

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.

THIRD REPORT OF RSM RICHTER INC.,
AS RECEIVER AND MANAGER OF SIGNATURE CAPITAL INC.
AND RELATED COMPANIES

RSM Richter

**Third Report to Court of RSM Richter Inc.
as Receiver and Manager of Signature
Capital Inc. and Related Companies**

RSM Richter Inc.
Calgary, March 31, 2010

RSM Richter

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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,
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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 "COMPANIES")

THIRD REPORT OF RSM RICHTER INC.,
IN ITS CAPACITY AS RECEIVER AND MANAGER
AND NOT IN ITS PERSONAL CAPACITY

Dated March 31, 2010

1. INTRODUCTION

This report ("Report") is filed by RSM Richter Inc. ("Richter"), in its capacity as receiver and manager ("Receiver"), appointed pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended ("BIA"), of all of the property, assets and undertakings of the Companies.

Richter was appointed Receiver pursuant to an application made by the Companies and an order of the Court of Queen's Bench of Alberta ("Court") dated November 13, 2009 ("Receivership Order").

1.1 Purpose of this Report

The purpose of this Report is to:

- a) Provide brief background information concerning the Companies;
- b) Summarize the results of the Court-approved sale process ("Weststone Sale Process") for a two-building apartment complex located in Yorkton, Saskatchewan ("Weststone Property") owned by Weststone Development Corp. ("Weststone");
- c) Outline the terms of an agreement of purchase and sale ("Sale Agreement") between the Receiver and Brass Enterprises Inc. in trust for a corporation to be incorporated ("Purchaser") for the sale of the Weststone Property ("Weststone Transaction");
- d) Provide an update on the sale of the property ("UEC Property") in Saskatoon, Saskatchewan owned by Urban Elements Centre GP Ltd. ("UEC GP") and a new offer for the UEC Property;
- e) Provide an update on the loan made by Signature Lethbridge Fairview Capital Corp. ("Signature Lethbridge");
- f) Provide an update on loans made by SCI Bridge II Finance Corp. ("SCI Bridge");
- g) Summarize the Receiver's activities since January 22, 2010, the date of the Second Report to Court ("Second Report"); and
- h) Recommend that this Honourable Court issue an order:
 - Approving the Sale Agreement and the Weststone Transaction and authorizing and directing the Receiver to execute such documents and to take such additional steps as are necessary to give effect to the Weststone Transaction and to complete the sale of the Weststone Property to the Purchaser; and
 - Vesting in the Purchaser, as of closing, title to the Weststone Property, free and clear of all liens, charges, security interests and other encumbrances ("Vesting Order") and directing Province of Saskatchewan Land Registration to register title to the Weststone Property in the Purchaser's name, or alternatively, requesting the assistance of the Court of Queen's Bench of Saskatchewan in giving effect to the Vesting Order.

1.2 Documents Filed in these Proceedings

The Receiver has posted documents filed with the Court in these proceedings on its website at: <http://www.rsmrichter.com/restructuring.aspx>. Information related to these proceedings has also been posted to the Companies' website at: <http://www.sci.ca>.

1.3 Terms of Reference

In developing this Report, the Receiver has relied upon unaudited financial information prepared by the Company's management, the Company's books and records and discussions with its management. The Receiver has not performed an audit or other verification of such information. An examination of the Company's financial forecasts as outlined in the *Canadian Institute of Chartered Accountants Handbook* has not been performed. Future-oriented financial information relied upon in this Report is based on management's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Receiver expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report, or relied upon by the Receiver in preparing this Report.

2. BACKGROUND INFORMATION

The Companies either own real estate, or are or were directly or indirectly invested in real estate projects, located in Alberta, British Columbia, Saskatchewan, and Arizona.

Additional background information concerning the Companies is contained in the affidavit of Simone Rousseau ("Affidavit"), former President of Signature Capital Inc. ("SCI"), sworn on November 12, 2009, filed with the receivership application materials and in two reports to Court filed by the Receiver.

3. WESTSTONE

Weststone owns the properties municipally known as 320 and 336 Gladstone Avenue, Yorkton, Saskatchewan ("Weststone Property").

The Receiver's Second Report provides background information on Weststone and the Weststone Property.

The following two mortgages are registered on title:

- \$4 million first mortgage held by Solar Star Holdings Inc., 1105550 Alberta Inc. and 851272 Alberta Inc. According to Weststone's books and records, there is a balance owing of \$1.5 million plus accrued interest; and
- \$6.35 million second mortgage held by Weststone Finance Corp. ("Weststone Finance"), a related party and an entity which is subject to the Receivership Order. According to Weststone's books and records, there is a balance owing of \$3.84 million plus accrued interest.

The above mortgages are in default.

A total of 135 bondholders invested in Weststone Finance pursuant to an offering memorandum dated October 1, 2007.

3.1 Weststone Sale Process

The Receiver carried out the Weststone Sale Process in accordance with an order made by this Honourable Court on January 27, 2010.

A summary of the Weststone Sale Process follows:

- The Receiver listed the Weststone Property for sale with Royal LePage Premier Realty ("Royal"). The property was listed for \$3.6 million;

- On January 28, 2010, Royal posted the Weststone Property on its website as well as on MLS.ca;
- Royal facilitated due diligence by, *inter alia*, arranging site visits and providing any available information on the Weststone Property;
- Prospective purchasers were advised to submit binding offers by 5:00 p.m. (MST) on March 15, 2010 (“Bid Deadline”);
- Follow-up discussions were held with prospective purchasers; and
- Parties were advised, among other things, that any transaction resulting from the Weststone Sale Process would be subject to the approval of this Honourable Court.

3.2 Results

Eight offers for the Weststone Property were submitted to the Receiver on the Bid Deadline. As the purchase price of the two highest offers was nearly equivalent, the Receiver provided those two parties with an opportunity to revise their offers within a 24 hour period. Both of those parties submitted revised offers.

A copy of the Purchaser’s offer is provided as Appendix “A”. A summary of the offers received for the Weststone Property is attached to the affidavit of J. Stephens Allan (“Allan Affidavit”), filed separately.

3.2.1 Purchaser’s Offer

Highlights of the Sale Agreement are set out below:

- The purchase price is \$3.618 million, plus applicable taxes, less real estate commissions totalling 5% of the purchase price;
- The offer is only conditional on Court approval; and
- Closing is to occur on or before April 15, 2010.

The Purchaser paid a deposit of \$100,000 to Royal upon the Receiver's acceptance of the Sale Agreement.

3.3 Appraisal

In January, 2009, Suncorp Valuations Ltd. ("Suncorp") was engaged indirectly by the Company to appraise the Weststone Property. A copy of the appraisal is appended to the Allan Affidavit.

3.4 Title Search

The results of a search under the Province of Saskatchewan Land Titles Registry with respect to the Weststone Property are provided as Appendix "B". Other than the two mortgages referenced above, there are only three other registrations on title to Lots 1 and 2 of the Weststone Property, as follows:

- Two CNV Easements – one on Lot 1, held by Saskatchewan Power Corporation ("SPC") and one on Lot 2, held by SPC and Saskatchewan Telecommunications as tenants in common; these easements are utility rights of way to the above-named entities; and
- An identical Miscellaneous Interest held by Urban Elements Development Corp., registered on both lots in respect of an agreement of purchase and sale for the purchase of the property, between Marty Fletcher and/or his nominee as Purchaser, and Richprop Investments Inc., as Vendor, which agreement of purchase and sale was assigned to Weststone by way of a written Assignment of Real Estate Purchase Contract dated October 25, 2007.

3.5 Recommendation

For the following reasons, the Receiver respectfully recommends that this Honourable Court make an order approving the Sale Agreement and the Weststone Transaction and vesting title in the Purchaser:

- The Weststone Property was exposed to the market for a reasonable period by a professional real estate firm;
- The real estate was marketed for sale using traditional methods for selling real estate;
- The Purchaser's offer is the highest and best received;

- The purchase price is supported by the Suncorp appraisal;
- Weststone's mortgages are in default; and
- Acceptance of the Purchaser's offer is supported by the first mortgagees.

4. URBAN ELEMENTS

UEC GP owns the UEC Property, which is a three-sided warehouse located at 1500 Quebec Avenue, Saskatoon, Saskatchewan – it was in the process of being converted and one of its walls has been removed.

Details with respect to UEC GP, the UEC Property and its listing history are included in the Receiver's Second Report.

4.1 Affinity Offer

Pursuant to an order of this Honourable Court made on January 27, 2010, an offer from Affinity Credit Union ("Affinity") was approved. The purchase price under the Affinity offer was \$1.6 million plus applicable taxes.

At the time of acceptance, Affinity's offer was subject to:

- A broad due diligence condition to be satisfied or waived by February 19, 2010;
- A condition that Affinity and its Board of Directors be satisfied with an architectural/engineering report Affinity commissioned with respect to the ability to economically add a second floor to the existing structure, to be satisfied or waived by March 19, 2010; and
- A closing date on or before March 25, 2010 provided an order vesting title in Affinity is made by that date.

On March 19, 2010, Affinity advised the Receiver that it would not be completing the transaction.

Upon receiving notice from Affinity, the Receiver corresponded with another party which had expressed interest in the UEC Property at the time Affinity's offer was approved.

On March 23, 2010, the Receiver executed an offer for the UEC Property on substantially the same terms as the Affinity offer, including the same purchase price of \$1.6 million, plus applicable taxes. This offer is conditional. The Receiver will seek Court approval of the offer when/if the conditions are satisfied or waived.

5. SCI BRIDGE

SCI Bridge was incorporated to provide capital to third-party real estate developments. SCI Bridge raised \$2 million from 105 bondholders. SCI Bridge made two loans, both of which were outstanding as at the date of the Receivership Order, as follows:

- A loan of \$424,000 to Condo-Condo Lethbridge Portfolio Ltd. ("CCLP"); and
- A loan of \$907,000 to Okotoks AB Riverside Dev. Ltd. ("Okotoks AB"), a company which has been in receivership since October 15, 2009. Richter is the Court-appointed receiver of Okotoks AB.

On January 29, 2009, CCLP repaid the Receiver \$476,232 on account of its loan, representing the outstanding balance with accrued interest.

The Receiver is projecting that SCI Bridge will not have any recoveries on its loan to Okotoks AB.

The Receiver will be implementing a claims process in respect of SCI Bridge forthwith.

6. SIGNATURE LETHBRIDGE

Pursuant to an offering memorandum dated August 7, 2008, Signature Lethbridge raised \$5.78 million from a total of 220 bondholders. Signature Lethbridge advanced \$5 million to Lethbridge Fairview Development Corporation ("LFDC"), an unrelated party, as construction

financing for a seniors' residence in Lethbridge, Alberta. The financing was registered against title to the lands owned by LFDC as a second mortgage subordinate to Carevest Capital Inc. ("Carevest"), which registered a mortgage of \$2.37 million.

As at November 23, 2009, liens totalling \$1.7 million and a third mortgage of \$1.5 million were registered subsequent to Signature Lethbridge's mortgage.

On December 11, 2009, Carevest obtained an Order Nisi/Order for Sale from the Court. On January 18, 2010, the LFDC lands were listed for sale with Avison Young (Canada) Inc. ("Avison") for a 90-day period with an asking price of \$4.3 million.

On February 5, 2010, the Receiver was provided with a notice of motion seeking Court approval of an offer of \$3.1 million for the LFDC lands. The offer was dated January 21, 2010. Following discussions between the Receiver and Avison, the Receiver advised Carevest and Avison that it would object to the sale for a variety of reasons. In order to provide Avison with a sufficient period of time to canvass the market, the motion for approval of the offer was adjourned to March 3, 2010.

As a result of Avison's further marketing efforts, an offer of \$3.5 million was made by another party, Golden Life Management ("Golden"), for the LFDC lands. On March 3, 2010, both offers were presented to the Court and both prospective purchasers were given an opportunity to submit their best offers within a two-day period. Neither prospective purchaser revised its offer.

Based on the Receiver's review of the process carried out by Avison and the responses from prospective purchasers, the Receiver advised Carevest that it would not object to Court approval of the offer from Golden. On March 8, 2010, the Court approved Golden's offer.

Provided the conditions subject to Golden's offer are satisfied or waived and closing is completed by June 7, 2010, the date contemplated in Golden's offer, the Receiver projects that it will receive a distribution of approximately \$800,000. The Receiver would then implement a claims process for creditors of Signature Lethbridge.

7. RECEIVER'S ACTIVITIES

In addition to the items discussed above, the Receiver's activities since the date of the Second Report have included, *inter alia*, the following:

- Attending in Court in respect of Signature Lethbridge's interest in the LFDC sale process;
- Corresponding on a regular basis with Landquest Realty Corporation and Cascadia Pacific Realty Ltd. related to the "Birch Bay", "Fir Crest" and "Poplar Grove" property listings;
- Continuing to deal with covenant registration matters related to "Birch Bay" and "Fir Crest";
- Receiving and reviewing an appraisal in respect of the "Allan Beach" property and discussing same with the appraiser;
- Corresponding with an engineering firm in Edmonton previously engaged by the Companies in respect of the re-zoning application made by "Allan Beach" prior to commencement of the receivership proceedings;
- Implementing a claims process in respect of CONB Finance Corp.;
- Arranging for the completion and mailing of T5s to numerous bondholders;
- Funding ongoing operating costs of the condominium property in Arizona ("Sunbelt Property") owned by Signature US Sunbelt LLC ("SUS"), a related company;
- Monitoring unit sales of the Sunbelt Property;

- Discussing the Sunbelt Property marketing program with the real estate agent engaged by SUS;
- Continuing to monitor the cash flow related to each of the operating entities subject to the Receivership Order;
- Meeting with third-party first mortgagees related to several of the properties owned by the Companies;
- Corresponding with members of an ad hoc bondholder committee;
- Continuing to deal with the Companies' insurance brokers;
- Continuing to correspond with Weststone's third-party property manager;
- Reviewing monthly management reports from third-party property managers;
- Corresponding with Olympia Trust Company, which managed RSP investments made by bondholders;
- Corresponding on a periodic basis with Ms. Rousseau;
- Responding to telephone, e-mail and online forum inquiries from the Company's unsecured creditors;
- Paying for post-filing goods and services;
- Drafting this Report; and
- Other matters pertaining to the administration of this mandate.

8. NOTICE OF THIS MOTION

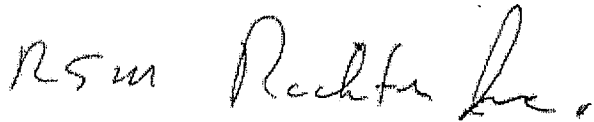
Pursuant to a notice dated March 31, 2010, the Receiver advised bondholders of Weststone Finance and UEC GP (and related companies) via e-mail of this motion. Bondholders were directed to the Receiver's website to review the motion materials.

9. RECOMMENDATION

Based on the foregoing, the Receiver recommends that this Honourable Court grant the relief detailed in Section 1.1 h) herein.

* * *

All of which is respectfully submitted,

A handwritten signature in cursive script that reads "RSM Richter Inc." The signature is written in dark ink and is positioned below the text "All of which is respectfully submitted,".

**RSM RICHTER INC.
IN ITS CAPACITY AS RECEIVER AND MANAGER OF
SIGNATURE CAPITAL INC. AND RELATED COMPANIES
AND NOT IN ITS PERSONAL CAPACITY**



Association of Saskatchewan REALTORS® CONTRACT OF PURCHASE AND SALE

Developed & Provided by the Association of Saskatchewan REALTORS®, Revised 2008

This contract is to be used only for properties of commercial nature, including farms, hotels, businesses, etc.

Royal LePage Premier Realty	45C Palliser Way Yorkton S3N4C5	Ron Skinner	Bus: 306-621-7700
(Full Name of Buyer's Brokerage)	(Address)	(Salesperson)	(Telephone)
JW Brass Enterprises Inc. in trust for a corp. to be incorporated	1002-2200	Yonge St. ON M4S 2C6	Res: 416-322-7999
(Names of Buyers: herein called Buyer)	(Address)	(Postal Code)	(Telephone)

HEREBY OFFER TO PURCHASE from

RSM Richter Inc. as court appointed manager and receiver of	Westone	Development Corp.	Res: 416-932-6265
(Names of Sellers: herein called Seller)	(Address)	(Postal Code)	(Telephone)
through Royal LePage Premier Realty	45C Palliser Way Yorkton S3N4C5	Ron Skinner	Bus: 306-621-7700
(Full Name of Seller's Brokerage)	(Address)	(Salesperson)	(Telephone)

the following: Set: SCHEDULE "A" and SCHEDULE "B"	Multi-family apartment
(Legal description of land purchased)	(Description of Business)

having the following Address: 320 and 336 Gladstone Ave. City or R.M. South Yorkton, SK
 subject to the reservations and exceptions appearing in the existing Certificate of Title and free and clear of all encumbrances except such encumbrances as are hereafter expressly accepted for the SUM of: _____
Three Million Six Hundred Eighteen Thousand dollars

(a) \$ 3,618,000.00 Sale Price to be paid as follows:
 Deposit by cheque , cash , receipt of which by the Brokerage is hereby acknowledged and deposited within two business days of acceptance, to be held in trust, pending completion or other termination of this contract and to be credited on account of purchase money.
 (b) \$ _____ Financing (if applicable)

(c) \$ _____ (approx) balance of cash, to be paid subject to the adjustments herein provided, to the Seller's Solicitor or Brokerage or the Seller, or to the Buyer's Solicitor as the case may be, 0 days before the possession date.

(d) Buyer acknowledges that taxes, tax credits, payments and mortgage interest rate may be subject to revision.
 1. This contract is made conditional upon the following:
 (a) The obtainment by the Buyer of approval of a mortgage on the security of the property herein purchased in the amount and rate as herein described:
 See SCHEDULE "A"
 (b) _____

and in the event said conditions have not been performed as of the _____ day of SEE SCHEDULE "B", 2010, then the deposit shall be forthwith returned to the Buyer and this contract shall be null and void.

2. The sale price includes the following additional terms, chattels and/or fixtures listed on attached Schedule "B". The chattels and fixtures have a value of \$ 0.00 and are free and clear of encumbrances other than those being assumed by the Buyer as set out above.

3. Buyer agrees to pay all monies on or before possession date; or the Buyer agrees to pay to the Seller interest at the rate of 4 % per annum, on any portion of the purchase price, less mortgages or other encumbrances assumed, not received by the Seller, his/her Solicitor or his/her Brokerage as at the possession date, the interest to be calculated from the possession date, until monies are paid to the Seller or his/her aforesaid agents.

4. THE SELLER SHALL PAY ALL COSTS OF DISCHARGING ANY EXISTING MORTGAGE OR OTHER ENCUMBRANCES AGAINST THE PROPERTY, NOT ASSUMED BY THE BUYER.

5. This transaction of purchase and sale shall be closed on or before twelve noon the 15th day of April, 2010 (herein referred to as the "possession date") on which date the Buyer shall have POSSESSION, vacant or subject to the following tenancy, namely: (if none, state "NONE") all existing tenancies on the date of acceptance of this offer

[Signature]
 Buyer's Initials

[Signature]
 Seller's Initials

- 9.2 If this offer is accepted and the conditions in paragraph 1 above have not been satisfied or waived in writing by the date set forth in paragraph 1 above the entire deposit and any other monies paid by the Buyer shall be forthwith returned to the Buyer.
- 9.3 If this offer is accepted and all conditions have been removed in writing by the date set forth in paragraph 1 above and the Buyer fails to execute any required conveyance or formal documents when prepared, or fails to pay any required cash payment or comply with any of the terms in this contract, this contract shall be void at the Seller's option. Where the defaulting party is the Buyer, the deposit and any other monies shall be forthwith delivered to the Seller's brokerage as forfeiture to the seller.
- 9.4 The Buyer and the Seller agree that the provisions of this section are an agreement to disburse the trust funds pursuant to Section 16(4) of The Real Estate Regulations
- 9.5 The disbursement of the deposit and other monies as agreed to above is not a prohibition from the Buyer or the Seller seeking a civil remedy for a breach of this contract.
10. The Seller and Buyer agree to prepare and execute promptly any documents required to complete this transaction. The Seller shall pay for the preparation of the Transfer of Title and the Buyer shall pay for the registration of the Transfer of Title under *The Land Titles Act*. The costs related to any mortgage or other financing of the purchase price, other than an Agreement for Sale, shall be paid by the Buyer. Costs of any Agreement for Sale shall be borne equally by the Buyer and Seller.
- 11 This offer is open to acceptance by the Seller up to 5:00 EST p.m. the 22 day of March, 2010.
12. IT IS UNDERSTOOD AND AGREED that there are no other representations, warranties, guarantees, promises or agreements other than those contained in this contract and I hereby agree to purchase the above described property as it stands at the price and terms and subject to the conditions above set forth. **TIME SHALL BE OF THE ESSENCE OF THIS OFFER/CONTRACT.**
13. Upon acceptance of this offer within the time prescribed in Section 11, this contract shall constitute a binding contract of purchase and sale and be binding upon the parties hereto, their respective heirs, executors, administrators, successors and assigns.
14. By signing this offer the Buyer acknowledges having received and read the Brochure published by the Association of Saskatchewan REALTORS® entitled, "Agency Disclosure". The Buyer acknowledges having read and understood this Brochure, that it accurately describes the agreement with the Buyer's Brokerage, and that a copy of it has been received by the Buyer this date.

DATED AT Toronto, Ontario, this 17th day of March, 2010

SIGNED, SEALED AND DELIVERED in the presence of
 WITNESS _____
 WITNESS _____

IN WITNESS WHEREOF I have hereunto set my hand
 BUYER [Signature]
 BUYER [Signature]

ACCEPTANCE AND DIRECTION TO PAY COMMISSION AND TAXES

I/WE HEREBY ACCEPT the above Offer together with all conditions contained therein and covenant to carry out the sale on the terms and conditions above mentioned. I do further acknowledge my obligation to pay commissions and all applicable federal and provincial taxes to the Seller's Brokerage pursuant to the listing agreement with respect to the property. I/WE FURTHER HEREBY IRREVOCABLY AND UNCONDITIONALLY DIRECT AND AUTHORIZE MY/OUR SOLICITOR, as indicated by me/us below, or any other Solicitor acting on my/our behalf in this sale, to pay the aforesaid taxes and commission, less the deposit hereby accepted, from the proceeds of the sale when releasable and this shall be and constitute my/our full and sufficient authority for so doing. I/WE HEREBY CERTIFY that I/we are residents of Canada as defined under the provisions of Section 116 of *The Income Tax Act* and that I/we will provide satisfactory evidence of such residency.

DATED AT Toronto Ontario, this 18th day of March, 2010

SIGNED, SEALED AND DELIVERED in the presence of
 WITNESS _____
 WITNESS _____
 BUYER'S SOLICITOR Lloyd Baticki

IN WITNESS WHEREOF I have hereunto set my hand
 SELLER [Signature]
 SELLER [Signature]
 SELLER'S SOLICITOR [Signature]

[Handwritten Note]

the following terms and conditions shall apply to and shall form part of any Agreement of Purchase and Sale to which this Schedule is attached:

1. The Purchaser acknowledges that the Vendor is RSM Richter Inc. in its capacity as Receiver, and not in its personal capacity.
2. Where there is any conflict or discrepancy between any term of this Schedule and any term of this Agreement of Purchase and Sale to which this Schedule is attached, the terms of this Schedule shall supersede and apply in the place and stead of any inconsistent or conflicting term in the Agreement of Purchase and Sale.
3. The Purchaser shall not call for the production of and the Vendor shall not be required to produce any document except as may actually be in the Vendor's possession, other than a registerable transfer of land and a discharge of any non-permitted encumbrances, and without in any way restricting the generality of the foregoing, the Vendor shall not be obliged to provide any Survey, Real Property Report or Compliance Certificate.
4. The Purchaser acknowledges that no representations, warranties or covenants have been made or given by the Vendor or anyone on its behalf as to the state, quality or condition of the property being conveyed to the Purchaser or as to the location or compliance status of any buildings situate thereon. The Purchaser acknowledges that it has inspected the property, and that the property shall be conveyed to the Purchaser only on an "as is, where is" basis. Without restricting the foregoing, the Purchaser acknowledges that the Vendor makes no representations or warranties as to the absence or existence of Urea Formaldehyde Foam Insulation or any other hazardous substance on, in or about the property.
5. The Purchaser acknowledges that any chattels being sold, transferred or conveyed hereunder are conveyed to the Purchaser only on an "as is, where is" basis and without any warranty by the Vendor as to title, condition, quality or fitness for any purpose whatsoever. The Purchaser acknowledges that the Vendor is transferring only whatever interest in such chattels it may actually have, without any warranty whatsoever as to the sufficiency or adequacy of such interest and the Purchaser acknowledges that the Vendor is not responsible for the removal from the property of any chattels thereon.
6. The Purchaser acknowledges that the sale will be subject to Court approval.

1. Description of the Property - The property sold and to be conveyed to the Buyer pursuant to this Agreement is composed of, and the Purchase Price shall be deemed to include, collectively, the "Property":

- (a) those lands (collectively, the "Lands") municipally known as:
 - (i) 320 Gladstone Avenue, South Yorkton, Saskatchewan legally described as Surface Parcel #142831919 Lot 1 Blk/Par 12 Plan No. 82Y04242 Extension 0; and
 - (ii) 336 Gladstone Avenue, South Yorkton, Saskatchewan legally described as Surface Parcel #142831863 Lot 2 Blk/Par 12 Plan No. 82Y04242 Extension 0.
- (b) all buildings, improvements, appurtenances and fixtures of any nature or kind whatsoever now or hereafter situate or erected upon the Lands or used in connection therewith and all appurtenances, alterations and additions thereto now or hereafter made (collectively the "Buildings");
- (c) all goods, furnishings, equipment, machinery, sundry or incidental supplies, chattels and fixtures (collectively the "Chattels") now or hereafter used in connection with operation or maintenance of the Lands and the Building;
- (d) all leases affecting the Property (the "Leases"). The Buyer agrees to assume the existing tenancies; and
- (e) those agreements or contracts (the "Contracts") associated with the Property.

B. SPECIAL PROVISIONS

- 1. The balance of the Purchase Price shall be paid in accordance with the terms of this Agreement on the Closing Date, subject to the adjustments, set out herein, computed as of that date.
- 2. Notwithstanding any other provision of this Agreement, the adjustments to the Purchase Price shall include standard adjustments as are common for a transaction of this nature computed as of the Closing Date, which date shall be charged to the Buyer.
- 3. The purchase price shall be reasonably allocated between the parties.

C. DEPOSIT MONIES

Any and all monies required to be paid pursuant to this Agreement as a deposit are hereinafter individually and collectively referred to as the "Deposit", as the context may require. The Seller and Buyer hereby authorize and direct the Seller's Solicitors or Agent, as applicable, to place the Deposit in a non-interest bearing trust account forthwith and the Deposit shall be credited on account of the Purchase Price on Closing. If the transaction is not completed due to the material default of the Buyer, the Seller shall be entitled to retain the Deposits as liquidated damages and the parties shall not have

initial of Buyer: _____

initial of Seller: _____

The transaction of purchase and sale arising from this Agreement shall be completed on April 15, 2010 or upon such earlier or later date as the parties may mutually agree upon (herein referred to as the "closing date", "Closing", "Closing Date" or similar reference).

E. RIGHT TO ASSIGN AGREEMENT

The Buyer shall have the right to assign this Agreement to any affiliate of the Buyer and, upon such assignment and written notice thereof given by the Buyer to the Seller, the Buyer shall be fully and forever released from all obligations and liability under this Agreement.

F. SELLER'S COVENANTS, REPRESENTATIONS AND WARRANTIES

The Seller covenants, warrants and represents to and with the Buyer as follows:

- (a) that the Seller shall, on or before Closing and at its own expense, discharge all mortgages, charges, liens or other encumbrances now or at any time prior to Closing registered against or otherwise affecting the Property save and except for:
 - (i) CNV Easement Interest #140993646; and
 - (ii) CNV Easement Interest #140993691.
- (b) the Seller will, on the Closing Date, be empowered to sell the Property to the Buyer in accordance with the provisions of this Agreement;
- (c) the Seller has the full right, power and authority to enter into and perform its obligations under this Agreement including the power to sell the Property to the Buyer;
- (d) to the best of the Seller's knowledge, no actions or proceedings have been commenced or have been threatened in connection with the Property by any person to enjoin, restrict or prohibit the purchase and sale of the Property; and
- (e) the Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

But the Vendor has not and does not warrant and represent:

- (a) that the Seller has any right, title or interest in the Property; or
- (b) that the existence, adequacy, value, location, marketability, quantum, quality, condition, fitness, state of repair, or availability of all or any portion of the Property.

G. PRODUCTIONS ON ACCEPTANCE

The Seller shall deliver if not previously delivered, the following, to the Buyer within five (5) business days after acceptance hereof, so long as such deliverables are in the Seller's possession or

Initial of Buyer:



Initial of Seller:



- (b) a detailed and current rent roll showing rent, prepaid rent, date of last rent increase, statutory interest paid, if any;
- (c) all other plans, specifications, drawings, electrical, mechanical and systems plans, reports, studies, surveys, soil testing, environmental and structural reports.

H. SELLER'S PRODUCTIONS ON CLOSING

The Seller shall deliver the following to the Buyer on or before Closing:

- (a) an order from a court of competent authority approving of the transaction contemplated herein and, if necessary, vesting in the Buyer all the right, title and interest of Westone Development Corp. in the Property to be sold to the Buyer hereunder free and clear of all liens, security interests and other encumbrances save and except as set out herein;
- (b) a statement of adjustments having annexed thereto reasonable details of the calculations used by the Seller to arrive at all credits and debits with respect to the Property;
- (c) undertaking to readjust with respect to the adjustments set out hereunder within 30 days of the date of Closing;
- (d) evidence in the form of a statutory declaration or declarations that the Seller is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
- (e) all other documentation and things customarily delivered by the Seller to the Buyer in connection with a transaction of this type.

I. BUYER'S PRODUCTIONS ON CLOSING

The Buyer shall deliver the following to the Seller on or before closing:

- (a) an electronic transfer of funds from a Canadian chartered bank or credit union payable to the Vendor in an amount equal to the difference between the adjusted portion of the Purchase Price due to the Seller on the Closing Date and the Buyer's net mortgage proceeds (the "Cash to Close");
- (b) executed direction to the Seller authorizing title to be engrossed in the name of the party set out therein, if requested by the Buyer;
- (c) undertaking to readjust with respect to the adjustments set out hereunder within 30 days of the date of Closing; and
- (d) all other documentation and things customarily delivered by the Buyer to the Seller in connection with a transaction of this type.

Initial of Buyer:



Initial of Seller:



Goods and Services Tax, or any other similar tax, including, Harmonized Sales Tax, shall not be payable in respect of the acquisition contemplated herein.

K. SASKATCHEWAN WAIVER

1. A waiver by either party of the strict performance by the other of any covenant or provision of this Agreement shall not constitute a waiver of any subsequent breach of such covenant or provision, or of any other covenant, provision or term of this Agreement.
2. If the Buyer is a body corporate, the Buyer hereby covenants and agrees with the Seller that:
 - (a) *The Land Contracts (Actions) Act* of the Province of Saskatchewan shall have no application to any action, as defined in *The Land Contracts (Actions) Act*, with respect to this Agreement; and
 - (b) *The Limitation of Civil Rights Act* of the Province of Saskatchewan or any provision thereof shall have no application to:
 - (1) this Agreement;
 - (2) any mortgage, charge or other security for the payment of money made, given or created by this Agreement;
 - (3) any agreement or instrument renewing or extending this Agreement; or
 - (4) the rights, powers, remedies of any other person under this Agreement.

L. SASKATCHEWAN CLOSING PROCEDURE

1. The Seller and the Buyer will cause their solicitors to take all steps, including normal course trust conditions, the closing deliveries referred to in Section H and Section I, necessary to pre-close this transaction of purchase and sale on or before the third Business Day before the Closing Date.
2. The Buyer's solicitor will submit the transfer for the Property and the Buyer's mortgage to the Saskatchewan Land Registry for registration and forthwith upon receiving confirmation that the transfer and mortgage interest have been registered, the Buyer's solicitor will requisition mortgage proceeds from the Buyer's mortgagee, and conditional upon receiving the mortgage proceeds, the Buyer's solicitors will forthwith tender to the Seller's solicitor's the balance of the adjusted Purchase Price due to the Seller on Closing, less the Cash to Close referred to herein.

M. GENERAL PROVISIONS

to and include and enure to the benefit of and be binding upon the parties hereto and their respective administrators, successors and other legal personal representatives and permitted assigns. Time shall be strictly of the essence of this Agreement and every part thereof, and no extension or variation of this Agreement shall operate as a waiver of this provision. This Agreement may be executed by any party hereto by such person or corporation signing a counterpart hereof, and such counterparts together shall constitute a single instrument. This Agreement may be executed for acceptance by facsimile or electronic transmission. This Agreement shall be governed by and construed wholly in accordance with the laws of the Province of Saskatchewan and each of the parties irrevocably attorns to the jurisdiction of the Province of Saskatchewan. Every provision of this Agreement and the schedules hereto is intended to be severable and in the event that any provision of this Agreement and/or the schedules hereto is for any reason whatsoever not enforceable at law the lack of such enforceability shall not affect or derogate from any other provision of this Agreement.



**Province of Saskatchewan
Land Titles Registry
Title**

Title #: 134892298 **As of:** 19 Nov 2009 09:40:12.404
Title Status: Active **Last Amendment Date:** 14 Dec 2007 12:39:17.057
Parcel Type: Surface **Issued:** 10 Dec 2007 08:36:08.253
Parcel Value: \$1,325,000.00 CAD
Title Value: \$1,325,000.00 CAD **Municipality:** CITY OF YORKTON
Converted Title: 99Y07046
Previous Title and/or Abstract #: 124074828

WESTSTONE DEVELOPMENT CORP. is the registered owner of Surface
Parcel #142831919

Reference Land Description: Lot 1Blk/Par 12Plan No 82Y04242 Extension
0
As described on Certificate of Title 99Y07046.

This title is subject to any registered interests set out below and the exceptions, reservations and interests mentioned in section 14 of *The Land Titles Act, 2000*.

Registered Interests:

Interest #:
140993646

CNV Easement

Value:
Reg'd: 28 Feb 1985 00:02:52
Interest Register Amendment
Date: N/A
Interest Assignment
Date: N/A
Expiry Date: N/A

S 3m
Holder:
 Saskatchewan Power Corporation
 N/A, Saskatchewan, Canada
 Client #: 100869880
Int. Register #: 107679965
Converted Instrument #: 85Y01718

Interest #:
140993680

Miscellaneous Interest

Value:
Reg'd: 12 Oct 2007 14:24:17
Interest Register Amendment
Date: N/A

Interest Assignment

Date: N/A

Expiry Date: N/A

Holder:

URBAN ELEMENTS DEVELOPMENT CORP.

204 - 2102 - 8TH STREET EAST

SASKATOON, SK, Canada S7H 0V1

Client #: 119595886

Int. Register #: 113314700

Interest #:
140993747

Mortgage

Value: \$4,000,000.00 CAD

Reg'd: 10 Dec 2007 08:36:14

Interest Register Amendment

Date: N/A

Interest Assignment

Date: N/A

Expiry Date: N/A

Holders as Joint Tenants

Holder:

SOLAR STAR HOLDINGS INC.

206 2411 4TH STREET N.W.

CALGARY, AB, Canada T2M 2Z8

Client #: 121957959

Holder:

1105550 ALBERTA INC.

400 CHESTERMERE DRIVE

CHESTERMERE, AB, Canada T1X 1B3

Client #: 121957960

Holder:

851272 ALBERTA INC.

1186 PROMINENCE WAY S.W.

CALGARY, AB, Canada T3H 2P7

Client #: 121957971

Int. Register #: 113923908

Interest #:
140993769

Assignment of Rents

Value:

Reg'd: 10 Dec 2007 08:36:15

Interest Register Amendment

Date: N/A

Interest Assignment

Date: N/A

Expiry Date: N/A

Holders as Joint Tenants

Holder:

SOLAR STAR HOLDINGS INC.

206 2411 4TH STREET N.W.

CALGARY, AB, Canada T2M 2Z8

Client #: 121957959
Holder:
 1105550 ALBERTA INC.
 400 CHESTERMERE DRIVE
 CHESTERMERE, AB, Canada T1X 1B3
 Client #: 121957960
Holder:
 851272 ALBERTA INC.
 1186 PROMINENCE WAY S.W.
 CALGARY, AB, Canada T3H 2P7
 Client #: 121957971
Int. Register #: 113923919

Interest #:
 140993792

Mortgage

Value: \$6,350,000.00 CAD
Reg'd: 10 Dec 2007 08:36:16
Interest Register Amendment
Date: N/A
Interest Assignment
Date: N/A
Expiry Date: N/A

Holder:
 WESTSTONE FINANCE CORP.
 278 19TH STREET N.E.
 CALGARY, AB, Canada T2E 8P7
 Client #: 121957982
Int. Register #: 113923931

Addresses for Service:

Name	Address
Owner: WESTSTONE DEVELOPMENT CORP. Client #: 121908247	1413 2ND STREET SW CALGARY, AB, Canada T2R 0W7

Notes:

Parcel Class Code: Parcel (Generic)



**Province of Saskatchewan
Land Titles Registry
Title**

Title #: 134892311 **As of:** 19 Nov.2009 09:41:31.414
Title Status: Active **Last Amendment Date:** 14 Dec 2007 12:39:17.073
Parcel Type: Surface **Issued:** 10 Dec 2007 08:36:11.380
Parcel Value: \$1,325,000.00 CAD
Title Value: \$1,325,000.00 CAD Municipality: CITY OF YORKTON
Converted Title: 99Y06991
Previous Title and/or Abstract #: 124074839

WESTSTONE DEVELOPMENT CORP. is the registered owner of Surface
Parcel #142831863

Reference Land Description: Lot 2Blk/Par 12Plan No 82Y04242 Extension
0
As described on Certificate of Title 99Y06991.

This title is subject to any registered interests set out below and the exceptions, reservations and interests mentioned in section 14 of *The Land Titles Act, 2000*.

Registered Interests:

Interest #:
140993691

CNV Easement

Value:
Reg'd: 07 Mar 1985 00:03:15
Interest Register Amendment
Date: N/A
Interest Assignment
Date: N/A
Expiry Date: N/A

N 3m
Holder as Tenant in Common
Interest Share: 1/2
Interest Share Number: 144824441
Holder:
 Saskatchewan Power Corporation
 N/A, Saskatchewan, Canada
 Client #: 100869880

Holder as Tenant in Common
Interest Share: 1/2
Interest Share Number: 144824452
Holder:
 Saskatchewan Telecommunications

13th Floor, 2121 Saskatchewan Drive
Regina, Saskatchewan, Canada S4P 3Y2
Client #: 100006861
Int. Register #: 107680002
Converted Instrument #: 85Y01946

Interest #:
140993736

Miscellaneous Interest

Value:
Reg'd: 12 Oct 2007 14:24:17
Interest Register Amendment
Date: N/A
Interest Assignment
Date: N/A
Expiry Date: N/A

Holder:
URBAN ELEMENTS DEVELOPMENT CORP.
204 - 2102 - 8TH STREET EAST
SASKATOON, SK, Canada S7H 0V1
Client #: 119595886
Int. Register #: 113314700

Interest #:
140993758

Mortgage

Value: \$4,000,000.00 CAD
Reg'd: 10 Dec 2007 08:36:14
Interest Register Amendment
Date: N/A
Interest Assignment
Date: N/A
Expiry Date: N/A

Holders as Joint Tenants

Holder:
SOLAR STAR HOLDINGS INC.
206 2411 4TH STREET N.W.
CALGARY, AB, Canada T2M 2Z8
Client #: 121957959

Holder:
1105550 ALBERTA INC.
400 CHESTERMERE DRIVE
CHESTERMERE, AB, Canada T1X 1B3
Client #: 121957960

Holder:
851272 ALBERTA INC.
1186 PROMINENCE WAY S.W.
CALGARY, AB, Canada T3H 2P7
Client #: 121957971

Int. Register #: 113923908

Interest #:
140993770

Assignment of Rents

Value:

Reg'd: 10 Dec.2007 08:36:15
Interest Register Amendment
 Date: N/A
Interest Assignment
 Date: N/A
 Expiry Date: N/A

Holders as Joint Tenants**Holder:**

SOLAR STAR HOLDINGS INC.
 206 2411 4TH STREET N.W.
 CALGARY, AB, Canada T2M 2Z8
 Client #: 121957959

Holder:

1105550 ALBERTA INC.
 400 CHESTERMERE DRIVE
 CHESTERMERE, AB, Canada T1X 1B3
 Client #: 121957960

Holder:

851272 ALBERTA INC.
 1186 PROMINENCE WAY S.W.
 CALGARY, AB, Canada T3H 2P7
 Client #: 121957971

Int. Register #: 113923919

Interest #:
140993804

Mortgage

Value: \$6,350,000.00 CAD
 Reg'd: 10 Dec 2007 08:36:16
Interest Register Amendment
 Date: N/A
Interest Assignment
 Date: N/A
 Expiry Date: N/A

Holder:

WESTSTONE FINANCE CORP.
 278 19TH STREET N.E.
 CALGARY, AB, Canada T2E 8P7
 Client #: 121957982
Int. Register #: 113923931

Addresses for Service:**Name****Address****Owner:**

WESTSTONE DEVELOPMENT CORP. 1413 2ND STREET SW CALGARY, AB, Canada T2R 0W7
 Client #: 121908247

Notes:

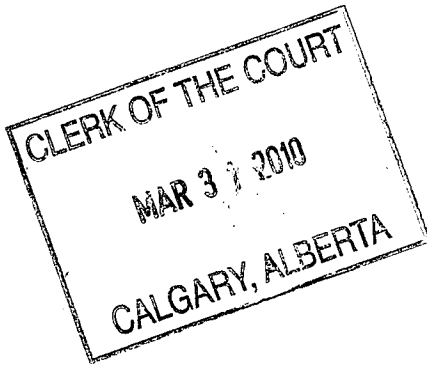
Parcel Class Code: Parcel (Generic)

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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.



**THIRD REPORT OF RSM RICHTER INC., AS
RECEIVER AND MANAGER OF SIGNATURE
CAPITAL INC. AND RELATED COMPANIES**

BENNETT JONES LLP
Barristers and Solicitors
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Frank R. Dearlove
Telephone No.:403-298-3202
Fax No.:403-265-7219
Our File No.:38843.21