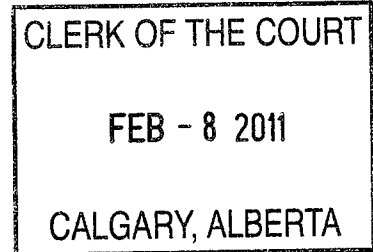


Deloitte.



Clerk's stamp:



COURT FILE NUMBER: 1001-03215

COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE OF CALGARY

PLAINTIFFS: FIRST CALGARY SAVINGS & CREDIT UNION
LTD.

DEFENDANTS: PERERA SHAWNEE LTD., PERERA
DEVELOPMENT CORPORATION, DON L.
PERERA and SHIRANIE M. PERERA

PLAINTIFFS BY COUNTERCLAIM PERERA SHAWNEE LTD., DON L. PERERA and
SHIRANIE M. PERERA

DEFENDANTS BY COUNTERCLAIM FIRST CALGARY SAVINGS & CREDIT UNION
LTD. and DELOITTE & TOUCHE LLP

DOCUMENT: **THIRTEENTH REPORT OF THE COURT APPOINTED RECEIVER
OF PERERA SHAWNEE LTD. AND PERERA DEVELOPMENT
CORPORATION, DATED FEBRUARY 8, 2011**

OSLER, HOSKIN & HARCOURT LLP

Barristers & Solicitors

Suite 2500, 450 - 1st Street SW

Calgary, AB T2P 5H1

Solicitor: Christa Nicholson

Telephone: (403) 260-7025

Facsimile: (403) 260-7024

File Number: 1121689

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INTRODUCTION

1. On March 3, 2010, Deloitte & Touche Inc. was appointed by the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**"), as receiver and manager (the "**Receiver**"), without security, of all the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof of Perera Shawnee Ltd. ("**PSL**") and Perera Development Corporation ("**PDC**") (PSL and PDC are collectively referred to as "**Perera**") (the "**Receivership Order**").
2. The Receivership Order was the result of an application by First Calgary Savings & Credit Union ("**First Calgary**"), a secured creditor of Perera. Perera is a condominium real estate developer which has assets that consist of a three phase condominium real estate project located at 30 Shawnee Hill SW, Calgary, Alberta (the "**Project**").
3. Don L. Perera is the President of Perera ("**Mr. Perera**") and he and Shiranie M. Perera are guarantors of the loans from First Calgary (the "**Guarantors**").
4. PSL and PDC are bankrupt. Hardie & Kelly Inc. was appointed bankruptcy trustee of PSL and PDC (the "**Trustee**") pursuant to the Bankruptcy Orders granted by this Honourable Court on December 20, 2010.
5. The Project was planned to be completed in three separate phases ("**Phase One**", "**Phase Two**" and "**Phase 3**").
6. There are 70 units in Phase One of the Project, plus parking stalls, which are included in Condominium Plan No. 0915321 (the "**Condominium Plan**"):

- (a) 22 of the units had been sold and conveyed by PSL to persons prior to the issuance of the Receivership Order (the “22 Units”);
 - (b) 3 of the units (with additional parking stalls included) in Phase One have been sold and conveyed to persons by the Receiver;
 - (c) 36 of the units (the “36 Units”) are owned by PSL and were subject to purchase and sale contracts (the “Presale Contracts”) that PSL entered into with various purchasers (collectively, the “Presale Purchasers”). Closing dates for 34 of the 36 Units were set for various dates between mid November 2010 and early December 2010 (collectively, the “Closing Dates”), however, none of these transactions closed on any of the Closing Dates. While the Receiver has entered into without prejudice discussions with some of the Presale Purchasers to set a new closing date, it is anticipated that several of these transactions will not close with the Presale Purchasers and the units will become available for sale to new purchasers; and
 - (d) 9 of the units had been listed for sale by the Receiver through CondoSource Inc. (“CondoSource”) (the “Unsold Units”). (As noted below, initially 11 units were listed for sale through CondoSource but 2 of the units subsequently sold).
7. After closing Presale Contracts with those Presale Purchasers willing to do so, the Receiver intends to sell the balance of the 36 Units that become available for sale as well as the Unsold Units (collectively, the “Unsold Phase One Units”).

NOTICE TO READER

8. This report constitutes the Thirteenth Report of the Court Appointed Receiver (the “Thirteenth Receiver’s Report” or this “Report”).

PURPOSE OF REPORT

9. The purpose of this Report is the following:
- (a) to provide additional information to the Court regarding the selection of CondoSource to market and sell the Unsold Phase One Units (as hereinafter defined) and information regarding CondoSource’s ability to sell real estate in Alberta having regard to the *Real Estate Act*, R.S.A. 2000, c. R-5;
 - (b) to update the Court with respect to the:
 - (i) CondoSource Agreement and the Proposed Contract (as those terms are herein defined);
 - (ii) sales and marketing event for the Phase One of the Project that CondoSource hosted on January 23 – 24, 2011; and the
 - (iii) Receiver’s immediate plan for marketing and selling the Unsold Phase One Units.

SELECTION OF CONDOSOURCE

10. On March 8, 2010, the Receiver conducted a tender process in order to identify and select a company that would market and sell the Phase One units. The request for proposal (“RFP”) was sent to six parties who expressed an interest in the Project. The tender

process was closed on March 17, 2010. A copy of the final RFP is attached as Appendix 1.

11. In the RFP, the Receiver noted several requirements, including that the successful bidder must be “licensed to sell Real Estate in the province of Alberta”.
12. Only two sales and marketing firms responded with a proposal for marketing and selling Phase One units. One of the two firms that submitted a proposal to the Receiver was CondoSource. Given the submission of a proposal by CondoSource, the Receiver was of the view that CondoSource was legally able to sell real estate in Alberta.
13. CondoSource also referred the Receiver to its past experience with receivership sales, as CondoSource worked with PriceWaterhouseCoopers (“PWC”) in PWC’s capacity as a receiver on another condominium project in Calgary known as The Oscar.
14. As part of its due diligence, the Receiver checked the references that CondoSource provided. Niklas Group and PWC replied to calls from the Receiver, both of whom provided favourable recommendations on their previous dealings with CondoSource.
15. On March 24, 2010, the Receiver conducted interviews of representatives of both companies that submitted proposals. The following observations were made during the interview of CondoSource:
 - (a) CondoSource was more organized and seemed to have a better understanding of the market and the Project;
 - (b) CondoSource spent time discussing the sales objectives and the process of qualifying purchasers;

- (c) CondoSource emphasized its team and network, and a significant portion of the interview centered around its ability to bring realtors and other prospects to the Project; and
 - (d) CondoSource demonstrated a good understanding of the receivership process and what it would take to gain consumer confidence.
16. Ultimately, the Receiver selected CondoSource based on CondoSource's understanding of the receivership process, its track record at another condominium project in receivership in Calgary as they were proving market success in the current conditions, and their presentation of a sales and marketing process and strategy. An initial sales and marketing contract between the Receiver and CondoSource was finalized in April 2010, giving CondoSource four condominiums and seven townhouses to market and sell, as the other units were either sold prior to the Receivership Order or were subject to the Presale Contracts.
17. During the summer of 2010, CondoSource marketed eleven units in Phase One, but no offers were received during this time. One offer was submitted in October 2010, however it was subsequently withdrawn by the purchaser as he was concerned about the status of resolution of the Brick Issue, as defined in the Third Report of the Receiver dated October 7, 2010.
18. Throughout this time, CondoSource was requesting that a show suite be furnished, as it believed it would significantly help in the sales process. Accordingly, a show suite was staged in January 2011 when additional condominium units became available for sale.

19. The Receiver and CondoSource entered into an agreement dated December 27, 2010 respecting the marketing of units in Phase One (the “**CondoSource Agreement**”), including Schedule B thereto (the “**Proposed Contract**”), a copy of which is attached as Appendix “4” to the Twelfth Report of the Receiver dated January 18, 2011 (the “**Twelfth Report**”). Clause 2.2 of the CondoSource Agreement indicated that “the Receiver agrees to apply to the Court of Queen’s Bench of Alberta to have the [Proposed] Contract approved.” The Twelfth Report was filed in support of the Receiver’s application of the CondoSource Agreement and the CBRE Agreement that was filed on January 19, 2011 (the “**Approval Application**”). In the Twelfth Report, the Receiver outlined its reasoning for the ongoing use of CondoSource to market and sell the Unsold Phase One Units and seeking approval of the Proposed Contract.
20. On Sunday, January 23, 2011, the Affidavit of Sanjeeva Perera sworn January 23, 2011 (the “**Perera Affidavit**”) was provided to the Receiver and its counsel. Exhibit 1 to the Perera Affidavit was a letter from Mr. Jeffrey Poole, counsel for the defendants, to the Real Estate Council of Alberta (“**RECA**”), wherein Mr. Poole noted that it appears that CondoSource is not a licensed broker under the *Real Estate Act*.
21. Accordingly, the Receiver has conducted searches on its own to determine whether CondoSource is licensed to sell real estate in Alberta. The Receiver conducted a search of the name “CondoSource” on the RECA website, however no matches were found. Evidence of this search is attached as Appendix 2. The Receiver has also confirmed this position by email with RECA’s licensing division, who indicated that their “system does not show this company as a licensed brokerage.”

22. On January 24, 2011, the Receiver spoke directly with a representative of CondoSource, who confirmed that CondoSource is not licensed. However, at one point CondoSource stated that it believes that it is not required to be licensed to be able to legally sell real estate in Alberta.
23. From the Receiver's perspective, as set out in the RFP, holding a licence to sell real estate in Alberta continues to be a requirement to sell units in the Project. Accordingly, unless CondoSource otherwise satisfies the Court that it is licensed to sell real estate in Alberta, the Receiver is of the view that the Receiver should not be obligated to continue the Approval Application and should be authorized to withdraw it.

STEPS TAKEN BY THE RECEIVER REGARDING CONDOSOURCE

24. The CondoSource Agreement expired on January 31, 2011. On February 1, 2011, the Receiver sent a letter to CondoSource (the "February 1, 2011 Letter") to terminate the CondoSource Agreement in writing, as required by the CondoSource Agreement. A copy of the February 1, 2011 Letter from the Receiver to CondoSource is attached as Appendix 3. To date, the Receiver has not had a response to this letter. On February 2, 2011, CondoSource told the Receiver that it had retained new counsel to assist, however the Receiver was not provided with the name of that lawyer and no correspondence from such counsel has been received to date. The Receiver has also engaged in without prejudice discussions with CondoSource and its previous counsel.
25. On February 3, 2011, the Receiver received a phone call from Judy Poole, who currently works under contract for the Receiver. She indicated that someone had entered the sales center, which is located in a unit in Phase One of the Project, and removed a significant

amount of paperwork. While it is unknown as to the exact information contained in this paperwork, it is generally believed to contain information from recent visitors to the sales center and contact information of parties that may be interested in purchasing a unit in Phase One (collectively, the “Prospects”). This was done without the permission of the Receiver. Accordingly, on February 4, 2011, the Receiver wrote a further letter to CondoSource, a copy of which is attached as Appendix 4 (the “February 4, 2011 Letter”). Within this letter, the Receiver referred to Section 6 of the CondoSource Agreement, noting that CondoSource is obligated to maintain a database of the Prospects and provide the Receiver with names and contact information of each Prospect. This information belongs to the Receiver and CondoSource is obligated to provide such information to the Receiver.

26. The sales center is equipped with an internet connection. That internet connection is only accessible with an access code (the “Access Code”). CondoSource has the Access Code and has not provided it to the Receiver. Since the Receiver pays all hard costs related to the sales center including, among other things, the costs related to sales center set-up and utility payments, the Receiver is of the view that the Access Code belongs to the Receiver. Further, having an internet connection in the sales center is important so that sales and marketing information can be provided to interested parties.
27. Access to Phase One and the various suites therein require door keys and a key FOB, which is a small hardware device that provides access to the underground garage and various access doors in Phase One (the “Access Keys”). CondoSource was given Access Keys in April 2010 and to date, the Access Keys have not been returned to the Receiver. The Receiver is of the view that the Access Keys belong to the Receiver.

28. It is imperative that the Receiver be immediately provided with all information respecting the Prospects, the Access Code and the Access Keys so that potential purchasers are not lost and the Receiver can continue with its marketing efforts. Given the circumstances noted above, the Receiver is seeking an Order from the Court:
- (a) requiring CondoSource to provide the Receiver with the names, contact and any other information, including any database maintained by CondoSource in respect of each of the Prospects, the Access Code and the Access Keys;
 - (b) declaring that, unless CondoSource otherwise satisfies the Court that it is licensed to sell real estate in Alberta, *inter alia*, the Receiver is:
 - (i) not obligated to continue with the Approval Application to have the Proposed Contract approved; and is
 - (ii) authorized to withdraw the Approval Application.

COMMISSIONS

29. In paragraph 6 of the Perera Affidavit, it is stated that commissions had been paid to CondoSource even though the units sold had been a result of the efforts of Judy Poole, who formerly worked for Perera and is now employed as a contractor of the Receiver.
30. To date, three penthouses have been sold during the receivership. CondoSource was paid commissions for the sale of two of the three penthouses, specifically Unit 802 and 804 (collectively, the "Commissions") as they were units listed for sale by CondoSource. In her role as introducing agent, Judy Poole was paid commissions through the real estate brokerage she is partnered with, for the sale of Unit 801, 802 and 804. The commission

paid to CondoSource for the sale of Unit 802 of \$15,000 plus GST, was at a reduced rate when compared to the commission rate prescribed in the listing agreement between the Receiver and CondoSource given their limited involvement in the sales process for this unit. The commission paid to CondoSource for the sale of Unit 804 of \$22,195 plus GST, was net of the commission that was paid to Judy Poole through the real estate brokerage she is partnered with, in her capacity as a real estate agent and not in her capacity as a contractor of the Receiver.

31. CondoSource was not paid any commission for the sale of Unit 801 because it was subject to a Presale Contract, which was terminated, and was not listed for sale through CondoSource. Judy Poole was paid a commission, through the real estate brokerage she is partnered with, for the sale of Unit 801.
32. The total commissions paid on Units 801 and 802 are less than the commissions that would have been paid if CondoSource had sold the units on their own, and been paid the commission rate as set out in the CondoSource Agreement. The total commission paid on Unit 804 equalled the rates prescribed in the CondoSource Agreement between the Receiver and CondoSource, recognizing that an external realtor was involved in the sale.
33. As noted in the February 4, 2011 Letter, the Receiver has requested the repayment of the Commissions from CondoSource. The Receiver is advised by counsel that pursuant to s. 21.1 of the *Real Estate Act*, an action can be brought for the recovery of commission that is paid to a person who is not licensed or otherwise exempt from the licensing requirements under the *Real Estate Act*.

SALES & MARKETING EVENT OF UNSOLD PHASE ONE UNITS

34. As disclosed in the Twelfth Report, CondoSource hosted a sales and marketing event for the Unsold Phase One Units on January 23 – 24, 2011, in conjunction with the opening of the show suite.
35. CondoSource advises that the sales and marketing event was well attended and two parties have submitted offers on units in Phase One. CondoSource has provided details of both of the offers to the Receiver. However, given the current situation and dealings with CondoSource, the Receiver has not assessed the merits of the offers and has not discussed the offers with CondoSource.

ONGOING CURRENT SALES & MARKETING

36. The Receiver does not want to lose the new momentum on the sale of the Unsold Phase One Units arising out of the recent sales and marketing event. Accordingly, on February 2, 2011, the Receiver requested that Judy Poole, a former employee of PSL who is currently under contract with the Receiver, relocate to the sales center at Phase One of the Project.
37. Ms. Poole is very knowledgeable of the Project and is a licensed realtor through Royal LePage Benchmark. For the interim period, Ms. Poole will be working from the sales center and will show prospective purchasers the Unsold Phase One Units. As a contractor of the Receiver, Ms. Poole is paid a salary of \$3,000 bi-weekly.
38. While there is currently no formalized sales commission structure in place with Ms. Poole, when Ms. Poole has been involved in unit sales during the Receivership, a

commission was paid to Royal LePage Benchmark at a rate of 3½ % on the first \$100,000 and 1½ % on the balance of the purchase price, before GST. Ms. Poole has been asked to submit a proposal to the Receiver outlining the proposed commission and showing her ability, willingness and the resources (including personnel) she can provide to conduct the sales and marketing of the Unsold Phase One Units.

CONCLUSION

39. The Receiver respectfully requests that the Court grant the relief set out in the Application, dated February 8, 2011.

DELOITTE & TOUCHE INC.,
In its capacity as Receiver and Manager of
Perera Shawnee Ltd. and Perera Development
Corporation and not in its personal capacity

Per: 

Victor P. Kroeger, CA • CIRP, CFE
Senior Vice President

Appendix 1



Request for Proposal

Highbury at Fish Creek – Marketing and Sales Services



Introduction:

On March 3, 2010, Deloitte & Touche LLP (“Deloitte”) was appointed as receiver of the Highbury at Fish Creek apartment condominium development.

Highbury is a 234 unit development featuring three buildings. To date, the first phase of 70 units has been completed and purchasers have closed on 22 of the units. 35 of the remaining units are subject to purchase and sale agreements but have not closed and the remaining 13 units remain available for sale.

First Calgary Savings & Credit Union Ltd (“First Calgary”) owns the lead debt for the development.

This request for proposal (“RFP”) is for marketing & sales services to help close the remaining 21 units under contract and to sell the remaining 16 available units.

The successful bidder will help with the closings of the remaining 35 units that are subject to a purchase and sale agreement. A fee will be paid for each of these units that successfully closes, this should be factored into any service proposals.

The successful bidder will execute a marketing and sales campaign to sell the remaining 13 available units. Applicants are to propose a commission structure to sell these remaining available units.

Requirements:

Deloitte requests proposals from a competent and experienced marketing and sales group. The current proposal is only in regards to Highbury Phase One but there may also be the potential to become involved in the sales of the remaining homes at Phase Two.

The marketing plan should be based on a fixed budget. The existing brochure package is satisfactory but the creation of new direct mail packages is recommended:

The successful bidder must be:

- Licensed to sell Real Estate in the province of Alberta
- Demonstrate an understanding of sales within the context of a receivership process; and
- Have recent experience selling new condominiums within the Calgary market.

The proposals will show:

- A proposed commission fee structure to sell the remaining units;
- A marketing and sales strategy based on the marketing budget provided and a maximum sales absorption timeline of six months;

- Provide an indication as to assumptions on sales prices for all remaining units given the six month absorption timeline;
- Provide two references;
- Any additional fees required, to facilitate the marketing and sales process, including but not limited to MLS processing fees; and
- Three examples of past real estate marketing and sales work that took place within the past three years.

Selection Criteria:

The winning bidder will be selected solely by the judgment of First Calgary based on recommendations by Deloitte. The selection criteria by Deloitte will be to determine which proposal:

- Shows a strong understanding of the local condominium market;
- Has had documented previous marketing and sales success;
- Has a team capable of orchestrating the proposed marketing and sales campaign as well as helping to facilitate the closings on remaining units; and
- Has two references from past marketing and sales engagements.

Timeline:

Proposals need to be submitted no later than March 17, 2010 at 4:30pm. All proposals can be submitted via fax or email.

Process:

The successful bidder who best meets the evaluation criteria will be recommended for the contract. The evaluation process will be done within a week of the submission deadline. Only the successful bidder will be contacted throughout the process.

Main Contact:

Please email or courier the proposal by March 12, 2010 to:

Jennifer Podmore Russell
Senior Manager
Deloitte & Touche LLP.
3000 Scotia Centre
700 – 2nd Street S.W.
Calgary, A.B. T2P 0S7
Phone: 604-640-3069
Fax:
Email: jpodmore@deloitte.ca

Attachment: Should we send any information about the number of units available?

Appendix 2






Licence/Registration Status for CONDOSOURCE

Printed on February 7, 2011 at 10:44:35

Disclaimer

As our information changes regularly, this is an unofficial search. If you require a current or official search, contact the Real Estate Council of Alberta directly.

Licensing Legend

-  Currently authorized
-  Currently not authorized
-  Authorization is currently suspended, cancelled or is a lifetime withdrawal

Real Estate

No Matching Results

Mortgage

No Matching Results

Appraiser

No Matching Results

[Query Again](#)

Appendix 3

February 1, 2011

Mr. Todd Gow
President & CEO
CondoSource Inc.
Suite 246, 2519 Stewart Green SW
Calgary, AB T3H 3C8

Dear Sir:

Re: Listing Contract between CondoSource Inc. ("CondoSource") and Deloitte & Touche Inc. as Receiver and Manager of Perera Shawnee Ltd. and Perera Development Corporation (the "Receiver") effective December 27, 2010 (the "Listing Contract")

Further to our recent discussions, this confirms our understanding that the Listing Contract contemplates activities to be undertaken by CondoSource that require CondoSource to either be authorized pursuant to s. 17 of the *Real Estate Act*, R.S.A. 2000, c. R-5 (the "Act") or otherwise exempt from holding the appropriate authorization under the Act. We further understand from our recent discussions that CondoSource does not hold any authorization pursuant to the Act nor is it exempt from the authorization requirements under the Act. As you know, the Receiver was not aware that CondoSource did not hold the appropriate authorization under the Act until January 23, 2011 when this issue was raised in the Affidavit of Sanjeeva Perera sworn January 23, 2011.

As a result we advised you of the Receiver's intention to terminate the Listing Contract and this confirms CondoSource's agreement to same. In that regard, we attach documentation (the "Termination Agreement") to be signed by CondoSource and returned to us today.

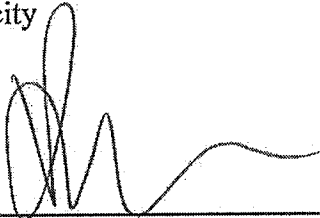
In connection with the Termination Agreement, please be advised that the Receiver reserves all of its rights, including, without limitation, its right to claim, pursuant to s. 21.1(2) of the Act, repayment of any commissions or other remuneration that it has paid to CondoSource (collectively, the "Commissions").

Further, we note that CondoSource has forwarded to us two offers in respect of two Units (as defined in the Listing Contract) (collectively, the "Offers"), for which we thank you. We further note that CondoSource has advised us that several parties have expressed interest in purchasing Units (collectively, the "Prospects"). We request that CondoSource provide us with the names and contact information of each of the Prospects so that we can pursue these opportunities.

With respect to the work that CondoSource has undertaken in connection with the Offers and the Prospects to date, we will forward further correspondence to you, on a without prejudice basis, to address the Commissions and any appropriate compensation.

Yours truly,

DELOITTE & TOUCHE INC.,
in its capacity as Court appointed
receiver and manager of Perera Shawnee
Ltd. and Perera Development
Corporation, and not in its personal
capacity

A handwritten signature in black ink, appearing to read 'V. Kroeger', written over a horizontal line.

Victor P. Kroeger, CA•CIRP, CFE
Senior Vice President



Condominium Project (Sales & Marketing) Listing Contract Termination Agreement

The Seller ("Deloitte"):

Deloitte and Touche Inc. as Receiver and Manager of
Perera Shawnee Ltd. ("PSL") and Perera Development Corporation ("PDC")
Suite 3000, 700-2nd Street, S.W. Calgary, AB Canada T2P 0S7

Sales and Marketing Company "CondoSource":

CondoSource Inc.
2519, 246 Stewart Green SW
Calgary, Alberta T3H 3C8

WHEREAS Deloitte and CondoSource entered into the Condominium Project (Sales & Marketing) Listing Contract effective December 27, 2010, which automatically expires on January 31, 2011 (the "Interim Contract");

AND WHEREAS Deloitte and CondoSource entered into the Condominium Project (Sales & Marketing) Listing Contract on January 11, 2011 that was attached as Schedule B to the Interim Contract (the "**Court Approved Contract**") which was to be effective only upon and not before the date that Court Approval (as that term is defined in the Court Approved Contract) is obtained and which was intended to supersede the Interim Contract;

AND WHEREAS the Interim Contract and the Court Approved Contract contemplate activities to be undertaken by CondoSource that require CondoSource to either be authorized pursuant to s. 17 of the *Real Estate Act*, R.S.A. 2000, c. R-5 (the "**Act**") or otherwise exempt from holding the appropriate authorization under the Act;

AND WHEREAS CondoSource does not hold any authorization pursuant to the Act and is not otherwise exempt from the authorization requirements under the Act with respect to its duties, obligations and entitlements under the Interim Contract and the Court Approved Contract, of which Deloitte was not aware until January 23, 2011;

AND WHEREAS Deloitte and CondoSource wish to do the following: (a) amend the Interim Contract, (b) terminate the Interim Contract, and (c) terminate the Court Approved Contract;

NOW THEREFORE in consideration of the mutual covenants set forth in this Amending Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Deloitte and CondoSource hereby agree as follows:

1. The words "and the Receiver agrees to apply to the Court of Queen's Bench of Alberta (the "**Court**") to have the Court Approved Contract approved" are deleted from Section 2:2 of the Interim Contract.
2. Notwithstanding any provision of the Interim Contract, no Commission or Alternate Compensation (as those terms are defined in the Interim Contract) whatsoever shall be payable by Deloitte to CondoSource pursuant to the Interim Contract.
3. The Interim Contract is hereby terminated effective January 31, 2011.
4. The Court Approved Contract, which CondoSource and Deloitte acknowledge and agree was never in effect, is hereby terminated effective January 31, 2011.
5. This Termination Agreement is effective January 31, 2011.
6. This Termination Agreement may be executed in counterparts and may be executed and delivered by facsimile or email and all executed counterparts together constitute one and the same agreement.

Date

CondoSource- Signature

February 1, 2011

Date

Deloitte & Touche Inc., as Receiver and
Manager of Perera Shawnee Ltd. and
Perera Development Corporation, and
not in its personal capacity

Appendix 4



Deloitte & Touche Inc.
3000 Scotia Centre
700 Second Street S.W.
Calgary AB T2P 0S7
Canada

Tel: 403-267-0609
Fax: 403-260-4060
www.deloitte.ca

February 4, 2011

Todd Gow
President/CEO
CondoSource Inc.
Suite 246, 2519 Stewart Green SW
Calgary, AB T3H 3C8

Dear Sir:

Re: Listing Contract between CondoSource Inc. (“CondoSource”) and Deloitte & Touche Inc. as Receiver and Manager of Perera Shawnee Ltd. and Perera Development Corporation (the “Receiver”) effective December 27, 2010 (the “Listing Contract”)

We are writing further to our February 1, 2011 letter to you (the “February 1 Letter”). All terms not defined in this letter have the meanings ascribed to them in the February 1 Letter.

Since then, we have offered and been anxious to discuss matters further with you or your counsel but you have not responded.

As you know, the Listing Contract has expired by its terms and has not been extended by further written agreement. In this regard, we understand that CondoSource is not authorized pursuant to s. 17 of the *Real Estate Act*, R.S.A. 2000, c. R-5, contrary to our Request for Proposal to which CondoSource responded, which required the successful bidder to be licensed to sell real estate in Alberta.

In these circumstances, in the February 1 Letter the Receiver notified you of the reservation of all of its rights including, without limitation, its right to claim pursuant to s. 21.1(2) of the Act, that you repay the Commissions paid to date. The Receiver hereby requests that you immediately repay the Commissions paid to you of \$15,000 plus GST regarding the sale of Unit 802 and \$22,195 plus GST regarding the sale of Unit 804.

We further requested in the February 1 Letter that CondoSource provide us with the names and contact information of each of the Prospects. This information belongs to the Receiver and CondoSource is obligated to provide such information to the Receiver. In that regard, we draw your attention to Section 6 of the Listing Contract:

6.0 Duties of CondoSource:

6.1 **CondoSource will:**

[...]

(m) **provide, on a weekly basis, a report on** sales activity, sales center traffic, source of traffic, current

advertising and promotion and current prospective buyers;

[...]

- (o) maintain a database of purchasers and potential purchasers. This database will be the property of Deloitte; [...]. [emphasis added]

CondoSource is required to meet these obligations despite the fact that the Listing Contract was terminated. In that regard, we refer you to Section 9.3 of the Listing Contract which states:

9.3 Deloitte and CondoSource may enforce provisions of this contract even if this contract has ended or expired.

As you know, we are currently scheduled to be in Court on Wednesday, February 9, 2011 at 2:00 p.m. regarding the Listing Contract. In the event that we do not immediately receive the information requested, we intend to bring a further application to the Court on Wednesday, February 9, 2011 to deal with these issues and will provide you with Court documents in this regard.

Accordingly, we look forward to hearing from you immediately.

Yours truly,

Deloitte & Touche Inc.,
in its capacity as Court appointed
receiver and manager of the Perera
Shawnee Ltd. and Perera Development
Corporation, and not in its personal
capacity



Victor Kroeger
Senior Vice President