Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID] [LEGAL DESCRIPTION]  
024-817-139 LOT A, DISTRICT LOTS 1017 AND 5002, RANGE 5, COAST DISTRICT, PLAN PRP45360

STC? YES

3. NATURE OF INTEREST

Covenant

CHARGE NO.

ADDITIONAL INFORMATION

SECTION 219 LAND TITLE ACT

4. TERMS: Part 2 of this instrument consists of (select one only)

(a)  Filed Standard Charge Terms D.F. No.

(b)  Express Charge Terms Annexed as Part 2

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.

5. TRANSFEROR(S):

BIRCH BAY DEVELOPMENTS GP LTD., INC. NO. 70439A

6. TRANSFEREE(S): (including postal address(es) and postal code(s))

REGIONAL DISTRICT OF BULKLEY-NECHAKO

37 - 3RD AVENUE  
BURNS LAKE

VOJ 1E0

BRITISH COLUMBIA  
CANADA

7. ADDITIONAL OR MODIFIED TERMS:

N/A

8. EXECUTION(S): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)

Jeffrey J. Simpson  
Barrister & Solicitor

Torkin Manes LLP  
151 Yonge Street, Suite 1500  
Toronto, ON M5C 2W7

Execution Date

| Y  | M  | D  |
|----|----|----|
| 10 | 02 | 18 |

Transferor(s) Signature(s)

BIRCH BAY DEVELOPMENTS GP LTD. by its authorized signatory/ies:  
RSM Richter Inc., court appointed receiver and manager

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

TERMS OF INSTRUMENT - PART 2

THIS COVENANT is dated for reference the 3<sup>rd</sup> day of February, 2010.

BETWEEN:

**BIRCH BAY DEVELOPMENTS GP LTD.,**  
Incorporation No. 70439A, of  
101 - 736 - 1<sup>st</sup> Avenue NE, Calgary, AB, T2E 0B8

(hereinafter called the "Grantor")

OF THE FIRST PART

AND:

**REGIONAL DISTRICT OF BULKLEY - NECHAKO,**  
of 37 - 3<sup>rd</sup> Avenue, Burns Lake, British Columbia, V0J 1E0

(hereinafter called the "Regional District")

OF THE SECOND PART

WHEREAS:

- A. The Grantor is the registered owner in fee simple of the following lands in the Omineca Assessment District, more particularly known and described as:

Parcel Identifier No. 024-817-139  
Lot A, District Lots 1017 and 5002, Range 5, Coast district, Plan PRP45360

(The "Lands")

- B. Section 219 of the *Land Title Act* of British Columbia provides that a covenant, whether of negative or positive nature, in respect of:

- the use of land or the use of a building on or to be erected on land;
- that land is to be built on in accordance with the covenant
- that land is not to be built on or subdivided except in accordance with the covenant;
- that land is not to be used, built on or subdivided;
- that separate parcels of land are not to be sold or transferred separately;
- that land or specified amenities be protected, preserved, conserved, maintained, enhanced, restored or kept in its natural or existing state

may be granted in favour of a regional district and may be registered as a charge against the title to that land.

- C. The Grantor has applied to amend the zoning of the Lands from Rural Resource (RR1) and Tourist Commercial (C3) to Large Holdings (H2) and to Strata Resort Commercial (C5A).

- D. The purpose of this Covenant is to enable the Grantor to develop the Lands as a strata development which would convert the existing seasonal commercial campground rental facility to 67 lots.
- E. The Grantor has agreed to enter into a covenant in favour of the Regional District upon the terms and conditions herein set forth, in order to ensure that the Lands are used and managed in accordance with the provisions of this Covenant, and to ensure that anyone wishing to purchase, lease, use or occupy the Lands will be aware of the provisions of this Covenant and will comply with those provisions.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the sum of TEN DOLLARS (\$10.00) of lawful money of Canada and other good and valuable consideration paid by the Regional District to the Grantor, the receipt of which is hereby acknowledged, the Grantor hereby covenants, promises and agrees with the Regional District as follows:

1. The Grantor agrees to develop and maintain the Lands in substantial compliance with the Birch Bay Resort Site Plan and Landscaping Plan attached as Schedule "A", (the "Plan").
2. The Grantor agrees to develop the Recreational Vehicle ("RV") Sites, Cabin Sites, and RV/Cabin Sites, as shown on the Plan, in substantial compliance with minimum standards prescribed under applicable municipal, provincial, and federal laws, regulations, and by-laws.
3. Nothing in this Covenant restricts the Grantor from occupying, using and enjoying the Lands and buildings and improvements now or in future built upon the Lands, provided such occupation, use and enjoyment is not inconsistent with the provisions of this Covenant.
4. The Grantor agrees to manage and protect the Lands in accordance with the following restrictions:
  - 5.1 The Grantor will not use the Lands as a "licensed establishment", as defined in the *Liquor Control and Licensing Act* (R.S.B.C. 1996) c.267;
  - 5.2 The Grantor will not use the Lands for any of the following activities:
    - logging and silviculture;
    - portable sawmill and lumber kiln work;
    - mineral, placer, coal, and aggregate exploration, extraction and processing
    - waste management (pursuant to the definition of "waste management facility" in the *Environmental Management Act*, (S.B.C. 2003) c.53); and,
    - peat extraction

5. The Grantor releases, and will at all times indemnify and save harmless, the Regional District, its elected and appointed officials and employees, from and against all liability, actions, causes of action, claims, suits, damages, expenses, costs, legal fees, debts, demands or losses suffered or incurred by the Grantor, or anyone else, arising from the granting or existence of this Covenant, from the performance by the Grantor of this covenant, or any default of the Grantor under or in respect of this Covenant. The Grantor will at all times indemnify the Regional District and save it harmless from and against all loss, cost, expense and damage, including costs on a solicitor and client basis, that may be suffered or incurred by the Regional District in enforcing this Covenant as a result of any default or breach hereof.
6. The Grantor acknowledges and agrees that the Regional District shall be under no obligation whatsoever to monitor or enforce compliance with this covenant at the Lands.
7. The Grantor and the Grantee agree that the enforcement of this Agreement shall be entirely within the discretion of the Grantee and that the execution and registration of this covenant against the title to the Lands shall not be interpreted as creating any duty on the part of the Grantee to the Grantor or to any other person to enforce any provision or the breach of any provision of this Agreement.
8. Nothing contained or implied herein shall prejudice or affect the rights and powers of the Grantee in the exercise of its function under any public or private statutes, bylaws, orders and regulations, all of which may be fully and effectively exercised in relation to the Lands as if the Agreement had not been executed and delivered by the Grantor.
9. The Grantor acknowledges that the Grantee, or its officials, employees or agents, has not stated, held out or implied any expectation or requirement that the covenants must be provided in order for the Grantor's rezoning application to be approved, but rather the Grantor hereby expresses its intention to voluntarily donate the covenants in this Agreement to the Grantee, and be bound by them, without any expectation of payment or reward of any kind. The Grantor further releases, waives and forever discharges the Grantee from and against any claims, actions, or causes of action, whether based in contract, tort or equity, for damages, deprivation or losses, or for the recovery of costs incurred, whether known or unknown, in connection with the provision of these voluntary covenants.
10. The Grantor covenants and agrees that the Grantee may withhold development permits, building permits and occupancy certificates as necessary to ensure compliance with the covenants in this Agreement, and that the issuance of a development permit, building permit or occupancy certificate does not act as a representation or warranty by the Grantee that the covenants of this Agreement have been satisfied.
11. It is mutually understood, acknowledged and agreed by the parties that the Grantee has made no representations, covenants, warranties, guarantees, promises or agreements (oral or otherwise) with the Grantor other than those contained in this Agreement.

12. The Grantor hereby releases and forever discharges the Grantee of and from any claim, cause of action, suit, demand, expenses, costs and legal fees whatsoever which the Grantor can or may have against the said Grantee for any loss, damage, deprivation or injury, including economic loss, that the Grantor may sustain or suffer arising out of the restrictions or requirements in this Agreement, the provision of or lack of services to the Lands, Development Parcels or Lots, or the use, operation, deterioration or breakdown of the Systems, or connected with the breach of any covenant in the Agreement.
13. The Grantor covenants and agrees to indemnify and save harmless the Grantee from any and all claims, causes of action, suits, demands, expenses, costs and legal fees whatsoever that anyone might have as owner, occupier or user of the Lands, or by a person who has an interest in or comes onto the Lands, or by anyone who suffers loss of life or injury to his person or property, or whatsoever which anyone has or may have against the Grantee or which the Grantee incurs as a result of any loss, damage, deprivation or injury, including economic loss, arising out of the restrictions or requirements in this Agreement.
14. No term, condition, covenant, or other provision of this Agreement will be considered to have been waived by the Grantee unless the waiver is expressed in writing by the Grantee.
15. Any waiver by the Grantee of any term, condition, covenant, or other provision of this Agreement or any waiver by the Grantee of any breach, violation, or non-performance of any term, condition, covenant, or other provision of this Agreement does not constitute and will not be construed as a waiver of any further or other term, condition, covenant, or other provision of this Agreement or any further or other breach, violation, or non-performance of any term, condition, covenant, or other provision of this Agreement.
16. The Grantor covenants and agrees for itself, its heirs, executors, successors and assigns, that it will at all times perform and observe the requirements and restrictions hereinbefore set out and they shall be binding upon the Grantor as personal covenants only during the period of its respective ownership of any interest in the Lands.
17. In this Agreement, unless the context otherwise requires, the singular includes the plural and vice versa.
18. This Agreement will be interpreted according to the laws of the Province of British Columbia.
19. Where there is a reference to an enactment in this Agreement, the reference will include any subsequent enactment of the Province of British Columbia of like effect and all enactments referred to are enactments of the Province of British Columbia.
20. If any part of this Agreement is found to be illegal or unenforceable, that part will be considered separate and severable and the remaining parts will not be affected thereby and will be enforceable to the fullest extent permitted by law.
21. This Agreement runs with the Lands and will be registered as a charge against the title to the Land under Section 219 of the Land Title Act.



22. The Grantor will do or cause to be done all things and execute or cause to be executed all documents and give such further and other assurances which may be reasonably necessary to give proper effect to the intent of this Agreement.
23. This Agreement will not be modified or discharged except in accordance with the provisions of Section 219(9) of the Land Title Act.
24. This Agreement may be executed in counterpart with the same effect as if all parties had signed the same document. Each counterpart shall be deemed to be an original. All counterparts shall be construed together and shall constitute one and the same Agreement.
25. This Covenant shall be registered as a first charge against the title to the Lands and the Transferor shall do all things necessary to ensure the registration of this covenant as a first charge against the title to the Lands, having priority over all other charges and encumbrances of a financial nature.



RV SITES  
 CABIN SITES  
 RV/CABIN SITES  
 COMMON AREA  
 ZONING AREA  
 3-5 INDIGENOUS SHRUBBERY SPECIES TO BE PLANTED PER LOT  
 EXISTING VEGETATION TO REMAIN

CABIN SITES = 21  
 RV/CABIN SITES = 6  
 TOTAL SITES = 67  
 TOTAL PROPERTY SIZE = 17.7 ha  
 TOTAL DEVELOPABLE AREA = 3.7 ha

CH  
 REMAIN

BIRCHBAY RESID

ACTION NO: 0901-17143

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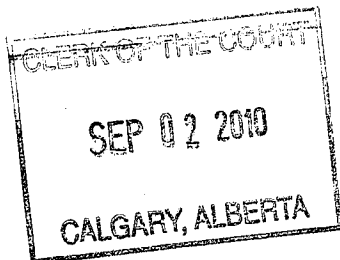
IN THE COURT OF QUEEN'S BENCH OF  
ALBERTA  
JUDICIAL DISTRICT OF CALGARY

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IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY*  
*ACT*, R.S.C. 1985 c. B-3, AS AMENDED

AND IN THE MATTER OF THE RECEIVERSHIP OF  
SIGNATURE CAPITAL INC., CONB DEVELOPMENT  
CORP., CONB FINANCE CORP., CONB CAPITAL CORP.,  
URBAN ELEMENTS CENTRE GP LTD., URBAN  
ELEMENTS CENTRE LIMITED PARTNERSHIP,  
SIGNATURE UEC CAPITAL INC., WESTSTONE  
DEVELOPMENT CORP., WESTSTONE FINANCE CORP.,  
SIGNATURE LAKESIDE RV FINANCE CORP., ALLAN  
BEACH DEVELOPMENTS GP LTD., ALLAN BEACH  
LIMITED PARTNERSHIP, BEACHES WEST CAPITAL  
CORP., POPLAR GROVE DEVELOPMENTS GP LTD.,  
POPLAR GROVE LIMITED PARTNERSHIP, BIRCH BAY  
DEVELOPMENTS GP LTD., BIRCH BAY  
DEVELOPMENTS LIMITED PARTNERSHIP, FRANCOIS  
CAPITAL CORP., A VIRGINIA WILSON HOLDINGS, FIR  
CREST RESORT DEVELOPMENT LP, FIR CREST  
RESORT DEVELOPMENT GP LTD., FIR CREST FINANCE  
CORP., FIR CREST CAPITAL CORP., SCI FINANCE  
CORP., SIGNATURE US SUNBELT CAPITAL CORP.,  
SIGNATURE US SUNBELT INVESTMENT CORP., SCI  
BRIDGE II FINANCE CORP., SUMMERS PLACE GP LTD.,  
SUMMERS PLACE LIMITED PARTNERSHIP, METRO  
WEST I GP LTD., METRO WEST II GP LTD., SIGNATURE  
LETHBRIDGE FAIRVIEW CAPITAL CORP.,  
HEARTHWOOD I LIMITED PARTNERSHIP,  
HEARTHWOOD II LIMITED PARTNERSHIP,  
HEARTHWOOD III LIMITED PARTNERSHIP,  
HEARTHWOOD I DEVELOPMENTS GP LTD.,  
HEARTHWOOD II DEVELOPMENTS GP LTD., and  
HEARTHWOOD III DEVELOPMENTS GP LTD.  
(collectively the "Signature Companies")

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**ORDER**

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BENNETT JONES LLP  
Barristers and Solicitors  
4500, 855 – 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 4K7\*

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