

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

DOCUMENT **SEVENTY-FOURTH REPORT OF THE COURT APPOINTED RECEIVER OF PERERA SHAWNEE LTD. AND PERERA DEVELOPMENT CORPORATION**  
**DATED JANUARY 7, 2019**

**PREPARED BY DELOITTE RESTRUCTURING INC.**

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## INTRODUCTION

### Background

- 1) On March 3, 2010 (the "**Date of Receivership**"), Deloitte Restructuring Inc., formerly 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**" or "**PSL**") (the "**Receivership Order**") in Action No. 1001-03215 (the "**Receivership Proceedings**"). The Receivership Order was amended and restated on January 31, 2011.
- 2) The Receivership Order was the result of an application by First Calgary Savings & Credit Union, now Connect First Credit Union ("**Connect**"), a secured creditor of Perera.
- 3) PSL and PDC are bankrupt. Hardie & Kelly Inc. was appointed licensed insolvency trustee of PSL and PDC pursuant to the Bankruptcy Orders granted by this Honourable Court on December 20, 2010 (the "**Bankruptcies**").
- 4) Perera was a condominium real estate developer which had assets that consisted of a three-phase condominium real estate project located at 10 Shawnee Hill SW, Calgary, Alberta known as the "Highbury" (the "**Project**").
- 5) There are 71 residential condominium units in "**Phase I**" of the Project (including the manager suite and sales centre), and 49 of these units were sold and conveyed to purchasers through the Receivership Proceedings. The units were approximately 95% complete at the Date of the Receivership but a large portion of the Phase I interior and exterior common areas and parkade were incomplete at that time.
- 6) "**Phase II**" and "**Phase III**" (collectively, "**Phases II and III**") of the Project were originally contemplated by PSL, the developer, to include 12 stories with 85 condominium units in each of Phases II and III. All three phases of the Project (collectively, the "**Lands**") were under one development plan for which the condominium corporation is Condominium Corporation No. 0915321 (the "**Condo Corporation**").
- 7) When the Receivership commenced, the construction of the parking levels in Phases II and III were incomplete. The Receiver completed construction on parking level one and parking level two for Phases II and III to meet the requirements of the City of Calgary (the "**City**") and, with the approval of the Court, sold Phases II and III to The Statesman Group of Companies Ltd. ("**Statesman**") in 2013. As part of the sale transaction, the development of Phases II and III were terminated in accordance with the Phased Disclosure Statement, and Statesman was authorized to and successfully subdivided the Lands in accordance with its proposed development plan (the "**Statesman Development Plan**").
- 8) On June 2, 2010, the Receiver issued a report to provide an update on the Receivership Proceedings and to seek the Court's advice and direction in regards to a lawsuit commenced against Perera by Her Majesty the Queen in Right of Alberta. Since that time, the Receiver has issued a total of seventy-three additional reports, the majority of which relate to the approval of the sale of individual residential, parking and storage units in Phase I, and include the related confidential and sealed reports (the "**Unit Sales Reports**").

- 9) The Receiver's reports (collectively, the "**Update Reports**"), other than the Unit Sales Reports, are summarized as follows:
- a) First report of the Receiver dated July 30, 2010 (the "First Report") which updated the Court as to the status of the receivership and the activities of the Receiver since its appointment and included the Receiver's interim statement of receipts and disbursements ("SRD"). As a result of the related application, the Court issued, among other orders, an order directing the clerk of the Court (the "Clerk") to issue vesting orders, upon receipt of instructions from the Receiver's counsel, in certain forms for twenty-two (22) of the Phase I units.
  - b) Third report of the Receiver dated October 7, 2010 which updated the activities of the Receiver since the First Report, included an interim SRD, provided pre-sale details for certain of the Phase I units, outlined various issues with the Alberta New Home Warranty Program (the "ANHWP") and the Receiver's planned treatment of the pre-sale deposits. As a result of the related application, the Court issued, among other orders, an order authorizing the Receiver to borrow up to an additional \$4.3 million, for a total of \$7.3 million (the "Receiver Borrowings Order"), to continue the construction and development of the Project, directing the Receiver to release the Phase II deposit funds and certain of the Phase I deposit funds, and directing the Clerk to issue certain vesting orders for future unit sales upon the receipt of certain letters and compliance with other conditions.
  - c) Seventh report of the Receiver dated November 3, 2010 which outlined the steps taken by the Receiver to disclose to prospective purchasers the various lawsuits commenced against the Condo Corporation, the status of certain sales transactions for Phase I units and the details of the agreement reached with the ANHWP. As a result of the related application, the Court issued, among other orders, an order approving the ANHWP agreement and terminating certain purchase contracts for the Phase I units.
  - d) Eleventh report of the Receiver dated January 13, 2011 which provided the Receiver's view on the filing of reports versus affidavits as part of the ongoing reporting to the Court as part of the Receivership Proceedings. As a result of the related application, the Court issued an order amending the Receivership Order to state that the Receiver did not have to report, unless otherwise ordered by the Court, in affidavit form, and that the Receiver's reports would be considered as evidence in making a decision about an application.
  - e) Twelfth report of the Receiver dated January 18, 2011 which updated the activities of the Receiver, included an interim SRD, provided details of the sales and marketing process and agreements related to the unsold Phase I units and for Phases II and III, and the proposed distribution process for the sale proceeds on hand. As a result of the related application, the Court issued, among other orders, an order approving the marketing agent for the unsold Phase I units and for Phases II and III, declaring the security of Connect to be valid and binding and ranking as a first charge against Perera's assets, and approving the distribution of the net sales proceeds from the assets.
  - f) Thirteenth report of the Receiver dated February 8, 2011 which provided additional information on the marketing firm hired to sell the remaining Phase I units, updated the Court on the agreement entered into for the sale of the Phase I units, and provided more information on the past and planned marketing efforts with respect to the Phase I units. As a result of the related application, the Court issued, among

other orders, an order directing the marketing firm to provide certain information, documents and assets to the Receiver.

- g) Fourteenth report of the Receiver dated February 10, 2011 which included information on certain litigation related to a pre-receivership construction accident and the appointment of an independent litigation supervisor in relation to the claim.
- h) Forty-eighth report of the Receiver dated May 3, 2013 which provided certain non-confidential details around eight settlement agreements entered into by the Receiver and certain pre-sale purchasers in regards to deposits, sought the approval of the Court to enter into the settlement agreements, and sought the approval of the Court to execute future agreements with four remaining parties subject to certain conditions and without the requirement for further Court order. As a result of the related application, the Court issued various orders approving the settlements and an order approving future settlements on the condition that such settlements comply with the requirements outlined in Schedule "1" to the Confidential Fifty-Seventh Report of the Receiver, dated May 3, 2013 (the "Settlement Order"). A copy of the Settlement Order is attached to this Report as Appendix A.
- i) Sixty-second report of the Receiver dated August 13, 2013 which provided the Court with information around the sales process completed for Phases II and III, certain details of the conditional purchase and sale agreement ("PSA") between the Receiver and Statesman for Phases II and III of the Project, disclosed the details of an unsolicited offer for Phases II and III of the Project, provided the options available and sought the Court's approval of an amended PSA with Statesman and the rejection of the unsolicited offer. As a result of the related application, the Court issued an order approving the amended PSA and allowing the Receiver to reject the unsolicited offer.
- j) Sixty-sixth report of the Receiver dated September 16, 2013 (the "Sixty-Sixth Report") which provided the Court with, among other things, the Receiver's response to a technical audit completed by Lawson Projects in 2012 on behalf of the Condo Corporation to identify construction deficiencies and incomplete work in Phase I of the Project (the "Technical Audit"). As a result of an application by the Condo Corporation to, among other things, grant the Condo Corporation leave to levy a disproportionate special assessment against only those units held by Perera, the Court issued an order dismissing the application in its entirety (the "Technical Audit Order"). The Court also issued a Memorandum of Judgement dated October 17, 2013 to support the Technical Audit Order (the "Technical Audit Judgement").
- k) Sixty-seventh report of the Receiver dated September 16, 2013 which provided, among other information, details of the Statesman Development Plan and the results of a meeting held by the Receiver with the Phase I owners to discuss same, details of the final Statesman PSA, and details of certain holdbacks related to amenities and the guest suite (the "Phase I Holdbacks"). As a result of the related application, the Court issued, an order terminating the development of Phases II and III in accordance with the original Phased Disclosure Statement, authorizing Statesman to apply to the City for subdivision of the Lands in accordance with the Statesman Development Plan and outlining the requirements for various approvals and documents. The Court also approved the final Statesman PSA for Phases II and III, the separate purchase and sale agreement for the remaining Phase I units, including the closing and vesting process, and all related documents and steps.

- l) Seventy-third report of the Receiver dated May 16, 2014 (the "Seventy-Third Report") which included details of parking stalls and storage lockers that needed to be transferred or sold as part of prior sales transactions. As a result of the related application, the Court issued, among other orders, an order authorizing the Receiver to convey title of the parking stalls and storage lockers to the Condo Corporation.
- 10) The Receivership Order, together with the reports and other documents filed in the Receivership Proceedings have been posted on the Receiver's website at <http://www.insolvencies.deloitte.ca/en-ca/Pages/perera.aspx>. This seventy-fourth report of the Receiver to Court (the "**Seventy-Fourth Report**" or the "**Report**") will also be posted to the Receiver's website after it has been filed with the Court.
- 11) Unless otherwise provided, all other capitalized terms not defined in this Report are as defined in the Receivership Order or the other reports.

### **Purpose of the Report**

- 12) The purpose of this Report is to;
  - a) Provide the Court with an update on the Receiver's actions since the date of the Seventy-Third Report;
  - b) Provide the Court with an update on the remaining actions required by the Receiver to complete the Receivership Proceedings; and
  - c) Respectfully request that the Court:
    - i) Approve the actions of the Receiver as outlined in this Report and the prior Update Reports and Unit Sales Reports;
    - ii) Authorize settlement of the Remaining Deposit Claim (as later defined in this Report) by allowing the Receiver to instruct McLeod Law LLP ("**McLeod**") to return up to the entire deposit funds to the parties in return for a full release;
    - iii) Approve the Receiver's Statement of Receipts and Disbursements for the period from March 3, 2010 to January 3, 2019 (the "**January 2019 SRD**"), a copy of which is attached to this Report as **Appendix B**; and
    - iv) Approve the professional fees and disbursements of the Receiver and its counsel, a summary of which is attached to this Report as **Appendix C**.

### **Terms of Reference**

- 13) In preparing this Report, the Receiver has relied upon unaudited financial and other information prepared by various third parties and discussions with various third parties.
- 14) The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of this information.
- 15) The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of this

Report. Any use which any party makes of this Report, or any reliance or decision to be made based on this Report, is the sole responsibility of such party.

- 16) All dollar amounts in this Report are in Canadian dollars, unless otherwise indicated.

## **ACTIVITIES OF THE RECEIVER**

- 17) Significant activities undertaken by the Receiver since the date of the Seventy-Third Report are as follows:
- a) Coordinated the repayment of the Phase I Holdbacks as directed by the Court;
  - b) Coordinated the preparation and completion of the Phases II and III parkade to meet the City requirements and held ongoing discussions with the contractor and other relevant parties;
  - c) Corresponded with the Canada Revenue Agency ("CRA") regarding various statutory claims and issues in pursuit of post-filing Goods and Service Tax ("GST") refund claims;
  - d) Filed monthly post-receivership GST returns;
  - e) Dealt with conveyancing issues related to the sales of Phase I residential, parking and storage units;
  - f) Prepared various analyses for Connect on the costs to complete construction of Phase I, including reviews of the related quotes, plans and work required;
  - g) Coordinated the completion of various interior suite deficiency work;
  - h) Completed the sale of Phases II and III to Statesman in accordance with the various Court orders;
  - i) Corresponded with the property manager for the Condo Corporation regarding condominium fees, property taxes and the responsibility for payment thereof;
  - j) Engaged Urban One Builders Alta. Inc. ("Urban One") and other independent third-party consultants to assist with completion of the Phase I common areas;
  - k) Undertook extensive and ongoing discussions, correspondence, site visits, and meetings with Statesman, Urban One, the Board Consultant (as defined later in this Report), contractors, engineers, and the Condo Corporation and its representatives regarding the completion of the Phase I common areas and the related incomplete work (as further detailed later in this Report);
  - l) Obtained and reviewed numerous construction quotes, construction costs, and invoices;
  - m) Obtained fall protection system certification for the Phase I roof anchor system;
  - n) Oversaw construction of the Drive Lane Wall (as defined and discussed in detail later in this report) to ensure public safety;
  - o) Corresponded with the ANHWP and coordinated warranty repairs covered under the program, and conducted numerous site visits to review completed work;



- p) Corresponded and met with the City in regards to inspections of work, incomplete work, plan and design changes and security held;
- q) Corresponded and met with Connect to provide updates, and prepared various supporting materials and reports;
- r) Completed ongoing estate accounting, prepared SRD's and completed monthly trust account reconciliations;
- s) Undertook extensive ongoing discussions and negotiations with Statesman in regards to the shared City Access Road;
- t) Corresponded with Osler on various legal matters relating to the receivership; and
- u) Addressed additional matters as they arose from time to time.

## **COMPLETION OF CONSTRUCTION**

### **Coordination with the Condo Corporation**

- 18) As detailed further in the Sixty-Sixth Report of the Receiver, the Condo Corporation retained Lawson Projects in late 2012 to conduct the Technical Audit to identify construction deficiencies in Phase I that were left by Perera. The Condo Corporation subsequently sought leave of the Court to levy a disproportionate special assessment against only those units held by Perera to cover the cost of the deficiencies identified in the Technical Audit. The Receiver agreed that it would assume responsibility for the cost of work which was required to complete the project in the manner in which it was designed and for the cost of carrying out any repair to the common property that is determined to be deficient, once again in accordance with the original plans. The Receiver denied that it was responsible for the cost of remedying any other issues identified in the Technical Audit. The Court dismissed the application of the Condo Corporation in its entirety, noting in the Technical Audit Judgment, among other things, that:
  - a) The Condo Corporation could have made a claim against Perera for alleged defective work and, if successful, could have filed a claim in bankruptcy. A claim could also have been made against the new home warranty program; and
  - b) To allow the claim of the Condo Corporation would cause an unfair and disproportionate injury upon the Receiver and, ultimately, Connect. It would jeopardize a legitimate security position.
- 19) Subsequent to the Technical Audit Judgement, the Receiver worked closely with the various purchasers, including Statesman, and the ANHW to complete the Phase I units to design specification. The Receiver also commenced soliciting quotes for the six (6) incomplete Phase I common area work items it had identified and acknowledged as part of its Sixty-Sixth Report and the related Court application (the "**Acknowledged Incomplete Work**") resulting in the Technical Audit Judgement.
- 20) In February 2014, the Receiver held a formal meeting with the President of the Board of the Condo Corporation (the "**Board**") and the Condo Corporation's property manager in order to discuss, among other things, the Acknowledged Incomplete Work, along with the coordination of the completion of the third level of the parkade in Phase I.
- 21) In July 2014, the Receiver understands that the Condo Corporation engaged Farnum Construction Management & Consulting Ltd. ("**Farnum**") to complete a physical

inspection of Phase I of the Project and compile a new list of incomplete items. The inspection was attended by certain members of the Board along with Statesman and resulted in a new list of incomplete items totalling approximately \$1.4 million (the "**Farnum Incomplete List**"). The Farnum Incomplete List, which was later updated, was not shared with the Receiver until March 2015, despite several requests for the report by the Receiver during the interim period.

- 22) The Receiver wrote to the Condo Corporation on September 11, 2014 (the "**Sept 11 Letter**") confirming that it was aware that the Condo Corporation was continuing to assert that there were other unfinished items, in addition to the Acknowledged Incomplete Work, but that no additional information had been provided to the Receiver regarding same. The Receiver stated in the Sept 11 Letter that its position remained unchanged from that noted by the Court in the Technical Audit Judgment and that it would only complete the Acknowledged Incomplete Work. Noting that the Acknowledged Incomplete Work could not be completed until Statesman advanced the Phases II and III work (and such work would likely take years to complete), the Receiver made a "without prejudice" lump sum offer to the Condo Corporation to settle the Receiver's obligation to complete the Acknowledged Incomplete Work, subject to certain conditions defined therein (the "**First Receiver Settlement Offer**"). A copy of the redacted Sept 11 Letter is attached to this Report as **Appendix D**.
- 23) The Condo Corporation, through its property manager at the time, First Service Residential ("**First Service**"), responded to the Sept 11 Letter on October 22, 2014 (the "**Oct 22 Letter**") arguing that in the Technical Audit Judgment, Justice G.C. Hawco: (a) noted that the Receiver agreed that it would be responsible for the costs of completing the unfinished work required to complete the Project in the manner in which it was designed; and (b) proposed that an independent party be retained to determine what constitutes either a deficiency or work which should have been completed by the developer pursuant to the original construction plan. First Service advised that it had sought assistance in assembling an incomplete construction list from the City, Farnum and Statesman, and that the list included some 58 items with independent estimates for rectifying the items well in excess of the amount of the First Receiver Settlement Offer. A copy of the Oct 22 Letter is attached to this Report as **Appendix E**.
- 24) The Receiver responded to the Oct 22 Letter on October 31, 2014 (the "**Oct 31 Letter**") requesting a copy of the Farnum Incomplete List within ten (10) days and suggesting that the Receiver and Connect may be willing to meet to discuss matters further following receipt of the Farnum Incomplete List. First Service responded to the Oct 31 Letter on November 3, 2014 stating that the Board was in the process of updating the Farnum Incomplete List to align with the City's Phase I development permit and that it would be provided after the City provided the information.
- 25) Notwithstanding that the Farnum Incomplete List had not been received, the Receiver continued to have ongoing dialogue with the Condo Corporation throughout the fall and winter of 2014/2015. The Condo Corporation finally provided the Receiver with a copy of the revised Farnum Incomplete List at a meeting on March 5, 2015 but advised the Receiver that Statesman was revising the landscape plan for the development which would impact the quotes already obtained by the Receiver. The Receiver met with certain members of the Board and Statesman on April 14, 2015 to discuss the incomplete items and finalized landscaping plan. At the meeting various items were agreed by the Receiver, Statesman and members of the Board to be deficient and not the Receiver's responsibility. Throughout the summer of 2015, the Receiver obtained updated quotes and continued to engage in extensive dialogue with the Board regarding the alleged additional incomplete items identified in the Farnum Incomplete List.

- 26) In October 2015, the Condo Corporation provided an updated Farnum Incomplete List (the "**Updated Farnum Incomplete List**") to the Receiver which included updated costing from Farnum and various new items from Statesman around City development permit requirements. The total cost in the Updated Farnum Incomplete List totalled approximately \$1.4 million. The Updated Farnum Incomplete List is attached to this Report as **Appendix F**.
- 27) The Receiver reviewed the Updated Farnum Incomplete List and determined that many of the items on the list were deficiencies as opposed to incomplete items. The Receiver also determined that various items in the Updated Farnum Incomplete List required more detailed quotes and/or information from Farnum or others to determine the proper classification and cost of such items. The Receiver met with certain members of the Board in November 2015 to discuss the Updated Farnum Incomplete List. At the meeting, the Receiver and Board agreed that various items detailed in the report were outside the Receiver's responsibility and, as a result, certain items were deleted, or the estimated costs reduced. The Board members also agreed to provide the Receiver with detailed information regarding numerous items/issues/costs in the Updated Farnum Incomplete List.
- 28) In January 2016, as a result of the Condo Corporation not providing timely or detailed information to the Receiver (as the Board members promised would be forthcoming during the November 2015 meeting), the Receiver met with Urban One to discuss the possibility of Urban One providing a detailed and independent report on the incomplete versus deficient items in Phase I, and the estimated costs to remedy each (subject to verification through several quotes on the larger items). Urban One was a company known to the Receiver to have done a similar construction engagement however, at the time, the Receiver had never previously worked with Urban One. The Receiver discussed the retention of Urban One with the Board and received their consent to engage Urban One to complete an independent report at the Receiver's cost.
- 29) During January and February 2016, Urban One: (a) was provided with the Updated Farnum Incomplete List (without any amounts included); (b) toured the Project property with the Receiver and the President of the Board; (c) reviewed available Project drawings; and (d) completed inspections of the Project it deemed necessary. On March 8, 2016, Urban One provided a detailed listing of the incomplete and deficient items for Phase I (the "**Urban One Report**"). The Receiver notes that it did not provide any input into the Urban One Report nor did it request any changes in the classification or cost estimates of items included in the Urban One Report. The Urban One Report is attached to this Report as **Appendix G**.
- 30) The Urban One Report was provided to the Condo Corporation, Connect, Statesman and the Receiver and a meeting was scheduled for April 15, 2016 with the intention of bringing the parties together to discuss the Urban One Report and reach consensus on responsibility for completion of all outstanding items. During the meeting it became apparent that the Condo Corporation was not prepared or ready to discuss and reach an agreement regarding responsibility for each item. The parties did agree on certain items, including that the Receiver would reimburse the Condo Corporation \$6,000 for the installation of security cameras (the "**Security Camera Payment**"), the scope of which was included in the Acknowledged Incomplete Work. The Condo Corporation requested time to engage another independent engineer to review Urban One's assessment and identify any further incomplete/deficient items.
- 31) The Urban One Report was updated on May 19, 2016 as a result of various meetings and correspondence between the Receiver and the Condo Corp., among others (the "**Updated**

**Urban One Report**”). The Updated Urban One Report is attached to this Report as **Appendix H**.

- 32) In the six months following the all-parties meeting on April 15, 2016, the Receiver was advised by the Condo Corporation on numerous occasions that another independent review was to be conducted and that a report would be forthcoming. The Condo Corporation provided the Receiver with expected delivery dates of June 30, July 15, July 30 and September 30, 2016. None of the foregoing delivery dates were ever met. Finally, in October 2016, the Condo Corp. provided the Receiver with an initial assessment (the **“RJC Report”**) prepared by an independent consultancy firm, Read Jones Christoffersen Ltd. (**“RJC”**). The RJC Report noted, among other things, that:
- a) RJC was engaged by the Condo Corporation on July 21, 2016 (three months after the April 15, 2016 meeting);
  - b) RJC completed a limited tour of the site on September 15, 2016 (almost two months after the engagement by the Condo Corporation); and
  - c) RJC was only given limited access to the Project and its inspection did not include all areas of the building.

The RJC Report did not provide any timeframe for a detailed assessment or any related costing. This was disappointing as the Receiver had waited for over six months for this update. A copy of the RJC Report is attached to this Report as **Appendix I**.

- 33) By letter dated November 15, 2016, the Receiver:
- a) Provided the Condo Corporation with the response of Urban One to the RJC Report;
  - b) Advised the Condo Corporation that, as a result of the Condo Corporation’s continued and acute delay in obtaining the information it advised was necessary to engage in discussions with the Receiver regarding responsibility for outstanding work, it was becoming increasingly difficult and unlikely that the Receiver could self-complete the required work in order to minimize costs;
  - c) Noted that the pricing estimates provided by Urban One were theoretical as they were not prepared with the intention of self-completion and in all cases did not include quotes required from various sub trades that would be required to complete the work (as this was proposed as part of the next step once a complete list and responsibility allocation was agreed as between the Condo Corporation and the Receiver);
  - d) Advised that as a result of the continued and acute delay by the Condo Corporation, greater than expected costs and delays were being incurred by the Receiver; and
  - e) Requested confirmation from the Condo Corporation by November 25, 2016 whether the Condo Corporation intended to engage RJC to complete the recommendations outlined in section 5 of the RJC Report at its own cost, including the timing of such work.

A copy of the Nov 15 Letter is attached to this Report as **Appendix J**.

- 34) The President of the Board responded to the Receiver’s Nov 15 Letter by email on November 24, 2016 (the **“Nov 24 Email”**) questioning the credentials of Urban One (despite having previously consented to the engagement of Urban One) as opposed to RJC, and claiming that the Receiver put unjust pressure on the Board to complete its own

list of incomplete construction items and accept its cost estimate. The President of the Board suggested that RJC be the independent body to complete a comprehensive report, that the costs of the report be split with the Receiver, and that both parties either abide by the results or the Receiver propose a settlement prior to receipt of a final RJC report. A copy of the Nov 24 Email is attached to this Report as **Appendix K**.

- 35) By letter dated December 7, 2016, the Receiver responded to each of the points raised in the Nov 24 Email, including the credentials of Urban One and RJC as an inappropriate party to complete the assessment and related pricing. The Receiver offered the Condo Corporation a lump sum payment in return for a full and final settlement of the incomplete work and any other related matters. The "without prejudice" settlement proposed by the Receiver required full releases by all parties involved and provided, among other things, that the Receiver would be holding back \$271,200 to account for an outstanding letter of credit (the "**Outstanding LOC**") held by the City which was to be released to the Board as the City released all or a portion of the Outstanding LOC (the "**Second Receiver Settlement Offer**"). A copy of the redacted Dec 7 Letter is attached to this report as **Appendix L**.
- 36) The Board had several questions around the Outstanding LOC and responded to the Second Receiver Settlement Offer on January 19, 2017 (the "**Jan 19 Letter**") with additional potential incomplete items and proposed three (3) settlement options. The options included: (a) a lump sum settlement with no holdbacks for the Outstanding LOC, (b) that the Receiver hire an engineering firm to determine the additional settlement amount related to the additional potential incomplete items estimated to cost \$175,000 (the "**New Items**") with no holdback, or (c) that the Receiver complete the construction of the incomplete items with certain conditions.
- 37) The Receiver held various discussions with the City to discuss the Outstanding LOC as part of the settlement discussions with the Condo Corporation and eventually was successful in having the Outstanding LOC reduced by the City to \$50,000 (the "**Reduced Outstanding LOC**"). As a result of the lengthy discussions required with the City around the Outstanding LOC, the Receiver did not respond to the Jan 19 Letter from the Condo Corporation until April 7, 2017 (the "**April 7 Letter**"). In the April 7 Letter, the Receiver outlined the discussions with the City and the Reduced Outstanding LOC, commented on the New Items, commented on the substantial difference in the estimated costs, and offered, on a "without prejudice" basis, a new lump sum settlement with no holdbacks (the "**Third Receiver Settlement Offer**"). A copy of the redacted April 7 Letter along with the redacted Jan 19 Letter is attached to this Report as **Appendix M**.
- 38) The Condo Corporation responded to the April 7 Letter on April 28, 2017 (the "**April 28 Letter**") rejecting the Third Receiver Settlement Offer. The Condo Corporation requested that the Receiver commence construction of all incomplete work items, as agreed between the Receiver and the Condo Corporation and as outlined in the Updated Urban One Report and coordinate the construction of same with Urban One. The Condo Corporation also advised that it would be hiring a consultant (the "**Board Consultant**") at its expense to review/inspect construction practices to ensure all work was completed to good construction practices, all applicable building and safety codes were met, and all deficient items reported to the Board and the Receiver for rectification. A copy of the April 28 Letter is attached to this Report as **Appendix N**.

### **Construction activities**

- 39) Upon receipt of the April 28 Letter, the Receiver commenced discussions both with Statesman and Urban One regarding completion of the incomplete items and with various third-party consultants to obtain cost estimates and quotes. The incomplete work identified by Urban One which the Receiver agreed to complete was comprised largely

of the Acknowledged Incomplete Work the Receiver agreed to complete years prior as outlined in the Sixty-Sixth Report and the Technical Audit Judgment.

- 40) In September 2017, the Receiver formally engaged Urban One to complete the construction of Phase I and an updated budget was completed for the Project. The Condo Corporation retained Entuitive Engineering Ltd. ("**Entuitive**") to be the Board Consultant to oversee Urban One's construction activities.
- 41) Commencing in September 2017, the Receiver arranged for it, Urban One, Entuitive, the property manager and (in some cases) the Board to attend weekly conference calls to coordinate construction activities with the existing tenants and Statesman, provide construction updates, obtain required information from the various parties, and ensure issues were communicated and/or resolved in a timely manner. Entuitive also conducted weekly site visits at the Project and was given complete access to the property and Urban One. A weekly site review report was prepared by Entuitive throughout the construction (up until October 2018) that detailed the work reviewed, site conditions, any defects and deficiencies noted, and any other remarks. Urban One responded to each of the defects, deficiencies and any other issues raised in the Entuitive reports.
- 42) During the course of construction, Urban One discovered an unexpected issue with respect to the northwest exterior of Phase I, comprised of a retaining wall, manhole, sidewalk, curb and gutter, among other things (the "**Drive Lane Wall**"). The issue was initially raised by a surveyor hired by Statesman who noted that the Drive Lane Wall was not located in accordance with the Statesman Development Plan. Upon further investigation, Urban One determined that there was no evidence that the Drive Lane Wall had been built according to a structural design or reviewed or approved by an engineer. Urban One further noted that it was failing as a result of the ground settling and could pose a safety issue. Both the City and an independent surveyor hired by the Receiver confirmed that the Drive Lane Wall was not in the correct location and had to be moved and an engineering company performed soil testing to confirm that the ground under the wall had settled.
- 43) In both a conference call with the Condo Corporation, Urban One and Entuitive in October 2017, and in a subsequent letter dated November 3, 2017 (the "**Nov 3 Letter**"), the Receiver advised of the safety issue posed by the Drive Lane Wall and, as a result, the urgent need for repair of same. The Receiver further advised that Urban One could not complete the majority of the incomplete items until the Drive Lane Wall issue was rectified, and that the Drive Lane Wall issue impeded Statesman from completing further work on the traffic circle. In the Receiver's view (and as communicated in both the meeting and the letter), the Drive Lane Wall was the sole responsibility of the Condo Corporation in accordance with the Technical Audit Judgement, the *Condominium Property Act* and the notifications provided by the Receiver and Urban One to Entuitive during the prior month that it posed a safety issue to anyone accessing the Project. Entuitive advised the Receiver that the Condo Corporation refused to pay any amount or assume any liability for the cost of repairs.
- 44) As the Receiver was concerned with the safety of its representatives, Urban One and other contractors accessing the Project to complete the outstanding work, the Receiver notified the Condo Corporation on November 22, 2017 that it was proceeding under protest to complete the remedial work on the Drive Lane Wall and that it reserved the right to hold the Condo Corporation liable. The Receiver further advised that it would consider commencing a claim against the Condo Corporation for reimbursement of all costs incurred by the Receiver rectifying the Drive Lane Wall, which costs totalled approximately \$120,000. A copy of the Nov 3 Letter is attached to this Report as **Appendix O**, the response from counsel to the Condo Corporation dated November 7, 2017 and the

Receiver's response to that letter dated November 22, 2017 is also included as **Appendix P**.

- 45) On February 28, 2018, representatives of the Board, Entuitive, the property manager, Urban One and the Receiver met to discuss the status of construction, the remaining scope of work and to overall foster cooperation between all stakeholders. During the meeting, the Receiver highlighted 16 items identified in the Updated Urban One Report which were assessed as "No Action Required". The representatives agreed at the meeting that four (4) of the 16 items were either complete or outside of the Receiver's scope. At the conclusion of the meeting, the Condo Board instructed Entuitive to conduct a site visit and review the remaining 12 items.
- 46) On March 2, 2018, Entuitive and Urban One held a site visit to review the remaining 12 "No Action Required" items. Entuitive summarized its findings in its Site Review Report no. 15 where an additional five (5) items were identified as being complete/no further action, four (4) items were identified as requiring feedback from the Condo Board or further investigation, and three (3) items Entuitive recommended be completed by the Receiver. On March 22, 2018, the Condo Board addressed the four (4) items (which required feedback or further investigation) and indicated its preference for additional work to be performed by the Receiver.
- 47) By letter dated April 18, 2018 (the "**April 18 Letter**"), the Receiver advised the Condo Corporation that:
  - a) It had no responsibility for the cost of completing work at the Project to remedy normal wear and tear or provide upgrades to the design contained within the original construction drawings;
  - b) The determination of whether an item fell into one of these categories was based on whether such item was contained within the original construction drawings; and
  - c) All 16 items identified in the updated Urban One Report as "No Action Required" were either complete or were items for which the Receiver was not responsible (normal wear and tear or upgrades).

A further discussion of each item was included in the April 18 Letter which is attached to this Report as **Appendix Q**.

- 48) Entuitive responded to the April 18 Letter on May 9, 2018 (the "**May 9 Letter**") agreeing that eight (8) of the 16 items could be removed from the list but stating that it remained of the view that the remaining eight (8) items (the "**Disputed Remaining Items**"), along with a new item (the "**New Item**") identified in the letter, required the attention of the Receiver. A copy of the May 9 Letter is attached to this Report as **Appendix R**.
- 49) The Receiver responded to the May 9 Letter on May 18, 2018 (the "**May 18 Letter**") advising that:
  - a) It did not agree with any of the points raised in the May 9 Letter; and
  - b) More specifically, it was too late for the Condo Corp. to raise a new issue as the Receiver had provided the Condo Corporation and its advisors with numerous opportunities since 2016 to raise any further concerns (including incomplete items) and none were forthcoming. At the present time when construction of the Project was nearing completion, it was not possible for the Condo Corporation to expand the list of incomplete items requiring work by the Receiver. The Receiver estimated that the costs associated with the New Item totalled approximately \$9,000.

While the costs associated with the Disputed Remaining Items have never been determined, a summary of the issues and the various positions is attached to this Report as **Appendix S**. A copy of the May 18 Letter is attached to this Report as **Appendix T**.

- 50) Since May 2018, the New Item has again been raised as an unresolved item by the Condo Corporation, but the Receiver's position remains, among other things, as noted in the May 18 Letter.
- 51) The Receiver is not aware of any deficiencies or incomplete items alleged by Entuitive or the Condo Corporation as the liability of the Receiver other than the New Item and Disputed Remaining Items.

### **Current status of the remaining work**

- 52) As of the date of this Report, Urban One has completed all of the interior incomplete items detailed in the Updated Urban One Report including, but not limited to, all work in the parkade, north corridor, interior corridors, and west entrance. Various exterior incomplete items have also been finished by Urban One which include, but are not limited to, the landscaping, retaining walls, parkade roof and sidewalks in the southwest portion of Phase I, removal of the temporary parkade entrance, and completion of the permanent lobby/entrance. The Drive Lane Wall has also been rectified which was not included in the Updated Urban One Report and is not considered an incomplete item. The only remaining exterior incomplete work remaining is in the north section of Phase I and includes the curb, gutter, sidewalk, top asphalt coat for the City road and landscaping (the "**City Access Area**"). The scope of work required in the City Access Area includes the following:
  - a) demolition of existing curb/gutter/sidewalk;
  - b) removal of certain sandstone boulders;
  - c) replacement of the City curb/gutter/sidewalk;
  - d) completion of the tie-in of the sidewalk between the new north Highbury emergency exit and the new City sidewalk;
  - e) asphalt topping on the existing City road; and
  - f) soft landscaping and irrigation at the re-graded temporary parkade ramp.
- 53) Upon the completion of the City Access Area, the Receiver will have also fully addressed the Acknowledged Incomplete Work with the exception of the Security Camera Payment due to the Condo Corporation (before any potential offsetting claims).
- 54) The Receiver and Urban One held various discussions and site visits with the City in September and October 2018 since the City Access Area is on City-owned property and the work must comply with City requirements and the development permit. At the Receiver's request, the City confirmed its agreement to various changes and modifications in respect of the landscape plan including, but not limited to, simplified landscaping requirements and a reduction of required tree plantings. The City also confirmed that once the City Access Area is complete and inspected, the City will release the \$36,000 security deposit (the "**Security Deposit**") currently being held, along with the \$50,000 Reduced LOC.
- 55) Urban One obtained initial quotes from two contractors in August 2018 for a portion of the City Access Area work. The quotes require updating to account for the City-approved modifications and scope changes. The Receiver will obtain these updated quotes in the spring when the work will be revisited. As the completion of the City Access Area is the



only remaining item for the Receiver on the Project, Urban One was no longer required on a full-time basis and so was rolled off the Project on October 12, 2018. Urban One has assembled all construction documents, reports, analysis, and various warranties and other agreements that support the work completed.

- 56) The Receiver was not able to complete the City Access Area during the 2018 construction season as it was working with the City to finalize the scope of work and with Statesman to reach agreement on an appropriate cost sharing arrangement to complete the City Access Area.
- 57) The Receiver has held several conference calls with Statesman (including counsel on both sides) to discuss the completion of the City Access Area and the sharing of costs. The Receiver and its counsel are of the view that, pursuant to the PSA and related agreements, the obligation to complete both the City road portion of the City Access Area and other miscellaneous work in the City Access Area lies with Statesman. While Statesman has advanced a different position, in the interest of concluding the Project and avoiding litigation (including significant legal costs), the Receiver and Statesman have reached a tentative agreement to share some of these costs and have agreed to revisit the issue in the Spring when updated quotes are received
- 58) The Receiver expects the costs to complete the City Access Area will total approximately \$160,000, not including any funding from Statesman, potential recoveries from the Condo Corporation, recovery of any of the Remaining Deposit Claim, or the release of the Security Deposit. The City Access Area is estimated to require four to six weeks to complete.

#### **Costs incurred to date**

- 59) The Receiver has incurred approximately \$1.3 million in direct construction costs to date (including the fees and costs of Urban One) to address the incomplete items included in the Updated Urban One Report along with the Drive Lane Wall. The actual costs incurred are well in excess of the revised construction budget due to several factors including the time delays, weather related costs (such as hoarding and heating) caused by extreme winter conditions during 2017/2018, the Drive Lane Wall (the costs of which were not included in the budget), higher than anticipated concrete costs after detailed design plans were finalized, higher soft landscaping costs due to logistical difficulties surrounding access to the site, and higher than expected roof membrane repairs on the parkade roof after the entire area was exposed and could be properly evaluated.
- 60) The Receiver has also incurred approximately \$56,000 for various third party architectural, landscaping, building envelope, structural, fire protection and geotechnical consultants and engineers.
- 61) The Receiver has provided regular reporting to Connect to keep it informed of the progress of the Project, related costs and estimates to complete. The SRD, discussed in a later section of this Report, provides an update regarding the funds on hand, the estimated costs to complete and the estimated deficit upon completion of the construction and discharge of the Receiver.

## STATUTORY CLAIMS AND DUTIES

- 62) Perera's books and records did not indicate that any amounts were owing to CRA as at the Date of Receivership other than GST and corporate income taxes (the "**CRA Claims**") that were both relegated to unsecured claims as a result of the Bankruptcies.
- 63) At the Date of Receivership, Perera had approximately 24 employees. The Receiver administered the Wage Earner Protection Program ("**WEPP**") for the 24 employees and 19 of the employees were paid approximately \$47,000 by Service Canada. The potential priority claim of Service Canada is approximately \$34,800 (the "**WEPP Priority**") and this claim ranks in priority to Connects security as it relates to the current assets of Perera. The Receiver is currently reviewing Perera's current assets as at the date of Receivership, and accordingly, the potential WEPP priority amount remains outstanding.
- 64) The Receiver has filed all of the required post-receivership GST returns to November 2018 and has remitted the required amounts post-receivership and also collected post-receivership GST refunds.

## CREDITORS

- 65) As outlined in the initial notices of the receiverships of PSL and PDC, Connect was the only known secured creditor of Perera other than various customer deposits on units and the CRA Claims that became unsecured following the Bankruptcies. Connect was owed approximately \$27.5 million as at the Date of Receivership and has been repaid approximately \$4.5 million of its debt as at the date of this Report.
- 66) The Receiver, in accordance with the Settlement Order, has settled all of the customer deposit claims with the exception of one, which remains outstanding for approximately \$24,000 (the "**Remaining Deposit Claim**"). The Remaining Deposit Claim continues to be held in a non-interest bearing trust account with McLeod. The Receiver and its counsel, despite several attempts, have been unable to come to an agreement with the parties holding the Remaining Deposit Claim that would comply with the Settlement Order. The Receiver is seeking the Court's approval to settle the Remaining Deposit Claim by instructing McLeod to return up to the entire deposit funds to the parties in return for a full release.
- 67) At the Date of the Receivership, Perera reported unsecured creditors with claims of approximately \$11.5 million, of which approximately \$5.7 million related to trade creditors and the remainder of approximately \$5.8 million was owing to shareholders and related parties.
- 68) Based on the remaining funds available in the receivership, as outlined in the January SRD attached to this Report as **Appendix B**, there will be no funds available to any unsecured creditors of Perera. The Receiver proposes to pay any remaining net funds at the conclusion of the Receivership to Connect.

## RECEIVER BORROWINGS

- 69) Pursuant to the Receiver Borrowings Order, the Receiver maximized its borrowings from Connect at \$6.5 million in January 2011. The borrowings were required by the Receiver to fund the construction and other costs associated with the Receivership and were fully repaid from asset realizations in January 2014.

## STATEMENT OF RECEIPTS AND DISBURSEMENTS

- 70) The January 2019 SRD is attached to this Report as **Appendix B** and reflects the administration of the Receivership Proceedings for the period from the Date of Receivership to January 3, 2019 as well as the estimated costs to complete the construction and administration.
- 71) As of January 3, 2019, the Receiver is currently holding approximately \$107,000 in its trust account and the most recent estimated costs to complete is approximately \$276,500. The estimated costs to complete include the \$160,000 in remaining construction, \$35,000 relating to the potential WEPP Priority Claim, \$50,000 in Receiver's fees and \$20,000 in Receiver's legal fees. The total estimated deficit upon completion of the project and discharge of the Receiver is estimated to be approximately \$87,000 (the "**Estimated Deficit**"). The Estimated Deficit includes the anticipated return of the \$36,000 Security Deposit being held by the City after completion of the City Access Area but does not include the \$50,000 Reduced LOC being held by the City. The Estimated Deficit also assumes that no other work will be required by the Receiver and that the City Access Area costs will remain the same. The Estimated Deficit is also before any potential funding from Statesman, any potential recoveries from the Condo Corporation, any potential recovery of the Remaining Deposit Claim, or the payment of any post-receivership GST refunds from CRA which likely will not be sufficient to cover the Estimated Deficit.
- 72) The Receiver is continuing discussions with Connect, Statesman, and other stakeholders with respect to the Estimated Deficit and will provide the Court with an update prior to the hearing.
- 73) The Receiver's gross receipts, as outlined in the January SRD, total approximately \$22.8 million, with more significant amounts broken out as follows:
- a) \$21.4 million in sales proceeds from the sales of units in Phase I and the sale of Phases II and III to Statesman;
  - b) \$893,000 in GST collected on sales that has been subsequently remitted to CRA;
  - c) \$235,000 in amenities and manager/guest suite levy holdbacks that were subsequently repaid to the Phase I purchasers;
  - d) \$123,000 in pre-sale deposit settlements; and
  - e) \$83,000 in GST refunds.
- 74) The Receiver's disbursements and distributions, as outlined in the January SRD, total approximately \$17.9 million, with more significant amounts broken out as follows:
- c) \$8.4 million in construction related costs;
  - d) \$4.5 million as an interim distribution to Connect;
  - e) \$2.4 million in Receiver's fees and costs;
  - f) \$1.9 million in Receiver's legal fees;
  - g) \$1.3 million in operating costs including utilities, elevator maintenance, cleaning, garbage removal and sales centre operations;
  - h) \$1.2 million in sales commissions, sales expenses and sales contract services;

- i) \$982,000 in GST payments;
- j) \$443,000 in payroll costs;
- k) \$429,000 in property taxes;
- l) \$277,000 of payments to critical suppliers;
- m) \$245,000 in insurance premiums;
- n) \$235,000 for the repayment of the amenities and manager/guest suite levy holdbacks to the Phase I purchasers; and
- o) \$224,000 in condominium fees.

### **FEES AND DISBURSEMENTS OF THE RECEIVER AND ITS COUNSEL**

- 75) The paid professional fees and disbursements of the Receiver and its counsel are summarized by invoice in the "**Summary of Fees and Disbursements**" which is attached to this Report as **Appendix C**.
- 76) As outlined in the Summary of Fees and Disbursements, the Receiver's paid fees and disbursements to November 22, 2018 total approximately \$2.4 million (excluding taxes).
- 77) As outlined in the Summary of Fees and Disbursements, the fees and disbursements paid to Osler, Hoskin & Harcourt LLP, the Receiver's insolvency counsel, to December 14, 2018 total approximately \$1.8 million (excluding taxes). The Receiver also retained Kathleen S. Davis Professional Corporation to provide conveyancing services, McLeod & Company LLP to provide condominium law services, and three other law firms for miscellaneous services. The total legal fees and disbursements paid to these firms up to February 6, 2015 total approximately \$65,000.
- 78) In the Receiver's opinion, the services rendered in respect of these fees and disbursements have been duly rendered in response to the required and necessary duties of the Receiver hereunder, and are reasonable in the circumstances. Detailed time records supporting the invoices are available in the offices of the Receiver and its counsel.

### **CONCLUSIONS AND RECOMMENDATIONS**

- 79) Based on the foregoing, the Receiver respectfully requests that the Court grant the relief outlined in paragraph 12 (c) of this Report.

All of which is respectfully submitted at Calgary, Alberta, this 7<sup>th</sup> day of January 2019.

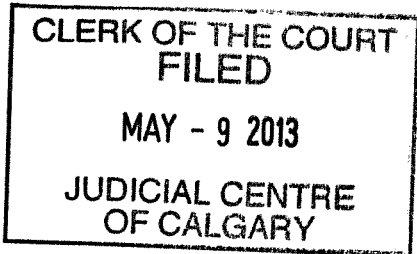
**DELOITTE RESTRUCTURING INC.**

In its capacity as Court-Appointed Receiver and Manager of  
Perera Shawnee Ltd. and Perera Development Corporation,  
and not in its personal capacity



Per: Jeff Keeble, CA, CPA, CBV, CIRP, LIT  
Senior Vice-President

# APPENDIX "A"



Clerk's stamp:

COURT FILE NUMBER: 1001-03215

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF: FIRST CALGARY SAVINGS & CREDIT UNION LTD.

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

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: **ORDER**

**(Re: Deposit Settlement Approval Process Order)**

**OSLER, HOSKIN & HARCOURT LLP**  
 Barristers & Solicitors  
 Suite 2500, 450 - 1st Street SW  
 Calgary, AB T2P 5H1  
 Solicitor: A. Robert Anderson, Q.C. / Michael Bokhaut  
 Telephone: (403) 260-7004/7023  
 Facsimile: (403) 260-7024  
 File Number: 1121689

I hereby certify this to be a true copy of  
 the original ORDER  
 Dated this 9 day of MAY 2013  
 \_\_\_\_\_  
 for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: May 9, 2013

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice Romaine

**ORDER**

**(Re: Deposit Settlement Approval Process Order)**

**UPON** the application of Deloitte & Touche Inc. (the “**Receiver**”) dated May 9, 2013; **AND UPON** noting the Order issued by Madam Justice A. Kent on March 3, 2010 as amended and restated on January 31, 2011 (the “**Receivership Order**”), pursuant to which, among other things, the Receiver was appointed as receiver and manager of the property, assets and undertakings (collectively, the “**Property**”) of Perera Development Corporation (“**PDC**”) and Perera Shawnee Ltd. (“**PSL**”) and not in its personal capacity; **AND UPON** noting that on December 20, 2010, PDC and PSL were adjudged bankrupt and a Bankruptcy Order was made against each by this Court, pursuant to which Hardie & Kelly Inc. (the “**Trustee**”) was appointed trustee of the estates of PDC and PSL; **AND UPON** noting that the Property of PSL includes, *inter alia*, a residential condominium development known as the “Highbury” in Calgary, Alberta registered as Condominium Plan 0915321 (the “**Project**”); **AND UPON NOTING** that several units in Phase One of the Project were subject to pre-receivership purchase contracts (the “**Presale Units**”) with various purchasers (the “**Presale Purchasers**”) **AND UPON** noting that there are currently only four Presale Purchasers who have paid deposits (the “**Deposits**”) that remain held in trust who have not entered into a settlement agreement with the Receiver (the “**Remaining Presale Purchasers**”); **AND UPON** reading the Forty-Eighth Report of the Receiver dated May 3, 2013 (the “**Forty-Eighth Receiver’s Report**”) **AND UPON** reading the Confidential Fifty-Seventh Report of the Receiver dated May 3, 2013 (the “**Confidential Fifty-Seventh Receiver’s Report**”); **AND UPON** being satisfied that the Confidential Fifty-Seventh Receiver’s Report should be sealed until further order for the reasons set forth in the Forty-Eighth Receiver’s Report; **IT IS HEREBY ORDERED, ADJUDGED, AND DECLARED THAT:**


1. The Confidential Fifty-Seventh Receiver’s Report shall be sealed on the Court file and shall not form part of the public record until further order of the Court.
2. The Clerk of this Honourable Court shall file the Confidential Fifty-Seventh Receiver’s Report in a sealed envelope attached to a notice that sets out the style of cause of these proceedings and states that:



THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS FILED BY DELOITTE & TOUCHE INC., IN ITS CAPACITY AS RECEIVER OF PERERA SHAWNEE LTD. AND PERERA DEVELOPMENT CORPORATION; and

THE CONFIDENTIAL MATERIALS ARE SEALED PURSUANT TO THE ORDER ISSUED BY \_\_\_\_\_ ON \_\_\_\_\_.

3. Any interested party shall be at liberty to apply on reasonable notice to the Receiver and the Plaintiff to unseal the Confidential Fifty-Seventh Receiver's Report.
4. The Receiver is empowered and authorized, but not obligated or directed, to provide the Confidential Fifty-Seventh Receiver's Report to the Plaintiff and the Trustee on confidentiality arrangements satisfactory to the Receiver.
5. The Receiver is authorized and empowered to execute settlement agreements with the Remaining Presale Purchasers and the Deposits may be disbursed without further Court approval provided that the terms of the settlement agreement and the disbursement of the Deposit satisfies the conditions found in Schedule "1" to the Confidential Fifty-Seventh Receiver's Report.
6. Service of this Order on Counsel for the Plaintiff and Counsel for the Trustee shall constitute good and sufficient service of this Order.

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

# APPENDIX "B"

**Perera Shawnee Ltd. and  
Perera Development Corporation - In Receivership  
Statement of Receipts & Disbursements  
For the period March 3, 2010 to January 3, 2019**

Description	Actual Mar 3, 2010 to Jan 3, 2019	Estimated Jan 3, 2019 to discharge	Total
<b>Cash Receipts</b>			
Sales proceeds	\$ 21,369,723	\$ -	\$ 21,369,723
GST collected	893,175	-	893,175
Amenities and manager/guest suite levy holdback	234,531	-	234,531
Presale settlements	122,964	-	122,964
Sale of equipment on site	27,509	-	27,509
Maintenance fees collected	13,025	-	13,025
Accrued interest on presale deposits	11,799	-	11,799
GST Refund	83,269	11,500	94,769
Miscellaneous asset sales	4,644	-	4,644
Miscellaneous refunds	18,839	36,000	54,839
Unencumbered vehicle sales	2,619	-	2,619
Key sales	587	-	587
Cash in bank at date of receivership	98	-	98
	<u>22,782,782</u>	<u>47,500</u>	<u>22,830,282</u>
<b>Cash Disbursements</b>			
<i>Operations</i>			
Construction costs	3,472,841	-	3,472,841
Phase II & III Construction	1,921,217	-	1,921,217
Operating costs	1,338,747	-	1,338,747
Construction consultants	1,102,867	-	1,102,867
Final construction of incomplete items	1,241,394	160,000	1,401,394
Equipment & crane rentals	640,883	-	640,883
Payroll	442,563	-	442,563
Property taxes	429,125	-	429,125
Payments to critical suppliers	277,374	-	277,374
Insurance	245,454	-	245,454
Condo fees	223,593	-	223,593
Employee reimbursements	29,058	-	29,058
Perera office expenses	27,813	-	27,813
Common area costs	24,939	-	24,939
Office lease payment	22,757	-	22,757
Security	16,269	-	16,269
Appraisal fees	10,553	-	10,553
Business taxes	2,388	-	2,388
Official Receiver filing fees	140	-	140
Bank charges	120	-	120
WEPP priority	-	35,000	-
	<u>11,470,094</u>	<u>195,000</u>	<u>11,630,094</u>
<i>Professional fees</i>			
Receiver's fees and disbursements	2,389,261	50,000	2,439,261
Legal fees and disbursements	1,856,339	20,000	1,876,339
Pre receivership consulting services	50,438	-	50,438
Urban One consulting fees	5,372	-	5,372
	<u>4,301,409</u>	<u>70,000</u>	<u>4,371,409</u>
<i>Sales expenditures</i>			
Sales commissions	628,842	-	628,842
Sales expenses	339,472	-	339,472
Sales contract services	218,989	-	218,989
	<u>1,187,304</u>	<u>-</u>	<u>1,187,304</u>
<i>GST paid on disbursements</i>	765,566	11,500	777,066
<i>Payment of post-receivership GST</i>	216,650	-	216,650
	<u>17,941,023</u>	<u>276,500</u>	<u>18,182,523</u>
<b>Less: Interim distribution to First Calgary</b>	(4,500,000)	-	(4,500,000)
<b>Less: Repayment of Amenities Holdback and Guest Levy to Phase I owners</b>	(234,531)	-	(234,531)
<b>Excess of Cash Receipts over Cash Disbursements</b>	<b>\$ 107,228</b>	<b>\$ (229,000)</b>	<b>\$ (86,772)</b>

# APPENDIX "C"

**In the Matter of the Receivership of Perera Shawnee Ltd. and Perera Development Corporation**  
**Summary of Professional Fees and Disbursements**  
**As at January 3, 2019**

Invoice Date	Invoice #	Start Date	End Date	Fees	Disbursements	Subtotal	GST / HST	Total
<b>Receiver</b>								
<b>Deloitte Restructuring Inc.</b>								
10-Jun-10	2655238	02-Mar-10	31-Mar-10	\$ 129,560.63	\$ 1,559.25	\$ 131,119.88	\$ 6,555.99	\$ 137,675.87
29-Oct-10	2723303	01-Apr-10	31-Aug-10	330,646.73	3,424.69	334,071.42	16,703.57	350,774.99
07-Dec-10	2745911	01-Sep-10	30-Sep-10	100,752.80	700.40	101,453.20	5,072.66	106,525.86
07-Dec-10	2745906	01-Oct-10	31-Oct-10	105,999.50	106.83	106,106.33	5,305.32	111,411.65
05-Jan-11	2758434	01-Nov-10	30-Nov-10	89,388.20	565.08	89,953.28	4,497.66	94,450.94
17-Jan-11	2763500	01-Dec-10	31-Dec-10	65,383.30	452.67	65,835.97	3,291.80	69,127.77
04-Mar-11	2790319	01-Jan-10	31-Jan-10	56,703.40	166.35	56,869.75	4,699.74	61,569.49
10-Aug-11	2909352	01-Feb-10	28-Feb-10	58,459.50	-	58,459.50	2,922.98	61,382.48
10-Aug-11	2909356	01-Mar-10	31-Mar-10	53,845.10	-	53,845.10	2,692.26	56,537.36
10-Aug-11	2909358	01-Apr-10	30-Apr-10	47,638.70	-	47,638.70	2,381.94	50,020.64
10-Aug-11	2909360	01-May-10	31-May-10	46,608.00	-	46,608.00	2,330.40	48,938.40
04-Oct-11	2934389	01-Jun-10	30-Jun-10	51,691.50	-	51,691.50	2,584.58	54,276.08
04-Oct-11	2934398	01-Jul-10	31-Jul-10	38,291.50	-	38,291.50	1,914.58	40,206.08
28-Oct-11	2948174	01-Aug-10	31-Aug-10	43,362.50	-	43,362.50	2,168.13	45,530.63
01-Nov-11	2949413	01-Sep-10	30-Sep-10	42,015.50	-	42,015.50	2,100.78	44,116.28
06-Jan-12	2987208	01-Oct-10	31-Oct-10	32,719.10	-	32,719.10	1,635.96	34,355.06
06-Jan-12	2987229	01-Nov-11	30-Nov-11	29,466.00	-	29,466.00	1,473.30	30,939.30
12-Mar-12	3025300	01-Jan-12	31-Jan-12	35,325.30	-	35,325.30	1,766.27	37,091.57
12-Mar-12	3025308	01-Dec-11	31-Dec-11	30,253.40	-	30,253.40	1,512.67	31,766.07
27-Apr-12	3065675	01-Feb-12	29-Feb-12	29,160.20	-	29,160.20	1,458.01	30,618.21
27-Apr-12	3065744	01-Mar-12	30-Mar-12	31,419.70	-	31,419.70	1,570.99	32,990.69
15-Aug-12	3148283	01-Apr-12	30-Apr-12	35,647.70	-	35,647.70	1,782.39	37,430.09
15-Aug-12	3148317	01-May-12	31-May-12	19,917.40	-	19,917.40	995.87	20,913.27
02-Oct-12	3170932	01-Jun-12	30-Jun-12	29,311.70	-	29,311.70	1,465.59	30,777.29
02-Oct-12	3170934	01-Jul-12	31-Jul-12	26,065.50	-	26,065.50	1,303.28	27,368.78
05-Nov-12	3190421	01-Aug-12	31-Aug-12	15,148.50	-	15,148.50	757.43	15,905.93
05-Nov-12	3190422	01-Sep-12	30-Sep-12	19,792.40	-	19,792.40	989.62	20,782.02
13-Dec-12	3219023	01-Oct-12	31-Oct-12	17,613.60	-	17,613.60	880.68	18,494.28
13-Dec-12	3219055	01-Nov-12	30-Nov-12	21,705.50	-	21,705.50	1,085.28	22,790.78
08-Feb-13	3244373	01-Dec-12	31-Dec-12	23,470.90	-	23,470.90	1,173.55	24,644.45
04-Mar-13	3254463	01-Jan-13	31-Jan-13	42,687.90	-	42,687.90	2,134.40	44,822.30
03-May-13	3314336	01-Feb-13	28-Feb-13	39,460.90	-	39,460.90	1,973.05	41,433.95
03-May-13	3314346	01-Mar-13	31-Mar-13	35,806.70	-	35,806.70	1,790.34	37,597.04
17-Jul-13	3377870	01-Apr-13	30-Apr-13	41,530.50	-	41,530.50	2,076.53	43,607.03
01-Aug-13	3387254	01-May-13	31-May-13	39,935.70	-	39,935.70	1,996.79	41,932.49
01-Aug-13	3387259	01-Jun-13	30-Jun-13	28,280.80	-	28,280.80	1,414.04	29,694.84
01-Oct-13	3417022	01-Jul-13	31-Jul-13	36,959.70	-	36,959.70	1,847.99	38,807.69
01-Oct-13	3417044	01-Aug-13	31-Aug-13	46,617.90	-	46,617.90	2,330.90	48,948.80
12-Dec-13	3460816	01-Sep-13	30-Sep-13	56,032.60	-	56,032.60	2,801.63	58,834.23
12-Dec-13	3460839	01-Oct-13	31-Oct-13	21,089.30	-	21,089.30	1,054.47	22,143.77
12-Dec-13	3460861	01-Nov-13	30-Nov-13	11,507.20	-	11,507.20	575.36	12,082.56
07-Jan-14	3467826	01-Dec-13	31-Dec-13	7,171.20	-	7,171.20	358.56	7,529.76
20-Feb-14	3493735	01-Jan-13	31-Jan-14	12,720.50	-	12,720.50	636.03	13,356.53
21-Apr-14	3539025	01-Feb-14	28-Feb-14	10,679.70	-	10,679.70	533.99	11,213.69
21-Apr-14	3539031	01-Mar-14	31-Mar-14	6,958.50	-	6,958.50	347.93	7,306.43
09-May-14	3562148	01-Apr-14	30-Apr-14	8,405.50	-	8,405.50	420.28	8,825.78
11-Sep-14	3648343	01-Jul-14	31-Jul-14	1,947.70	-	1,947.70	97.39	2,045.09
11-Sep-14	3648345	01-Aug-14	31-Aug-14	2,898.40	-	2,898.40	144.92	3,043.32
02-Oct-14	3660720	01-May-14	31-May-14	10,857.80	-	10,857.80	542.89	11,400.69
02-Oct-14	3660747	01-Jun-14	30-Jun-14	4,000.20	-	4,000.20	200.01	4,200.21
12-Dec-14	3708762	01-Sep-14	30-Sep-14	4,136.80	-	4,136.80	206.84	4,343.64
12-Dec-14	3708766	01-Oct-14	31-Oct-14	2,473.30	-	2,473.30	123.67	2,596.97
12-Dec-14	3708770	01-Nov-14	30-Nov-14	2,986.90	-	2,986.90	149.35	3,136.25
16-Apr-15	3782735	01-Feb-15	28-Feb-15	1,659.50	-	1,659.50	82.98	1,742.48
16-Apr-15	3782744	01-Jan-15	31-Jan-15	4,762.00	-	4,762.00	238.10	5,000.10
16-Apr-15	3782749	01-Dec-14	31-Dec-14	4,143.30	-	4,143.30	207.17	4,350.47
10-Jun-15	3852156	01-Mar-15	31-Mar-15	5,523.80	-	5,523.80	276.19	5,799.99
10-Jun-15	3852166	01-Apr-15	30-Apr-15	2,615.50	-	2,615.50	130.78	2,746.28
31-Mar-16	4026743	11-May-15	15-Mar-16	17,813.50	-	17,813.50	890.68	18,704.18
25-Jul-16	4140013	28-Mar-16	20-Jun-16	9,498.90	-	9,498.90	474.95	9,973.85

Invoice Date	Invoice #	Start Date	End Date	Fees	Disbursements	Subtotal	GST / HST	Total
10-May-17	4365637	04-Jul-16	10-Mar-17	12,226.00	-	12,226.00	611.30	12,837.30
29-Aug-17	4471088	15-Mar-17	17-Aug-17	13,470.60	-	13,470.60	673.53	14,144.13
20-Oct-17	4511590	21-Aug-17	30-Sep-17	16,480.00	-	16,480.00	824.00	17,304.00
15-Nov-17	4531849	01-Oct-17	31-Oct-17	18,063.20	-	18,063.20	903.16	18,966.36
01-Feb-18	8000013468	01-Nov-17	30-Nov-17	21,895.70	-	21,895.70	1,094.79	22,990.49
01-Feb-18	8000014087	01-Dec-17	31-Dec-17	16,003.20	-	16,003.20	800.16	16,803.36
25-Feb-18	8000030979	01-Jan-18	31-Jan-18	9,908.30	-	9,908.30	495.42	10,403.72
10-Apr-18	8000074329	01-Feb-18	28-Feb-18	6,428.60	-	6,428.60	321.43	6,750.03
10-Apr-18	8000074330	01-Mar-18	31-Mar-18	8,939.30	-	8,939.30	446.97	9,386.27
28-May-18	8000131996	01-Apr-18	30-Apr-18	17,964.00	-	17,964.00	898.20	18,862.20
29-Jun-18	8000167095	01-May-18	31-May-18	11,452.90	-	11,452.90	572.65	12,025.55
21-Sep-18	8000239383	01-Jun-18	30-Jun-18	13,683.30	-	13,683.30	684.17	14,367.47
21-Sep-18	8000239384	01-Aug-18	31-Aug-18	6,849.60	-	6,849.60	342.48	7,192.08
21-Sep-18	8000239385	01-Jul-18	31-Jul-18	5,885.80	-	5,885.80	294.29	6,180.09
11-Oct-18	8000256772	01-Sep-18	30-Sep-18	6,069.60	-	6,069.60	303.48	6,373.08
22-Nov-18	8000290676	01-Oct-18	31-Oct-18	18,439.20	-	18,439.20	921.96	19,361.16
<b>Total Receiver</b>				<b>\$ 2,382,285.26</b>	<b>\$ 6,975.27</b>	<b>\$ 2,389,260.53</b>	<b>\$ 121,319.48</b>	<b>\$ 2,510,580.01</b>

**Legal Counsel**

**Osler, Hoskin & Harcourt LLP - Receiver's insolvency counsel**

31-May-10	11230565	01-Apr-10	30-Apr-10	\$ 95,709.00	\$ 1,231.95	\$ 96,940.95	\$ 4,847.05	\$ 101,788.00
31-May-10	11238285	25-Feb-10	31-Mar-10	118,081.00	2,555.79	120,636.79	6,024.94	126,661.73
13-Aug-10	11261122	01-May-10	31-Jul-10	178,076.00	6,126.25	184,202.25	9,169.12	193,371.37
30-Sep-10	11269454	03-Aug-10	31-Aug-10	112,330.00	3,002.14	115,332.14	5,766.71	121,098.85
30-Sep-10	11275721	01-Sep-10	30-Sep-10	92,252.50	2,111.97	94,364.47	4,718.23	99,082.70
23-Dec-10	11292220	01-Nov-10	30-Nov-10	97,260.00	4,321.41	101,581.41	5,076.82	106,658.23
23-Dec-10	11298999	01-Oct-10	31-Oct-10	177,180.50	12,231.30	189,411.80	9,470.59	198,882.39
23-Dec-10	11299000	01-Dec-10	15-Dec-10	41,205.00	660.76	41,865.76	2,093.29	43,959.05
15-Feb-11	11316633	16-Dec-10	31-Dec-10	17,445.00	371.73	17,816.73	889.96	18,706.69
31-Mar-11	11323695	01-Feb-11	28-Feb-11	48,502.50	2,067.46	50,569.96	2,528.50	53,098.46
31-May-11	11340277	01-Mar-11	29-Apr-11	42,062.50	399.28	42,461.78	2,123.10	44,584.88
31-Jul-11	11351034	01-Jun-11	30-Jun-11	16,715.00	1,137.53	17,852.53	857.13	18,709.66
30-Jun-11	11357123	02-May-11	31-May-11	19,097.50	493.00	19,590.50	979.53	20,570.03
31-Aug-11	11358061	04-Jul-11	29-Jul-11	13,292.50	755.80	14,048.30	702.43	14,750.73
30-Sep-11	11366565	02-Aug-11	31-Aug-11	19,990.00	1,222.70	21,212.70	1,060.64	22,273.34
01-Mar-11	11379852	01-Jan-11	31-Jan-11	100,000.00	7,994.48	107,994.48	5,399.72	113,394.20
23-Dec-11	11388513	01-Sep-11	28-Nov-11	85,245.00	2,473.72	87,718.72	4,385.94	92,104.66
01-Mar-12	11404387	05-Dec-11	31-Jan-12	30,501.50	3,185.74	33,687.24	1,683.87	35,371.11
20-Mar-12	11412151	01-Feb-12	27-Feb-12	4,542.50	123.45	4,665.95	233.30	4,899.25
30-Apr-12	11421404	01-Mar-12	30-Mar-12	10,209.00	629.87	10,838.87	541.44	11,380.31
13-Jun-12	11431944	02-Apr-12	25-Apr-12	5,748.50	629.82	6,378.32	318.92	6,697.24
20-Jul-12	11454342	01-May-12	29-Jun-12	47,925.50	1,298.36	49,223.86	2,461.20	51,685.06
27-Aug-12	11462186	03-Jul-12	31-Jul-12	15,288.00	1,792.65	17,080.65	854.03	17,934.68
02-Oct-12	11470079	31-Jul-12	29-Aug-12	6,052.00	323.30	6,375.30	317.27	6,692.57
14-Nov-12	11482593	04-Sep-12	27-Sep-12	10,578.00	304.55	10,882.55	544.13	11,426.68
03-Dec-12	11490538	01-Oct-12	31-Oct-12	9,304.50	786.17	10,090.67	498.11	10,588.78
10-Jan-13	11499649	01-Nov-12	26-Nov-12	7,447.00	182.45	7,629.45	381.47	8,010.92
31-Jan-13	11508282	27-Nov-12	27-Dec-12	6,743.00	193.15	6,936.15	346.81	7,282.96
25-Feb-13	11515852	14-Jan-13	25-Jan-13	14,975.00	428.17	15,403.17	768.66	16,171.83
22-Mar-13	11529085	01-Feb-13	28-Feb-13	19,115.50	287.61	19,403.11	970.16	20,373.27
29-Apr-13	11537445	01-Mar-13	28-Mar-13	7,422.50	173.60	7,596.10	379.81	7,975.91
31-May-13	11546150	28-Mar-13	30-Apr-13	29,248.00	431.86	29,679.86	1,482.79	31,162.65
30-Jun-13	11554110	01-May-13	31-May-13	13,624.00	575.90	14,199.90	709.99	14,909.89
31-Jul-13	11562952	03-Jun-13	27-Jun-13	3,867.50	160.15	4,027.65	201.39	4,229.04
03-Sep-13	11572413	20-Jun-13	31-Jul-13	20,488.00	363.86	20,851.86	1,042.59	21,894.45
30-Sep-13	11579535	01-Aug-13	30-Aug-13	49,402.50	1,263.69	50,666.19	2,533.31	53,199.50
04-Dec-13	11596386	01-Oct-13	31-Oct-13	13,254.50	819.51	14,074.01	700.71	14,774.72
05-Nov-13	11601620	30-Aug-13	30-Sep-13	54,191.00	1,924.20	56,115.20	2,804.76	58,919.96
31-Jan-14	11617322	04-Nov-13	19-Dec-13	12,636.00	1,062.23	13,698.23	684.41	14,382.64
28-Apr-14	11644881	13-Jan-14	21-Mar-14	2,989.00	282.34	3,271.34	163.57	3,434.91
30-Jun-14	11664275	17-Apr-14	28-May-14	10,514.50	742.17	11,256.67	559.84	11,816.51
26-Mar-15	11762938	17-Jun-14	14-Jan-15	4,522.50	1,076.87	5,599.37	279.97	5,879.34

Invoice Date	Invoice #	Start Date	End Date	Fees	Disbursements	Subtotal	GST / HST	Total
29-Nov-17	12083572	11-May-16	31-Oct-17	21,757.00	113.65	21,870.65	1,092.53	22,963.18
06-Mar-18	12104020	06-Nov-17	23-Dec-17	4,638.00	68.35	4,706.35	235.32	4,941.67
23-Apr-18	12133254	02-Jan-18	08-Mar-18	1,402.50	45.80	1,448.30	72.42	1,520.72
26-Jun-18	12161390	04-Apr-18	28-May-18	4,207.50	0.15	4,207.65	210.39	4,418.04
10-Aug-18	12171388	15-Jun-18	26-Jun-18	3,740.00	5.85	3,745.85	187.29	3,933.14
17-Oct-18	12192459	03-Jul-18	30-Aug-18	2,040.00	-	2,040.00	102.00	2,142.00
<b>Total Osler</b>				<b>\$ 1,722,819.00</b>	<b>\$ 68,432.74</b>	<b>\$ 1,791,251.74</b>	<b>\$ 89,456.16</b>	<b>\$ 1,880,707.90</b>

**Kathleen S. Davis Professional Corp. ("KSDPC") - Receiver's conveyancing counsel**

11-Nov-10	5076			\$ 666.67	\$ -	\$ 666.67	\$ 33.33	\$ 700.00
25-Nov-10	5117			666.67	-	666.67	33.33	700.00
17-Jun-11	5694			714.29	-	714.29	35.71	750.00
18-Aug-11	5925			714.29	-	714.29	35.71	750.00
18-Aug-11	5926			714.29	-	714.29	35.71	750.00
29-Aug-11	5732			714.29	-	714.29	50.00	764.29
01-Sep-11	5994			714.29	-	714.29	35.71	750.00
21-Jul-11	5838			714.29	-	714.29	35.71	750.00
18-Oct-11	6101			714.29	-	714.29	35.71	750.00
18-Oct-11	6102			714.29	-	714.29	35.71	750.00
06-Dec-11	6247			714.29	-	714.29	35.71	750.00
06-Dec-11	6249					714.29		714.29
07-Dec-11	6250			714.29	-	714.29	35.71	750.00
22-Dec-11	6282			714.29	-	714.29	35.71	750.00
16-Mar-12	6477			714.29	-	714.29	35.71	750.00
04-Apr-12	6540			714.29	-	714.29	35.71	750.00
04-Apr-12	6541			714.29	-	714.29	35.71	750.00
09-May-12	6635			714.29	-	714.29	35.71	750.00
15-May-12	6673			714.29	-	714.29	35.71	750.00
05-Nov-12	7217			714.29	168.00	882.29	44.11	926.40
05-Nov-12	7218			714.29	168.00	882.29	44.11	926.40
05-Nov-12	7219			714.29	168.00	882.29	44.11	926.40
05-Nov-12	7220			714.29	168.00	882.29	44.11	926.40
24-Jan-13	7354			714.29	-	714.29	35.71	750.00
24-Jan-13	7383			714.29	-	714.29	35.71	750.00
16-Apr-13	7567			714.29	35.00	749.29	35.71	785.00
23-May-13	7645			714.29	-	714.29	35.71	750.00
30-May-13	7674			714.29	-	714.29	35.71	750.00
07-Nov-13	8216			714.29	-	714.29	35.71	750.00
08-Aug-13	7914			714.29	35.00	749.29	35.71	785.00
22-Aug-13	7935			714.29	-	714.29	35.71	750.00
12-Sep-13	8025			714.29	-	714.29	35.71	750.00
16-Sep-13	8028			714.29	-	714.29	35.71	750.00
28-Oct-13	8172			714.29	-	714.29	35.71	750.00
29-Oct-13	8175			714.29	-	714.29	35.71	750.00
30-Oct-13	8184			714.29	-	714.29	35.71	750.00
20-Dec-13	8363			5,000.00	1,027.50	6,027.50	250.75	6,278.25
13-Jun-14	8726			500.00	-	500.00	25.00	525.00
30-Jun-14	8800			500.00	-	500.00	25.00	525.00
04-Jul-14	8866			500.00	-	500.00	25.00	525.00
10-Jul-14	8872			500.00	-	500.00	25.00	525.00
25-Jul-14	8928			500.00	-	500.00	25.00	525.00
<b>Total KSDPC</b>				<b>\$ 32,404.91</b>	<b>\$ 1,769.50</b>	<b>\$ 34,888.70</b>	<b>\$ 1,668.83</b>	<b>\$ 36,557.53</b>

**McLeod & Company LLP - Receiver's condominium law counsel**

28-Jul-10	134186	01-Jun-10	28-Jul-10	\$ 3,055.00	\$ 133.90	\$ 3,188.90	\$ 159.45	\$ 3,348.35
31-Aug-10	135057	13-Aug-10	31-Aug-10	1,275.00	17.20	1,292.20	64.61	1,356.81
20-Jan-11	139168	01-Sep-10	20-Jan-11	1,305.00	10.10	1,315.10	65.76	1,380.86
02-Mar-11	140307	29-Sep-10	28-Feb-11	3,128.00	28.89	3,156.89	157.84	3,314.73
02-Mar-11	140309	16-Dec-10	28-Feb-11	858.00	5.95	863.95	43.20	907.15
31-May-11	142663	26-Apr-11	31-May-11	1,187.50	0.85	1,188.35	59.42	1,247.77
28-Jun-11	143347	-	-	2,625.00	745.48	3,370.48	168.52	3,539.00
23-Sep-11	145477	11-Aug-11	22-Sep-11	1,757.50	42.70	1,800.20	90.01	1,890.21
20-Jan-12	148643	01-Dec-11	20-Jan-12	142.50	10.48	152.98	7.65	160.63

Invoice Date	Invoice #	Start Date	End Date	Fees	Disbursements	Subtotal	GST / HST	Total
31-Jul-12	153438	05-Jun-12	31-Jul-12	902.50	12.25	914.75	45.74	960.49
28-Mar-13	160062	19-Mar-13	28-Mar-13	1,746.00	23.20	1,769.20	88.46	1,857.66
30-May-13	161931	-	-	685.00	185.84	870.84	43.54	914.38
31-May-13	162189	24-Apr-13	31-May-13	1,455.00	18.40	1,473.40	73.67	1,547.07
30-Jul-13	163659	09-Jul-13	30-Jul-13	4,025.50	35.99	4,061.49	203.07	4,264.56
30-Sep-13	165413	01-Aug-13	30-Sep-13	2,958.50	96.24	3,054.74	152.74	3,207.48
<b>Total McLeod</b>				<b>\$ 27,106.00</b>	<b>\$ 1,367.47</b>	<b>\$ 28,473.47</b>	<b>\$ 1,423.68</b>	<b>\$ 29,897.15</b>
<b>Farris, Vaughan, Wills &amp; Murphy LLP</b>								
10-May-11	802284			\$ 1,092.30	\$ -	\$ 1,092.30	\$ 131.08	\$ 1,223.38
<b>Thornborough Smeltz LLP</b>								
27-Jun-14	-			\$ -	\$ 165.00	\$ 165.00	\$ -	\$ 165.00
<b>Field Law LLP</b>								
21-Aug-14	329,534.00			\$ 467.90	\$ -	\$ 467.90	\$ 5.64	\$ 473.54
<b>Total Legal Fees</b>				<b>\$ 1,783,890.11</b>	<b>\$ 71,734.71</b>	<b>\$ 1,856,339.11</b>	<b>\$ 92,685.39</b>	<b>\$ 1,949,024.50</b>

**Note**

The Reciever has identified an underpayment of Osler Invoice 11269454 of \$2.13 and an overpayment of Osler Invoice 11316633 of \$17.71, both discrepancies will be resolved upon receipt of Osler's final invoice for appearing before the Court to obtain the Receiver's discharge.



# APPENDIX "D"



Deloitte Restructuring Inc.  
700, 850 - 2 Street SW  
Calgary AB T2P 0R8  
Canada

Tel: 403-503-1458  
Fax: 403-718-3681  
www.deloitte.ca

**WITHOUT PREJUDICE**

September 11, 2014

BY EMAIL

Condominium Corporation No. 0915321  
c/o FirstService Residential Ltd.  
Cynthia Macfarlane  
Suite 810, Atrium 1, 839 – 5 Avenue SW  
Calgary, Alberta T2P 3C8

Dear Ms. Macfarlane:

Re: The Highbury Tower

As you are aware, Deloitte Restructuring Inc. (formerly Deloitte & Touche Inc.) (the “Receiver”) was appointed by the Court of Queen’s Bench of Alberta as receiver and manager of all the current and future assets, undertakings and properties of Perera Shawnee Ltd. and Perera Development Corporation (collectively, “Perera”) on March 3, 2010.

By letter dated September 11, 2013 (the “September 11, 2013 Letter”), a copy of which is attached, the Receiver acknowledged those six unfinished items within Phase I that the Receiver would complete at its cost (the “Acknowledged Items”), specifically:

1. Installation of two security cameras (one at the permanent Phase I entrance near the round-about, and another near the existing entrance onto Shawnee Gate);
2. Once the development of Phases II and III is complete, removal of the temporary entrance into the P4 parkade and the associated backfilling, landscaping and sidewalk work required to open up the permanent fire escape at the north-end of the townhouse hallway;
3. Complete the installation of the underground irrigation system on Phase I, which includes the areas in front of the townhouses and behind the southernmost townhouses near the permanent parkade entrance;
4. Complete the landscaping on Phase I, which includes the areas in front of the townhouses (already mainly complete) and behind the southernmost townhouses near the permanent parkade entrance;
5. Complete the soffit and stucco work required directly outside from the permanent lobby of Phase I; and
6. Certification of the swing stage anchors.

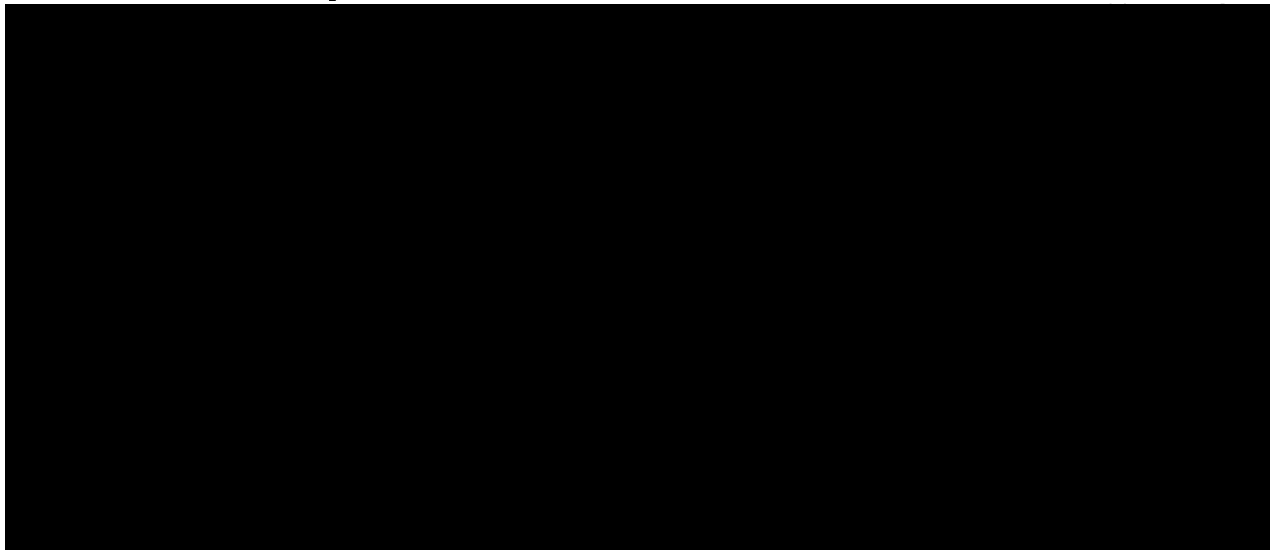
Following the September 11, 2013 Letter, the Condominium Corporation applied to the Court of Queen’s Bench of Alberta to lift the stay of proceedings and impose a levy on Perera to pay for the completion of

work within Phase I, other than the Acknowledged Items. The Court dismissed the application and granted First Calgary an Order for costs totaling \$15,000 (the "Cost Order").

Regardless of the Court's decision and the subsequent Cost Order granted to First Calgary, we are aware that the Condominium Corporation is continuing to assert that there are other unfinished items within Phase I that are the responsibility of the Receiver. The Condominium Corporation has not provided this list of Phase I items to the Receiver but in any event, the Receiver's position remains that it will only complete the Acknowledged Items. Further discussions or demands for the Receiver to complete other work on Phase I, in addition to the Acknowledged Items, will not be productive.

With respect to the Acknowledged Items, the Receiver notes that the certification of the swing stage anchors is complete and all associated documentation has been provided to Cynthia Macfarlane. The Receiver has obtained cost quotes from various contractors to complete the remaining five Acknowledged Items but is unable to complete this work until the Phase II and III construction is completed by the owner of Phase II and III, The Statesman Group of Companies Ltd. ("Statesman").

As an alternative to waiting for Statesman to complete Phases II and III before the Receiver completes the balance of the Acknowledged Items in Phase I, the Receiver is willing to negotiate a cash settlement.



Should you have any questions or wish to discuss this matter further, please contact Stefan DuChene at (403) 267-1750.

**DELOITTE RESTRUCTURING INC.**

In its capacity as 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 "Jeff Keeble", is written over a faint, larger version of the same signature.

Jeff Keeble, CA, CIRP, CBV  
Senior Vice President

# APPENDIX "E"

**Received**

OCT 23 2014

DELOITTE

October 22, 2014

Deloitte Restructuring Inc.

700, 850-2 Street SW

Calgary, AB T2P 0R8

Attention: Jeff Keeble

Dear Sir:

**RE: The Highbury Tower and Incomplete Construction Items**

The Condominium Corporation No. 0915321 ("Condo Corp.") is in receipt of your September 11, 2014 correspondence and shares the Receivers interest in completing the Phase I construction.

Your correspondence states that there are six unfinished items within Phase I that First Calgary is willing to complete following the completion of Phases II and III by the Statesman Group of Companies Ltd. (Statesman) or alternatively, the Receiver is willing to pay [REDACTED] as full and final satisfaction of all claims by the Condo Corp. and Phase I owners.

In decision 2013 ABQB 613, Justice Hawco noted that the Receiver agreed that it would be responsible for the costs of completing the unfinished work that is required to complete the project in the manner in which it was designed. He also proposed that an independent party should be retained to determine what constitutes either a deficiency or work which should have been completed by the developer pursuant to the original construction plan. As a result, the Condo Corp. has sought assistance in assembling an incomplete construction list from the City of Calgary, Farnum Construction and Statesman. The compiled list includes significantly more than the six items listed in your September 11, 2014 letter (58 items) and independent estimates for rectifying the incomplete construction items well exceed [REDACTED] (not including inflation).

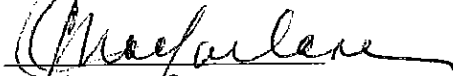
Finally, the Condo Corp. notes that your correspondence references a cost order for \$15,000. The Condo Corp. is not aware of any such cost order and should one exist, requests that you provide a copy and details on how it was obtained in the absence of notice to the Condo Corp.

The Condo Corp. looks forward to resolving this matter and would welcome a meeting between the Condo Corp., Statesman and First Calgary.

Yours truly,

FOR THE BOARD OF DIRECTORS

HIGHBURY TOWER



Cynthia Macfarlane

Community Manager

(403)299-1810

cynthia.macfarlane@condominiumfirst.com

cc: Statesman

First Calgary

# APPENDIX "F"

**Highbury Incomplete Construction Inspection Done July 1, 2014**

Attendees: Tom Micheluss, Gord Wagner, Rob Mah, Morgan Tingle, & Farnum Construction

**Highbury Incomplete Construction Inspection Items:**

**Item Building Exterior**

1	Exposed Tyvek wrap on many east balconies. Must be weather-proofed & clad.	\$10,000.00 no cladding needed
2	East side (front elev.) Sidewalk curb lighting is missing. Wiring in place. Need bulbs/lenses.	\$3,500.00
3	Irrigation system is partially installed. Exposed Piping. Must be tested & Finished (sprinkler heads & controls).	\$30,000.00
4	Unfinished scupper above townhouses, and missing downspouts.	\$8,000.00
5	Unfinished Brick trim around scuppers	\$2,000.00
6	South retaining wall, facing building: open receptacles with wiring, nails protruding	\$2,000.00
7	South Building wall, unfinished vent opening (for new parkade)	\$0.00 vent installed
8	South Building wall, exposed wires by T1 man door for security camera and keypad	\$5,000.00
9	South Building wall, exposed styrofoam: behind townhomes. Need waterproofing & cladding.	\$2,000.00
10	SE corner, exposed 1 1/2" OD black PVC piping (possibly irrigation)	\$0.00
11	South facing retaining wall has unfinished concrete: needs cladding or parging (per drwgs).	\$2,500.00
12	Parkade roof behind townhouses has exposed AND missing styrofoam (may have to remove existing styrofoam to ensure waterproofing is viable).	\$550,000.00 inc. landscaping
13	South Building wall has unfinished flashing at bottom.	\$2,500.00
14	South Building wall, exposed wires by T2 man door for security camera and keypad	\$5,000.00
15	Concrete wall has exposed styrofoam and waterproofing membrane (below Main floor SW corner show suite).	\$10,000.00
16	Missing address plaques on many townhouses	\$5,000.00
17	Exposed Insulation/metal flashing, unfinished/exposed water proofing membrane at NE corner of building	\$5,000.00
18	North facing: Current parkade entrance needs filling in. NOTE: Existing Parkade man door Emergency Exit to remain as per plans. Landscaping to be completed per plans.	\$130,000.00
19	Unfinished landscaping on west side of northern townhouses: refer to design drawings. East, North & South side landscaping also required (pre drawings).	\$300,000.00
20	Storm retention tank operation needs to be verified. Location and operation of all sump pumps need verification.	\$2,000.00 Just verification
21	Exposed styrofoam above north townhouses. Waterproof membrane needs inspection and styrofoam covered.	\$40,000.00
22	Exposed/temporary man door will be replaced with a window (townhome).	\$7,500.00
23	Exposed wiring above garbage room access for security camera/keypad. These need to be installed.	\$5,000.00
24	Unfinished landscaping outside of garbage room	\$0.00 Captured In item #19

**Building Exterior (items 1-24) - \$1,127,000.00**

**Building Interior**

25	Level T2, unfinished flooring and baseboards (north emergency man door exit).	\$5,000.00
26	Level T2, unfinished flooring and baseboards (south emergency man door exit)	\$5,000.00
27	Level T2, elevator lobby unfinished flooring. Note previously there were 4 pallets of stone tile stored in the garbage room for this work. Needs to be returned to Condo Board.	\$2,500.00
28	Level T2, garbage room entrance has large floor lip. See Item 27 note on stone tiles.	\$500.00
29	Level T2, has many missing ceiling sprinkler head trims (escutcheons).	\$2,000.00
30	Level T1, Dog wash facility has no running water and is unfinished.	\$6,000.00
31	Level T1, Main electrical room needs to have fire proof caulking for hole below panel box	\$2,500.00
32	Level T1 by show suite: The corridor is unfinished and emergency mandoor on the north wall is sealed. Two demising walls also missing. All need to be built to plans.	\$25,000.00
33	Level T1, Need to separate 2 townhome suites at north end of hallway (i.e. show suite and manager suite). See item 32.	\$10,000.00
34	Level T1, New Parkade area, cracks in floor that leak into parkade below	\$0.00 Deficiency item
35	Level T1, New Parkade area, exposed/missing expansion gasket/seal, floor, walls, and ceiling. Can see daylight.	\$18,000.00

36	Level M, Unfinished West Main entrance/platform, ceiling, cladding and missing steps. Build to plans.	\$125,000.00 inc. portion of round-about
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**Roof level (9 floor).**

37	West facing building wall has exposed building envelope material	\$14,000.00
38	Roof anchors need access through patio railing glass for cables (Do not place cables over patio railings).	\$10,000.00
39	East side by chiller, the roof styrofoam and membrane need inspection/repair. Were damaged by Deloitte during roof anchor inspection.	\$5,000.00

**Miscellaneous**

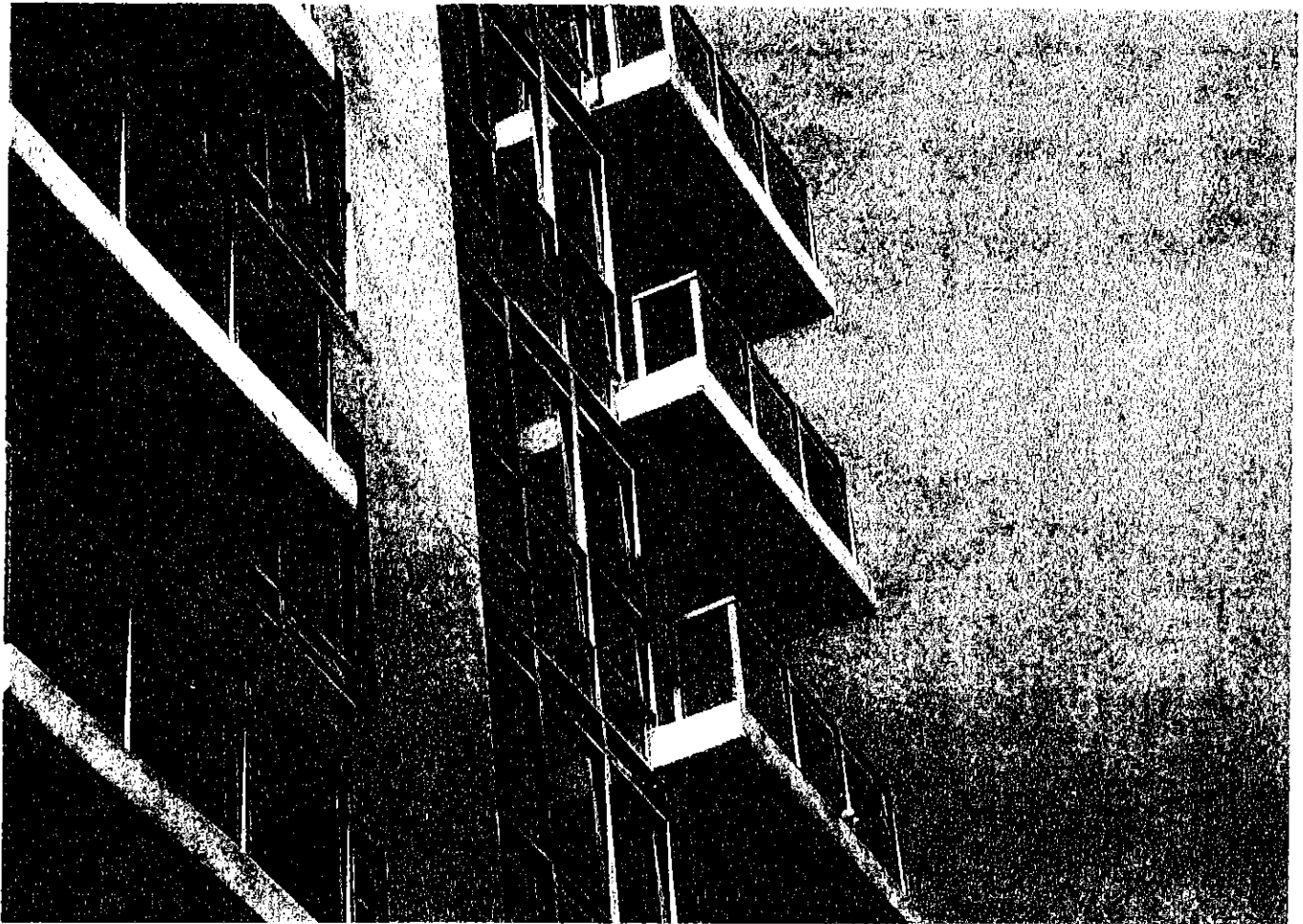
40	Existing lower parkade: Remove and relocate the sliding security gate	\$7,500.00
41	Elevator FOB readers need to be completed. Readers are installed but not operational.	\$5,000.00

**Building Interior (items 25-41) - \$243,000**      **\$243,000.00**

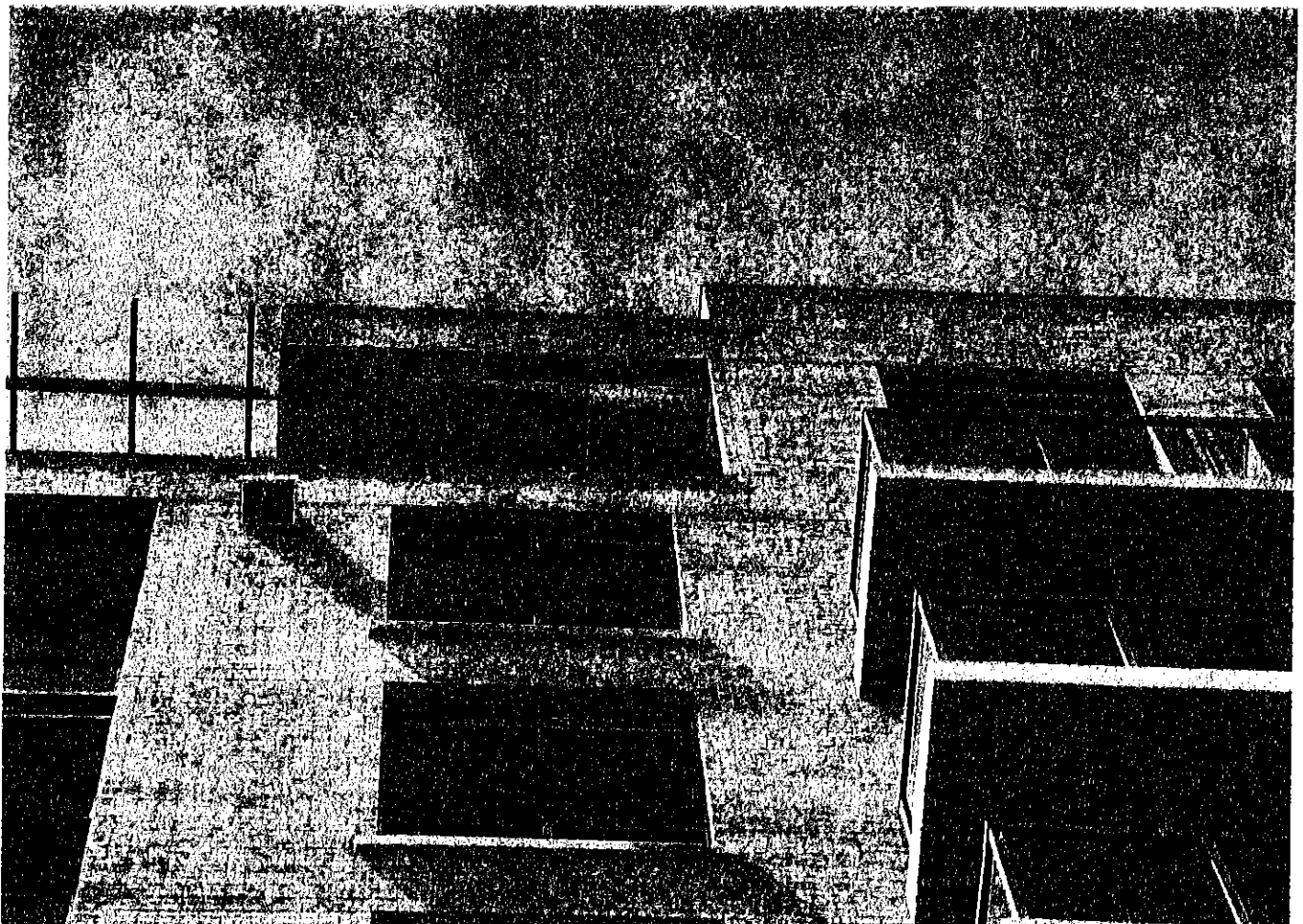
**City of Calgary Development Permit Requirements (per review of Dev. Permit Approval):**

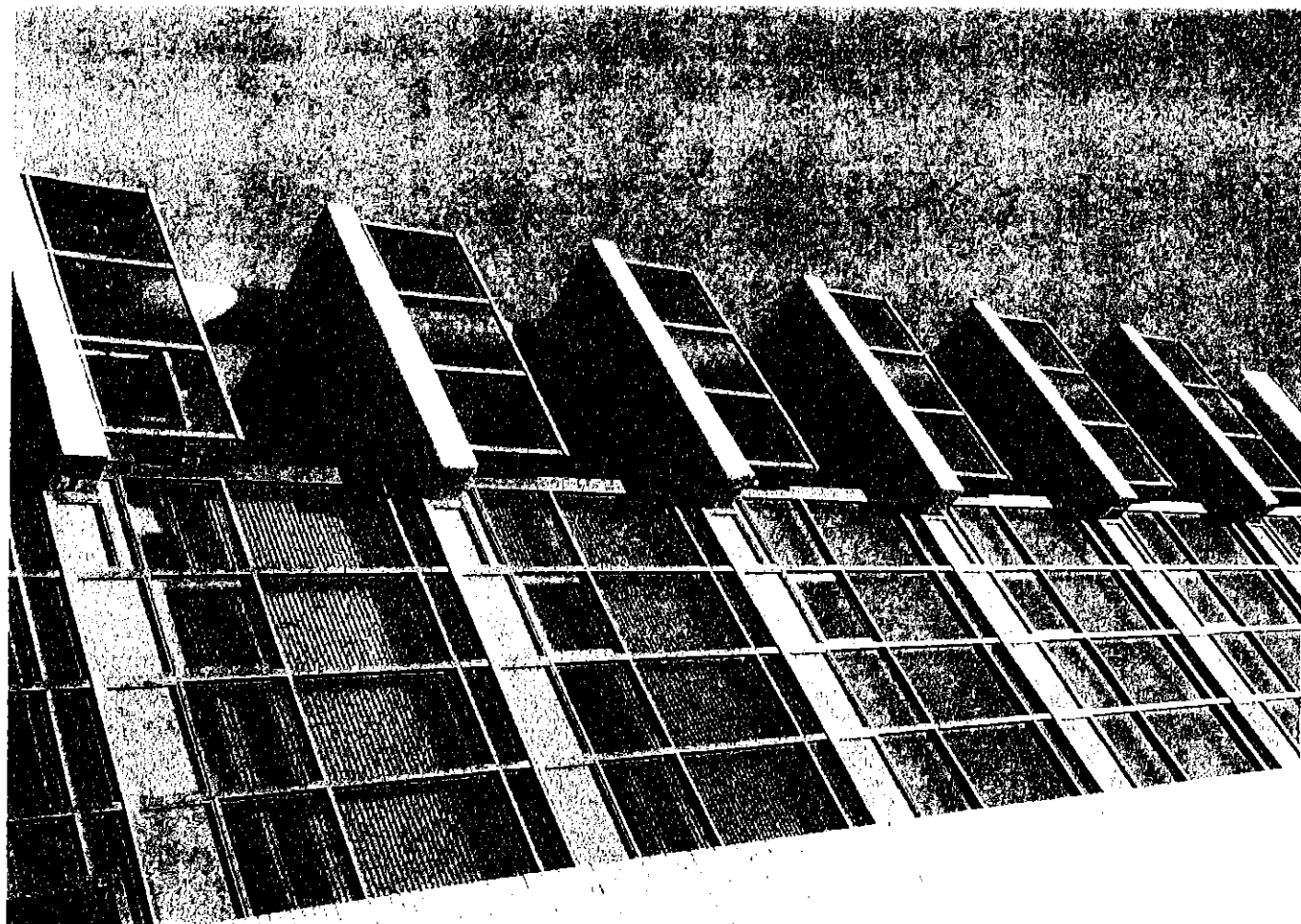
42	The removal of the retaining wall on James McKeivitt Road to allow the project to relate directly to sidewalk grades.
43	Driveway flares to be revised to match mark-up comments from Calgary Roads.
44	Widen access for waste vehicle access to 4.8 m.
45	Connect internal sidewalks to public sidewalks without the use of stairs (for wheelchairs, etc.). Provide barrier free access to from Traffic circle to bus stop on James McKeivitt. Provide signage at both ends. All pedestrian routes shall be lighted (CPTED).
46	All sidewalks around traffic circle to be 1.5 m wide.
47	Provide pedestrian crossings on each leg of traffic circle.
48	The parkade entrance and driveways off the traffic circle shall be 7.2 m wide.
49	A architecturally compatible transit patron waiting amenity shall be provided at the bus zone on James McKeivitt Rd.
50	Bicycle parking shall be provided (per City of Calgary Bicycle Parking Handbook).
51	A detailed redesign of the intersection of the access to the site and Shawnee Gate will be required.
52	All access roads, turnaround areas and traffic circle to be designed to carry Fire Dept. apparatus (85,000 lbs).
53	The development shall be completed in its entirety in accordance with the approved plans and conditions. There is no provision for revisions.
54	All service meters outside the building shall be located inside an architecturally compatible screening enclosure. As such, the Highbury gas piping and metering station would require this.
55	The developer shall submit an "As Constructed Grade Certificate" signed/sealed by a P. Eng. or registered Arch.
56	Emergency Gen. Fuel Supply: provide 3 sets of drawings (stamped by P. Eng.) to Fire Prevention Bureau.
57	Ponding is required for 1:100 year storm events. Direct all roof drainage to on-site storm. Controlled storm water discharge required.
58	The applicant is required to identify, implement and integrate a Travel Demand Management (TDM) program into the management of the proposed development.



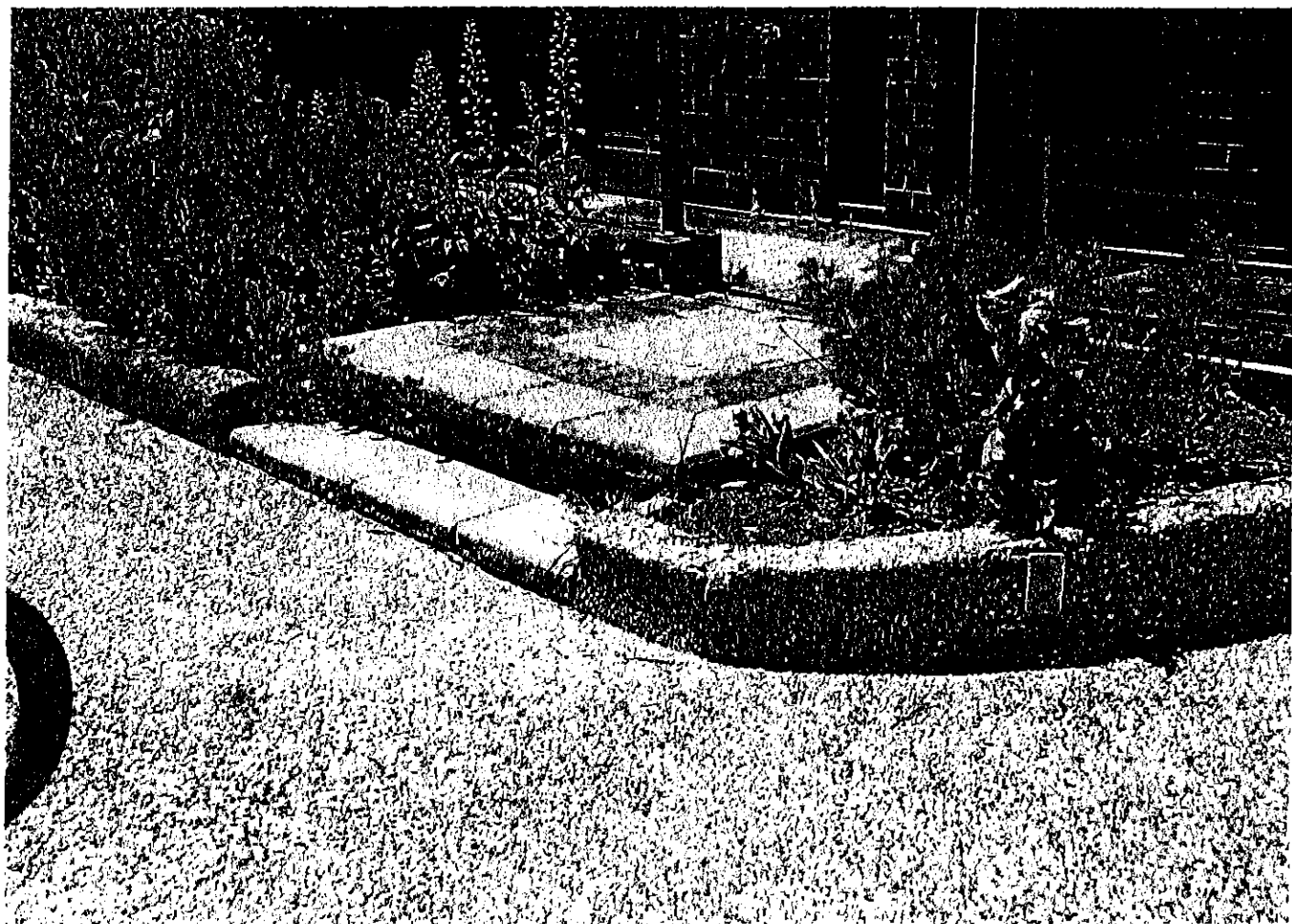


IC-1A



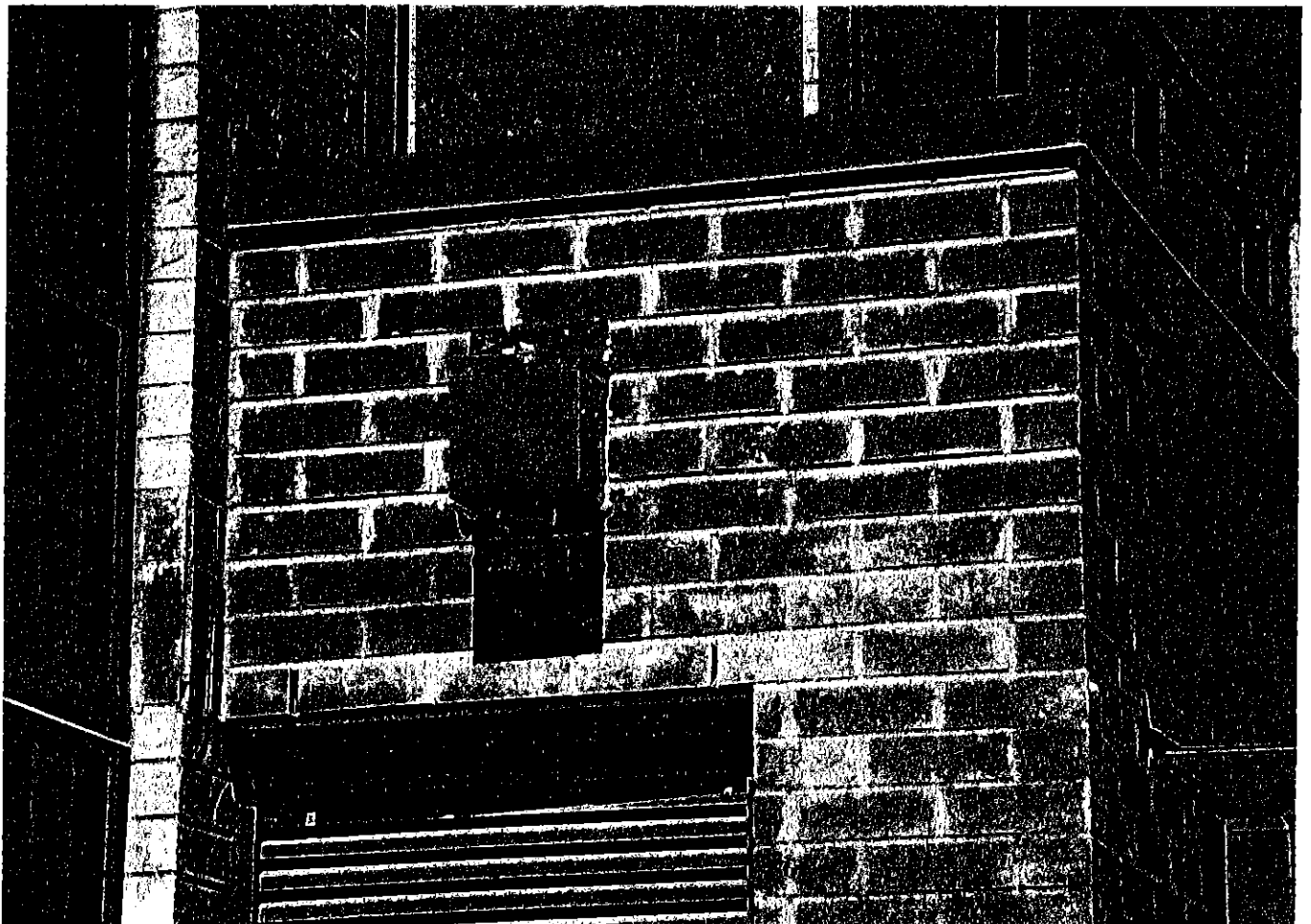


IC-1C



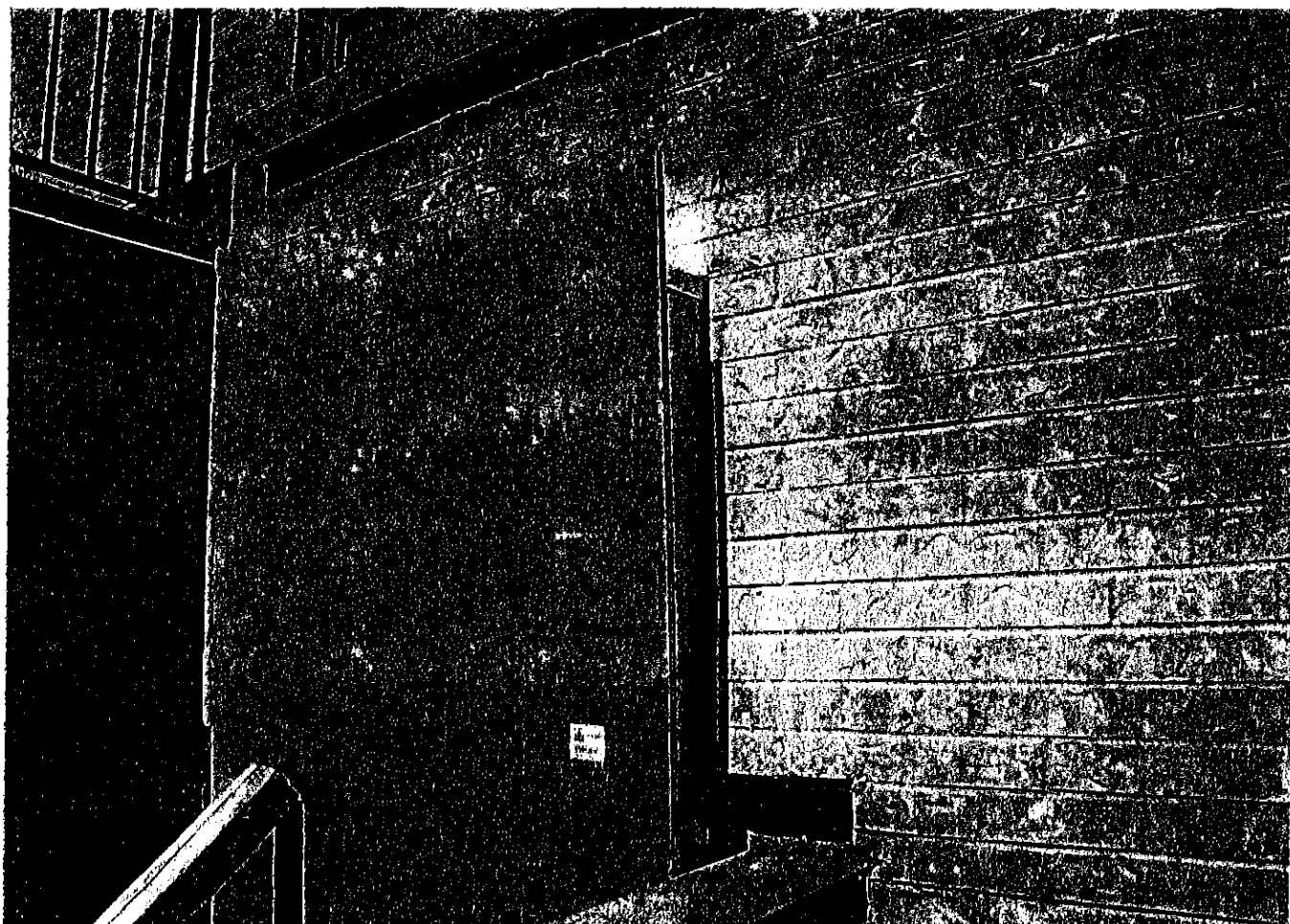


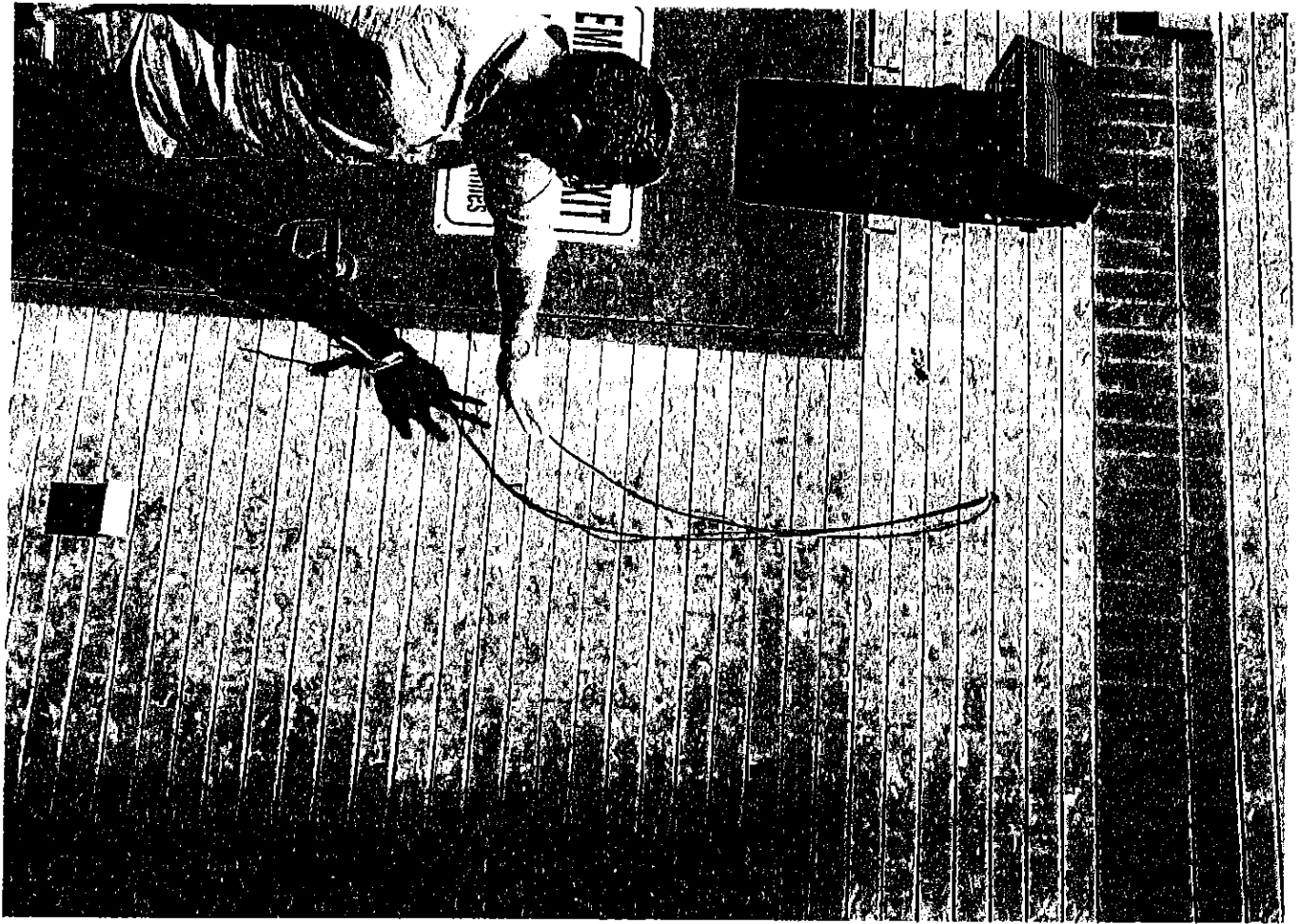
4c-3



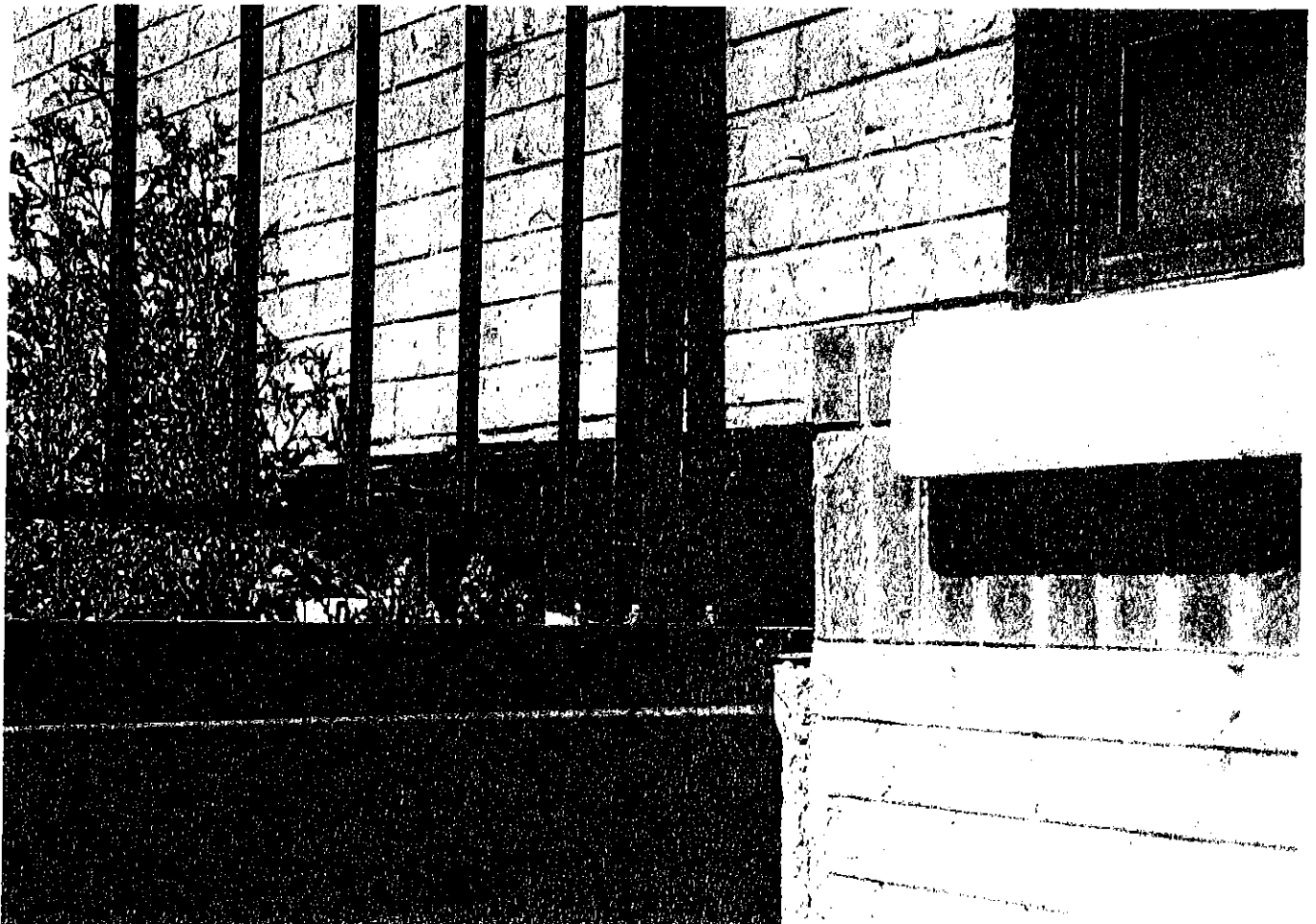


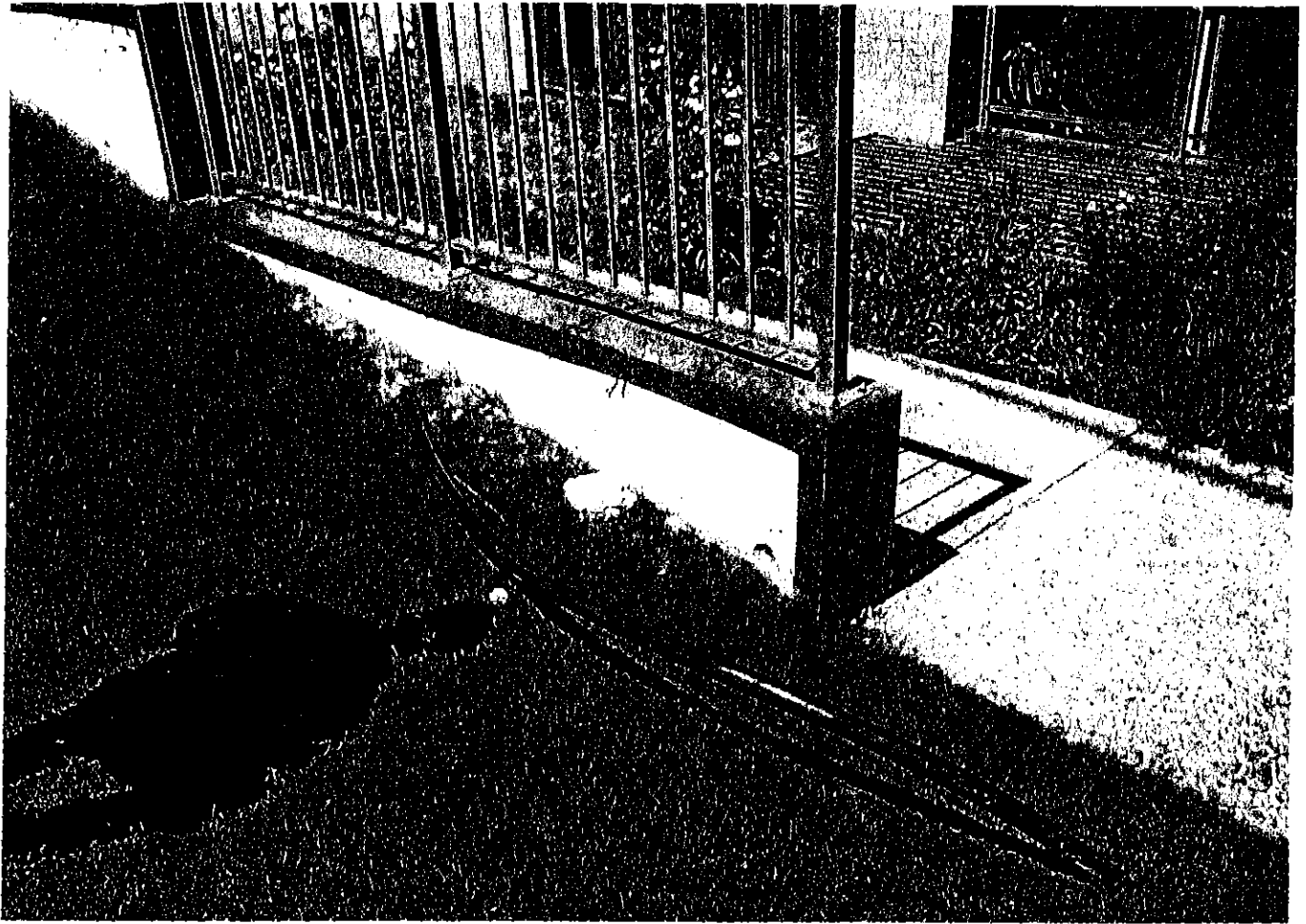
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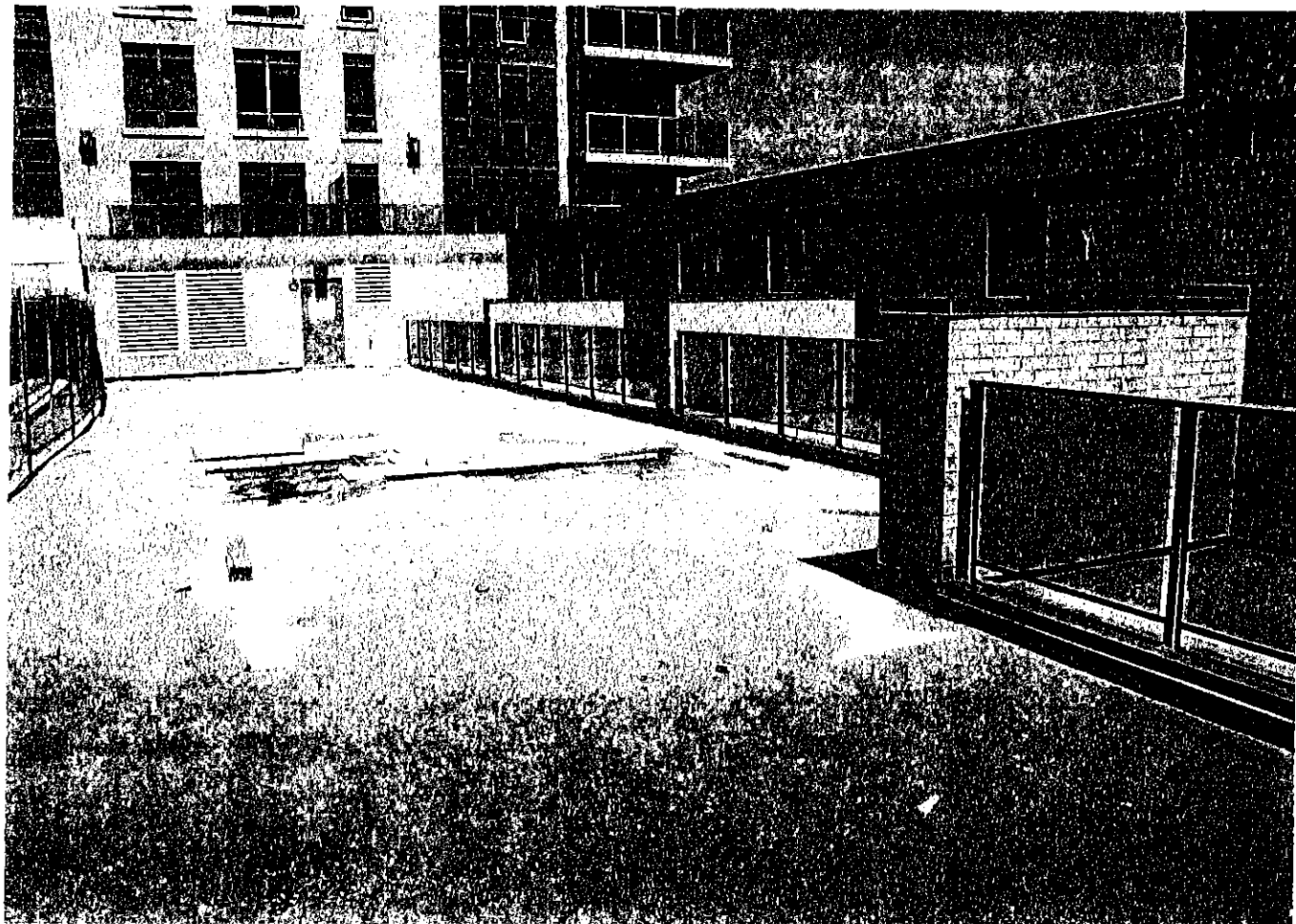
3c-8





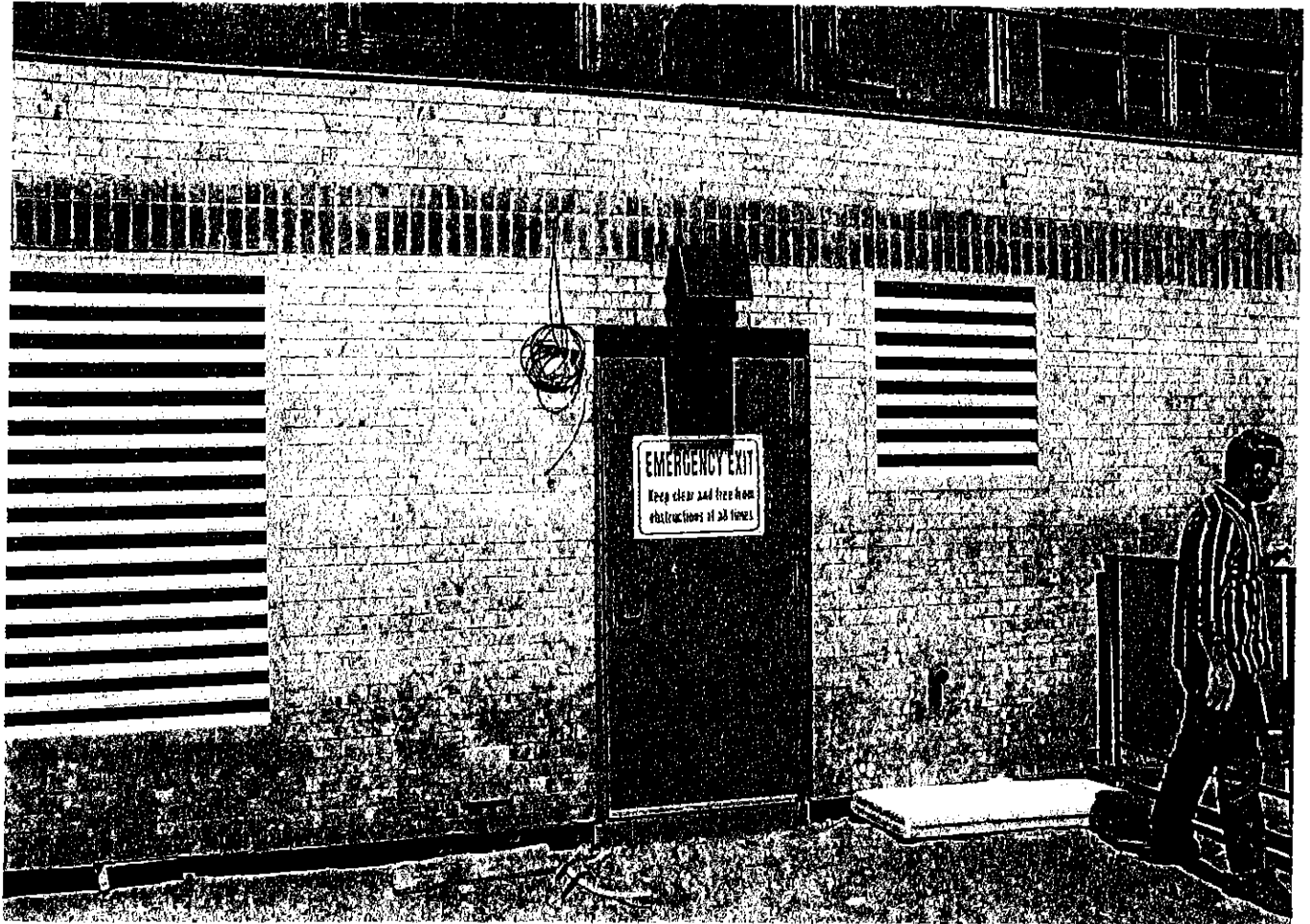
IC-10





IC-12

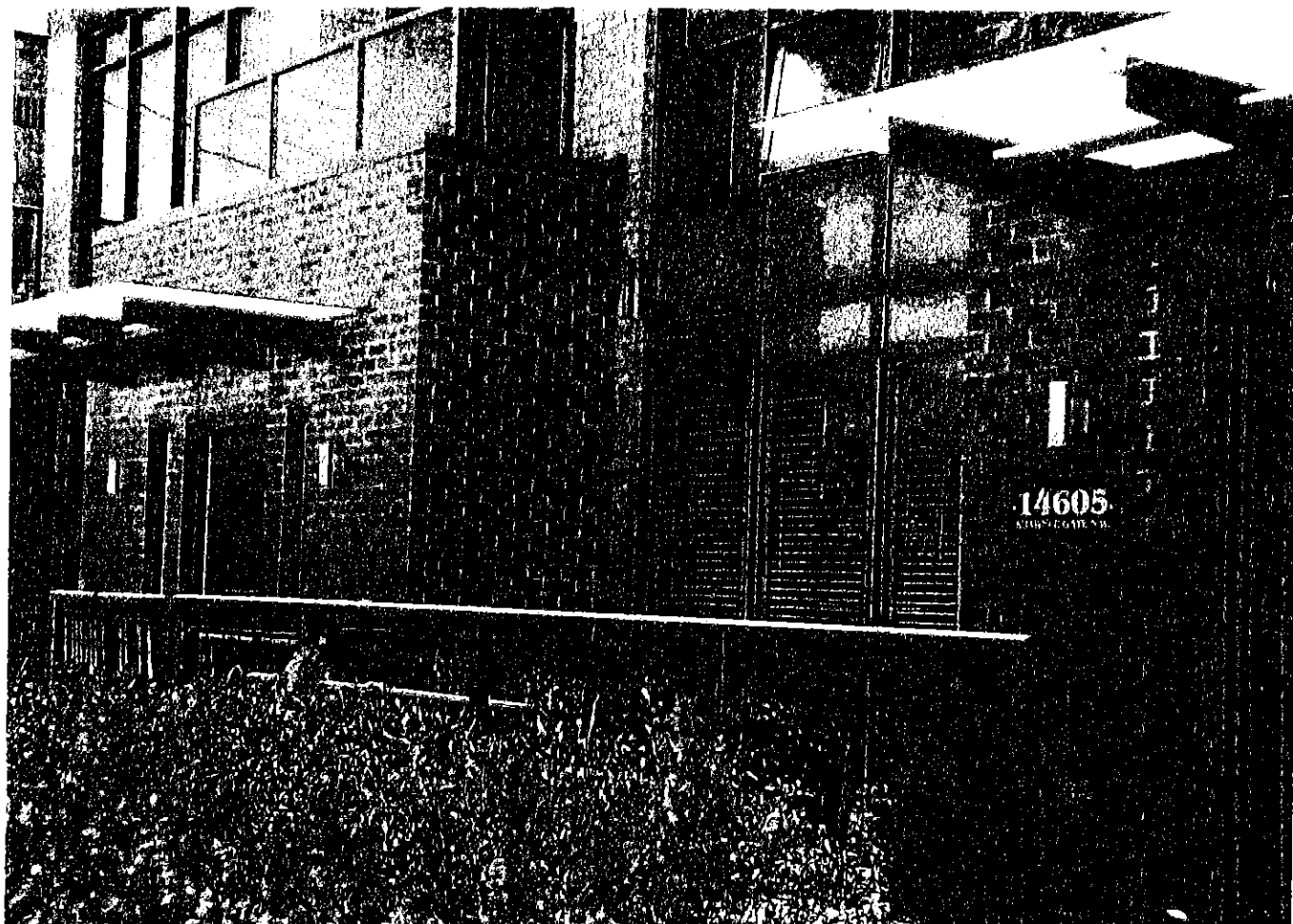




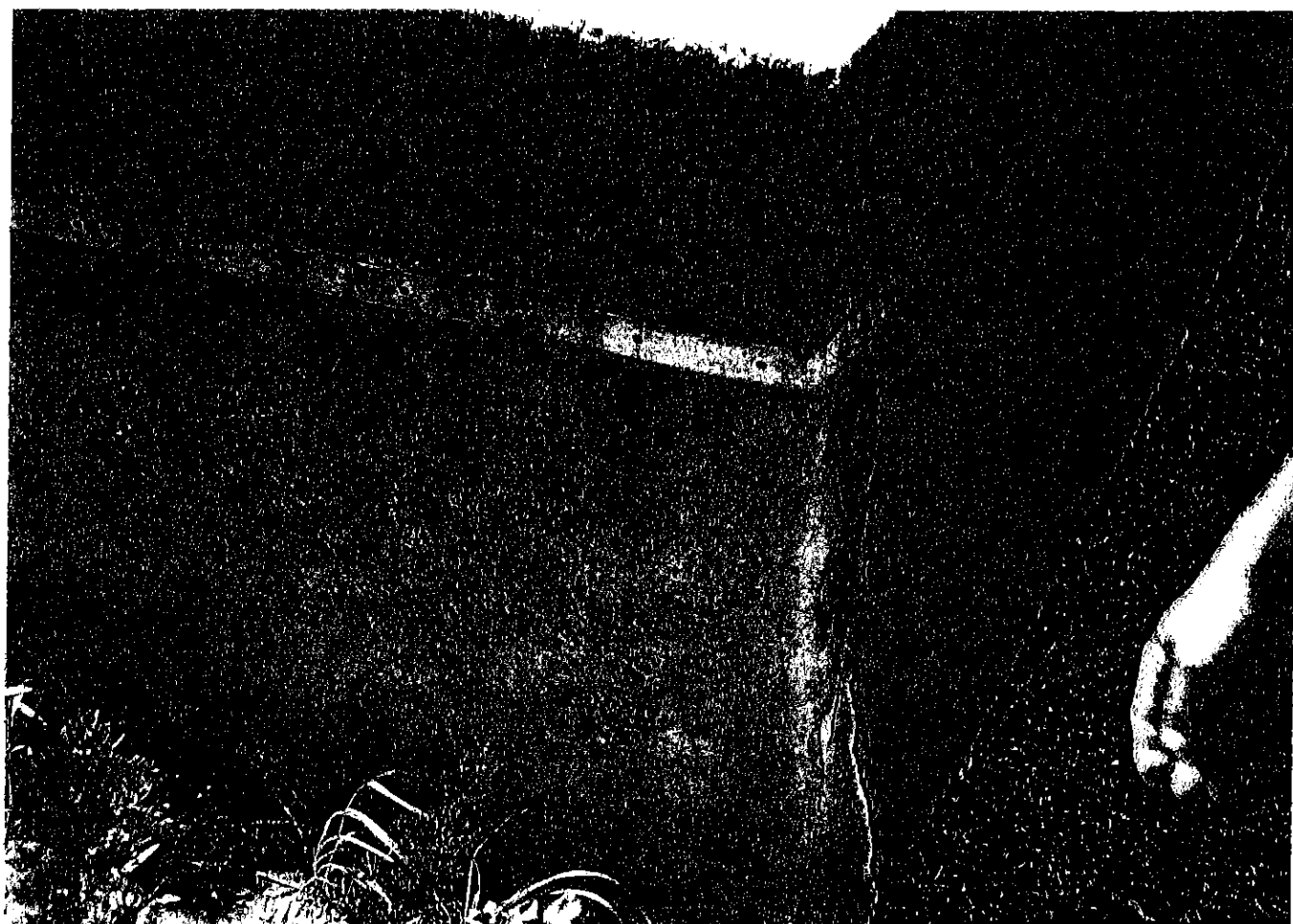
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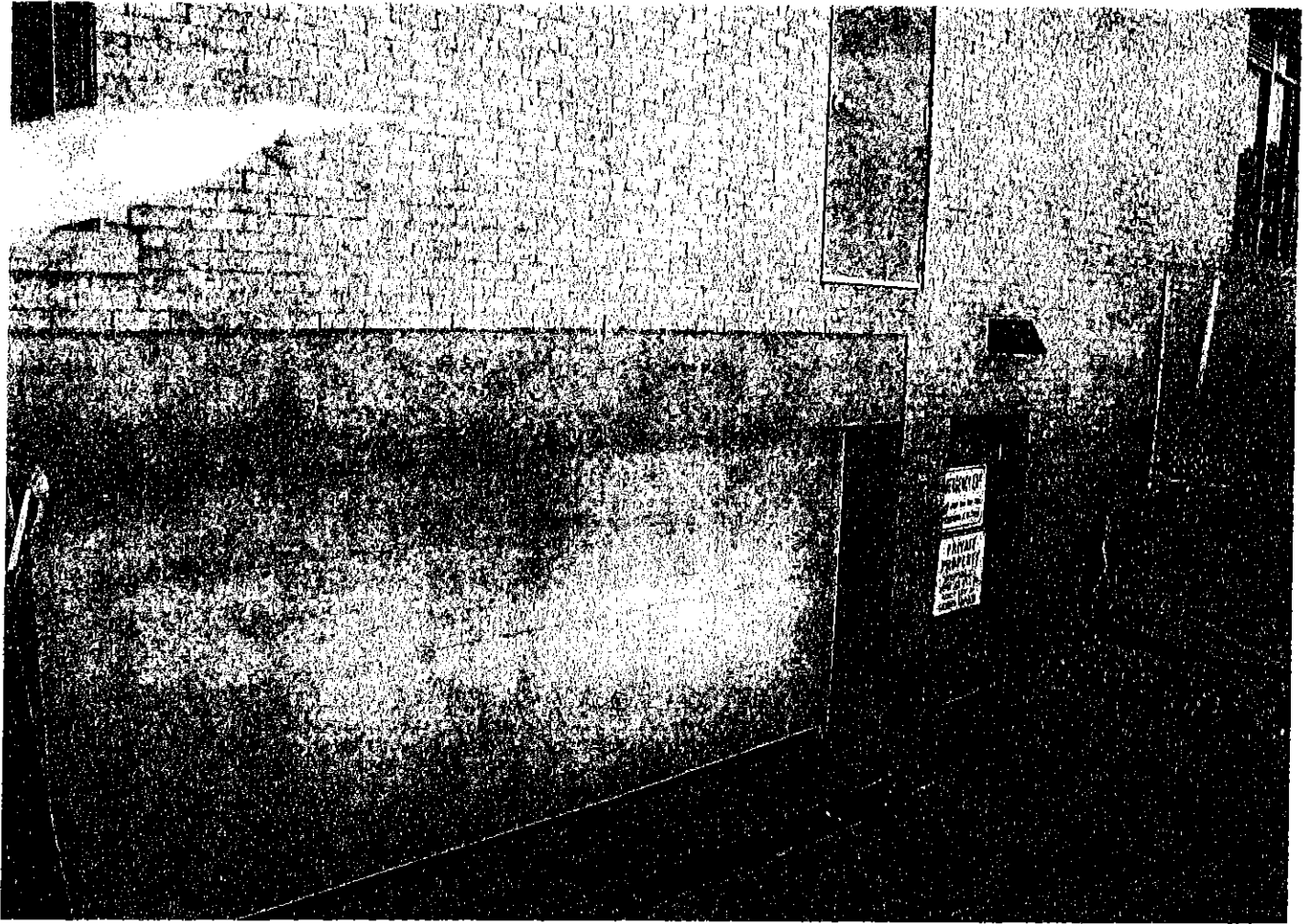






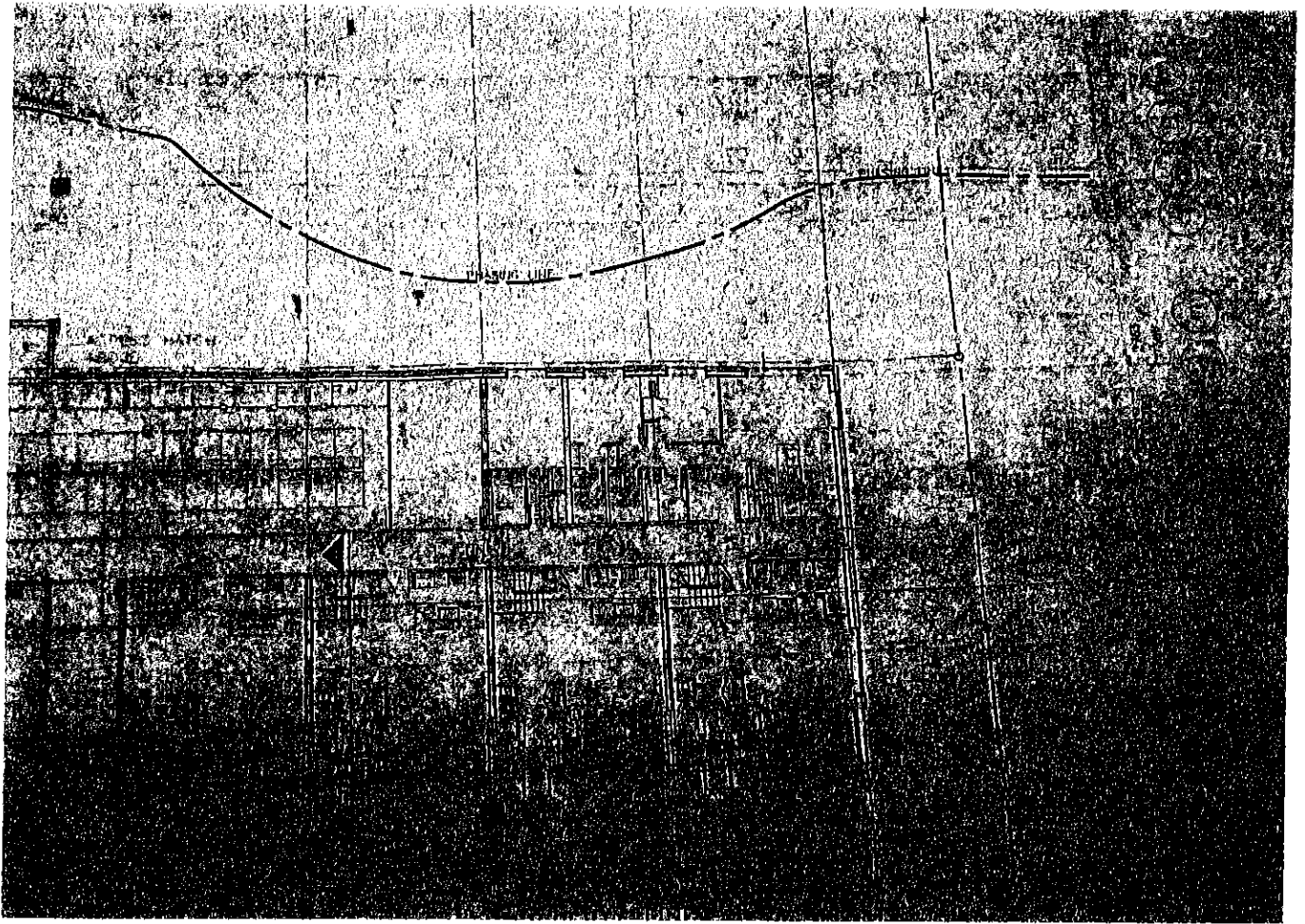
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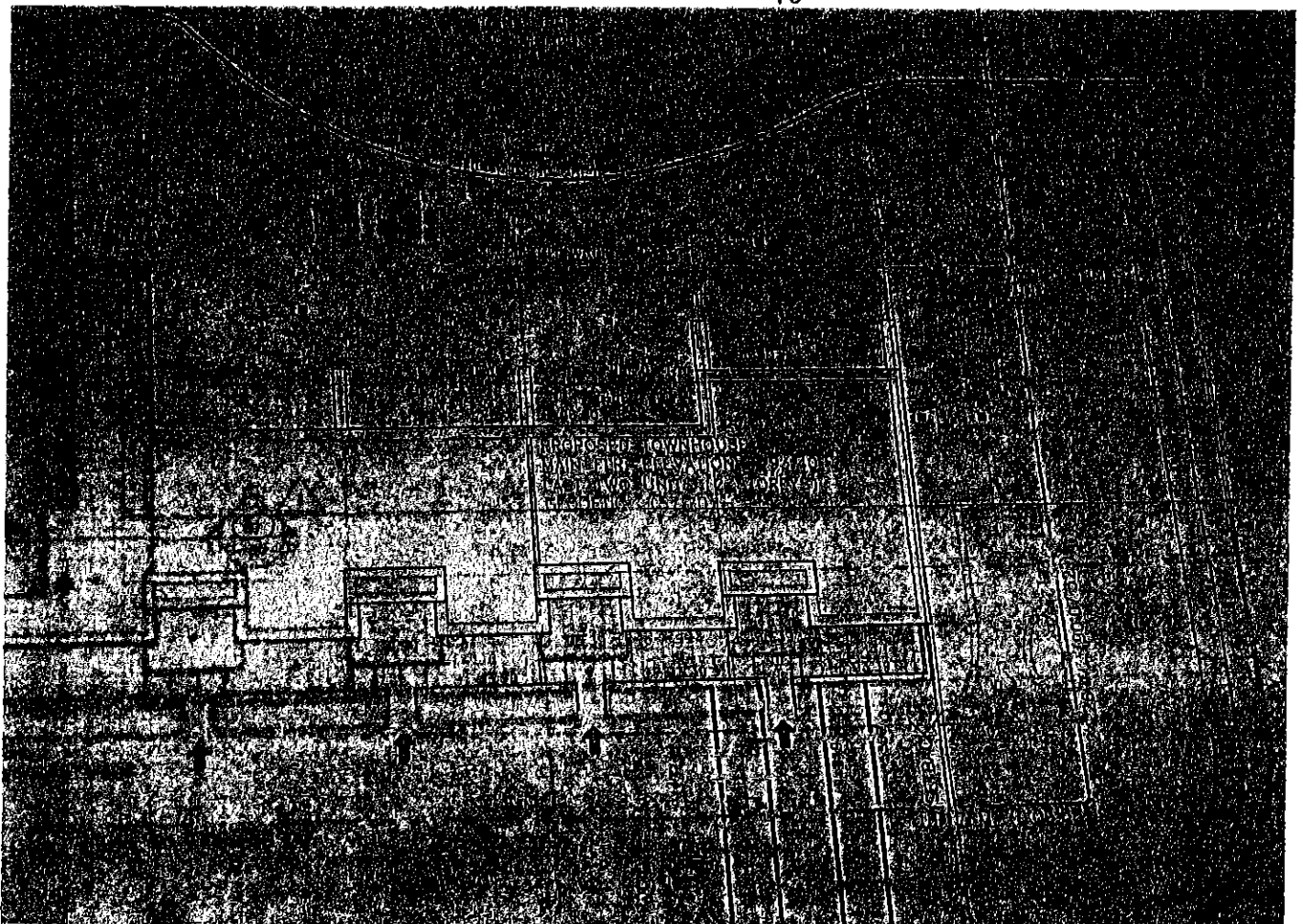


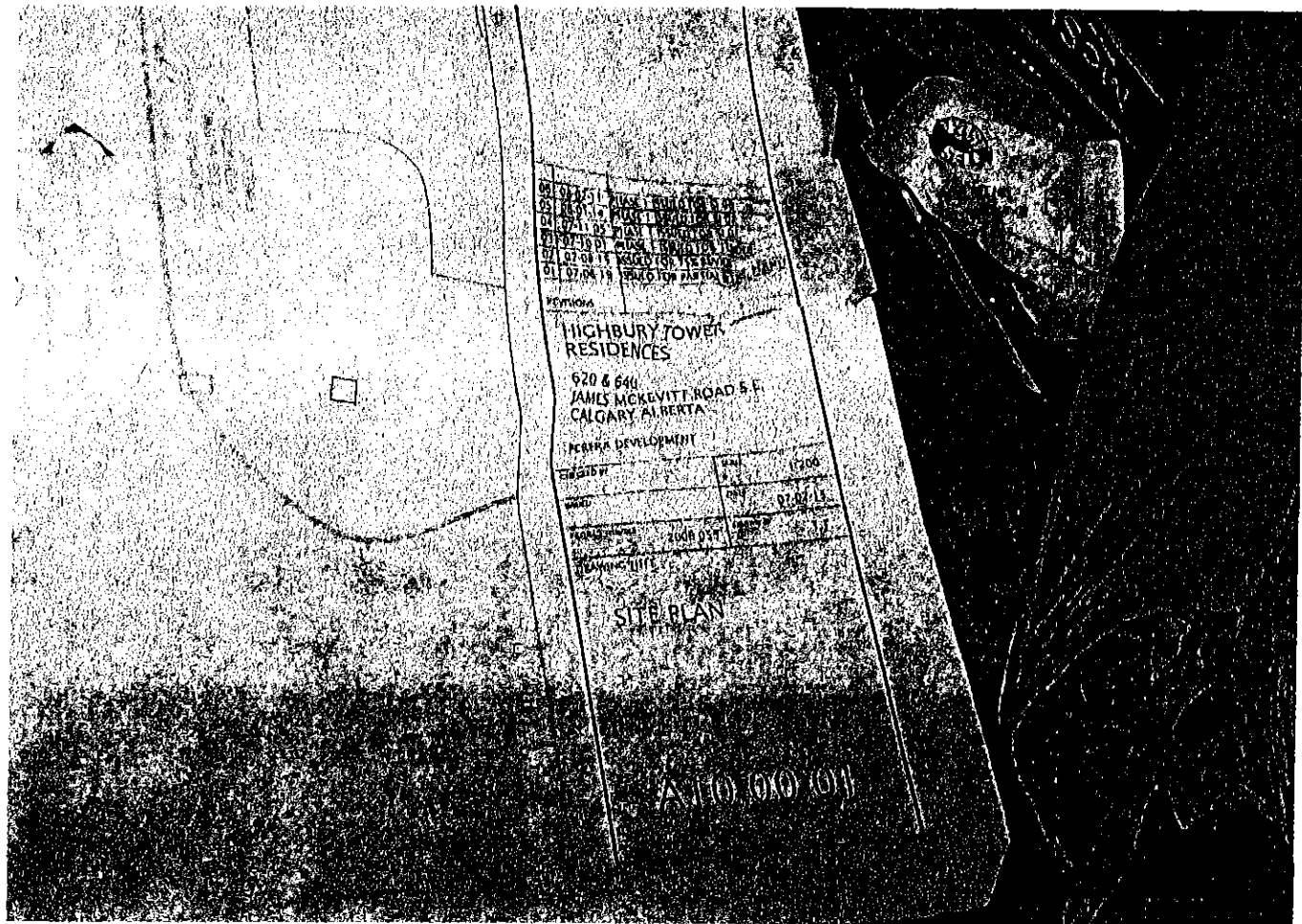
IC-18



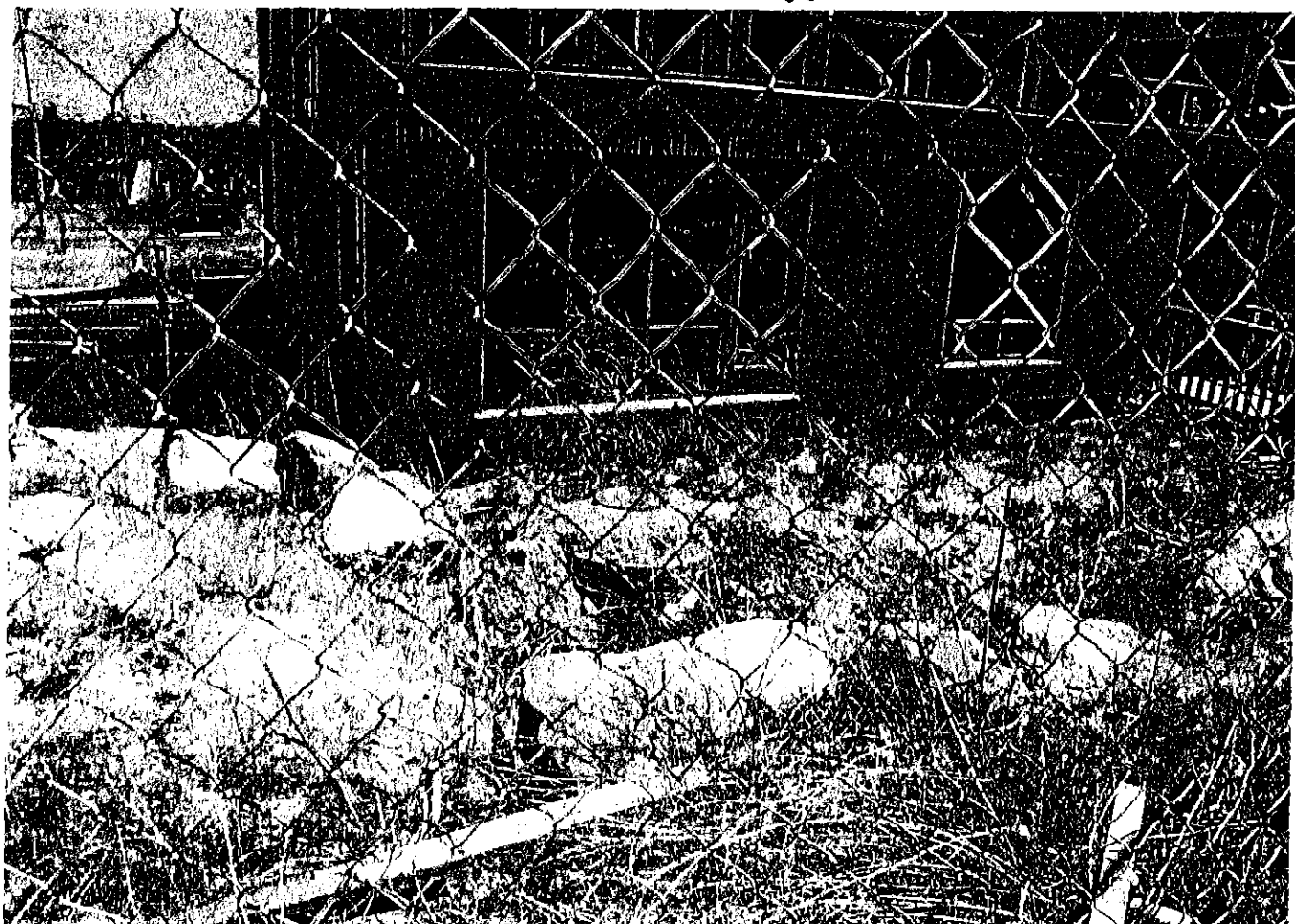


IC-18C



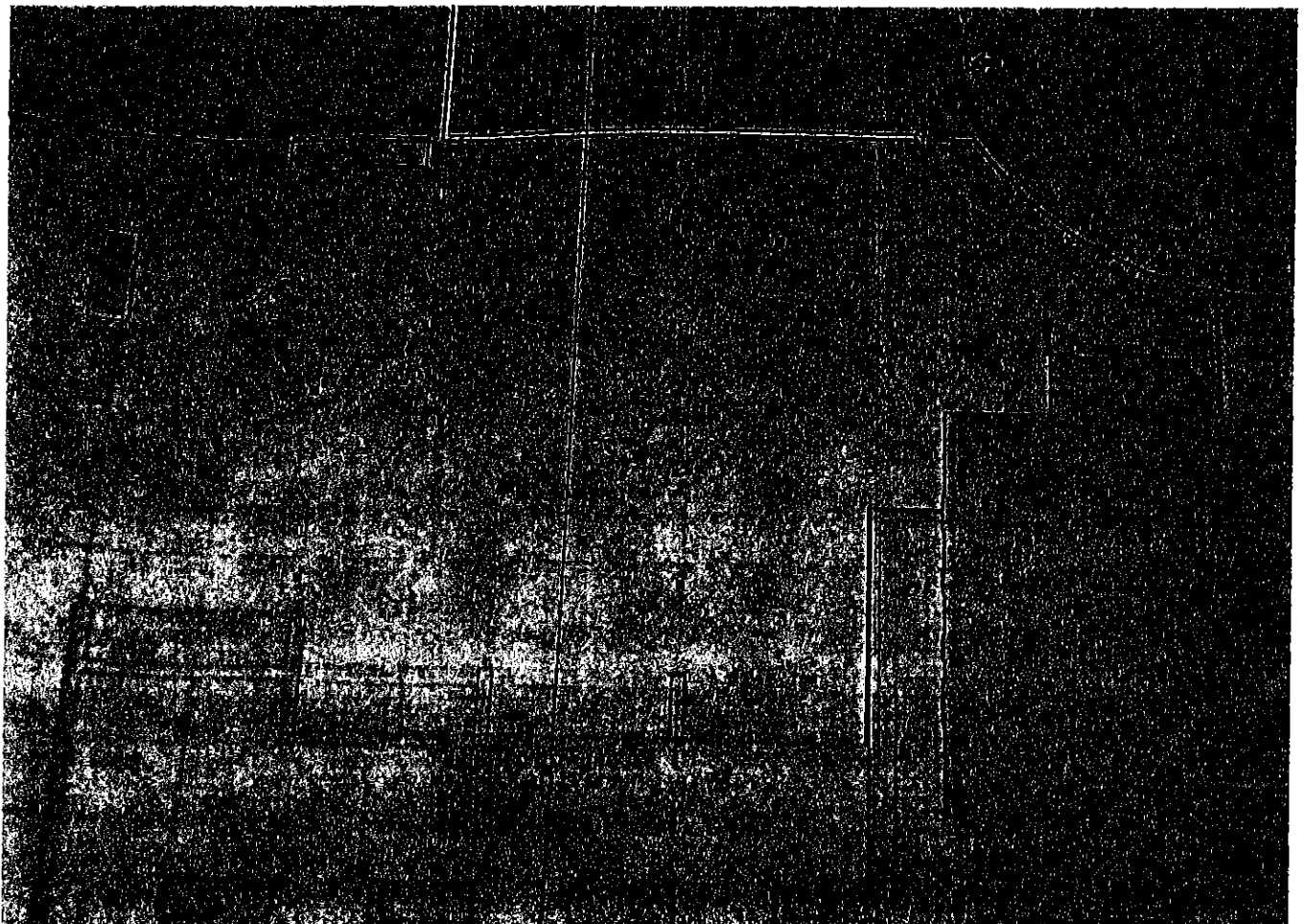


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IC-198



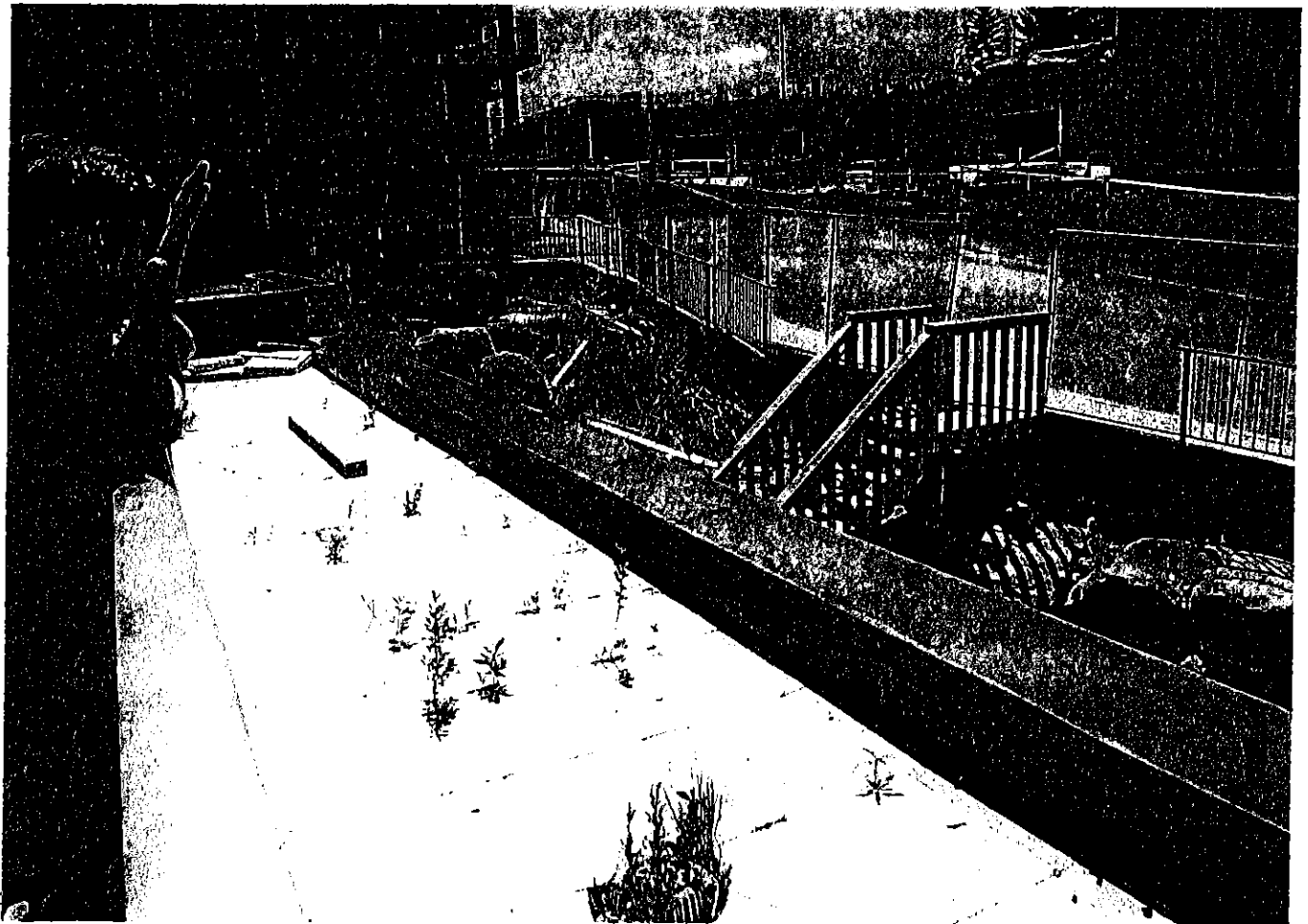


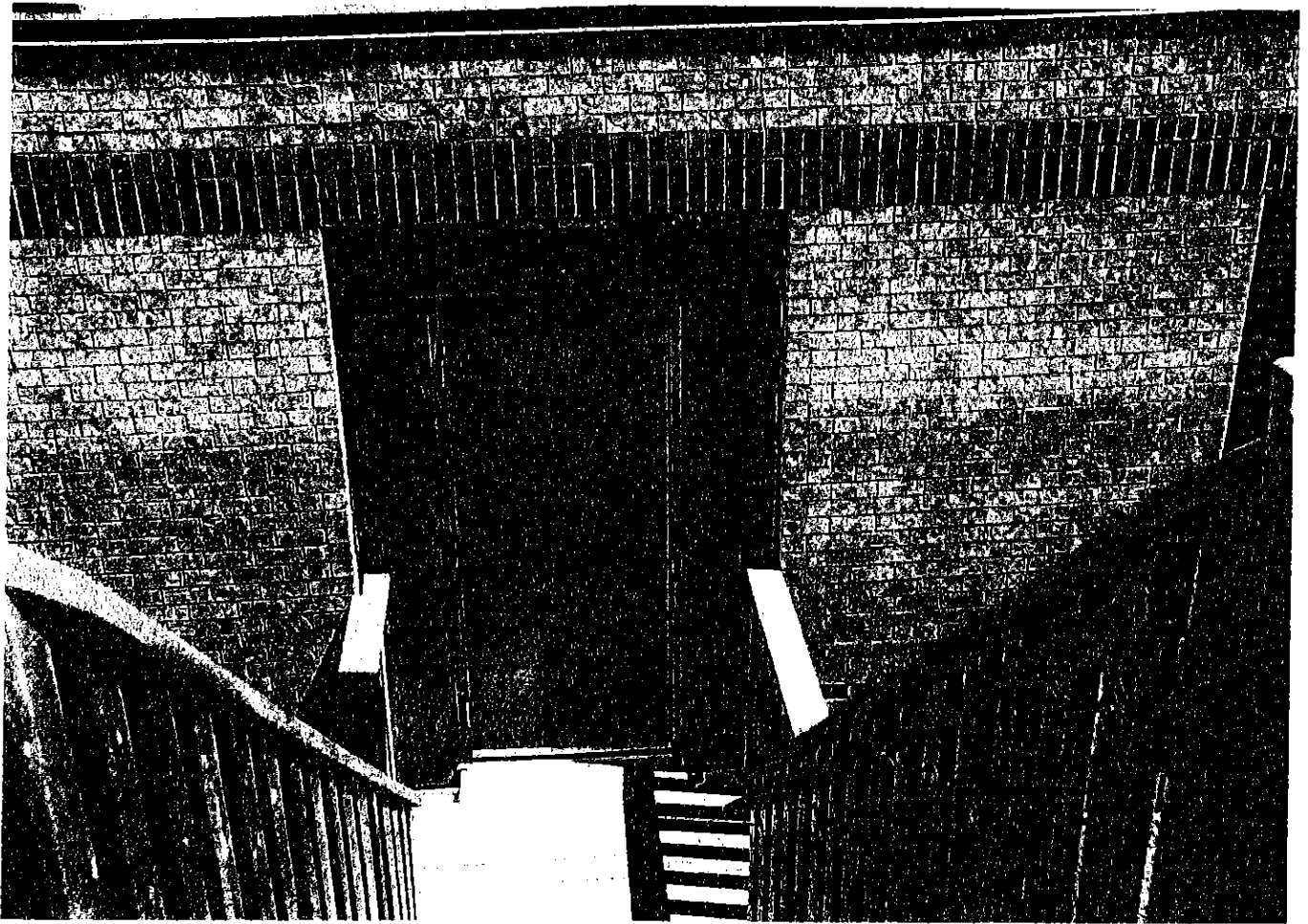
IC-20



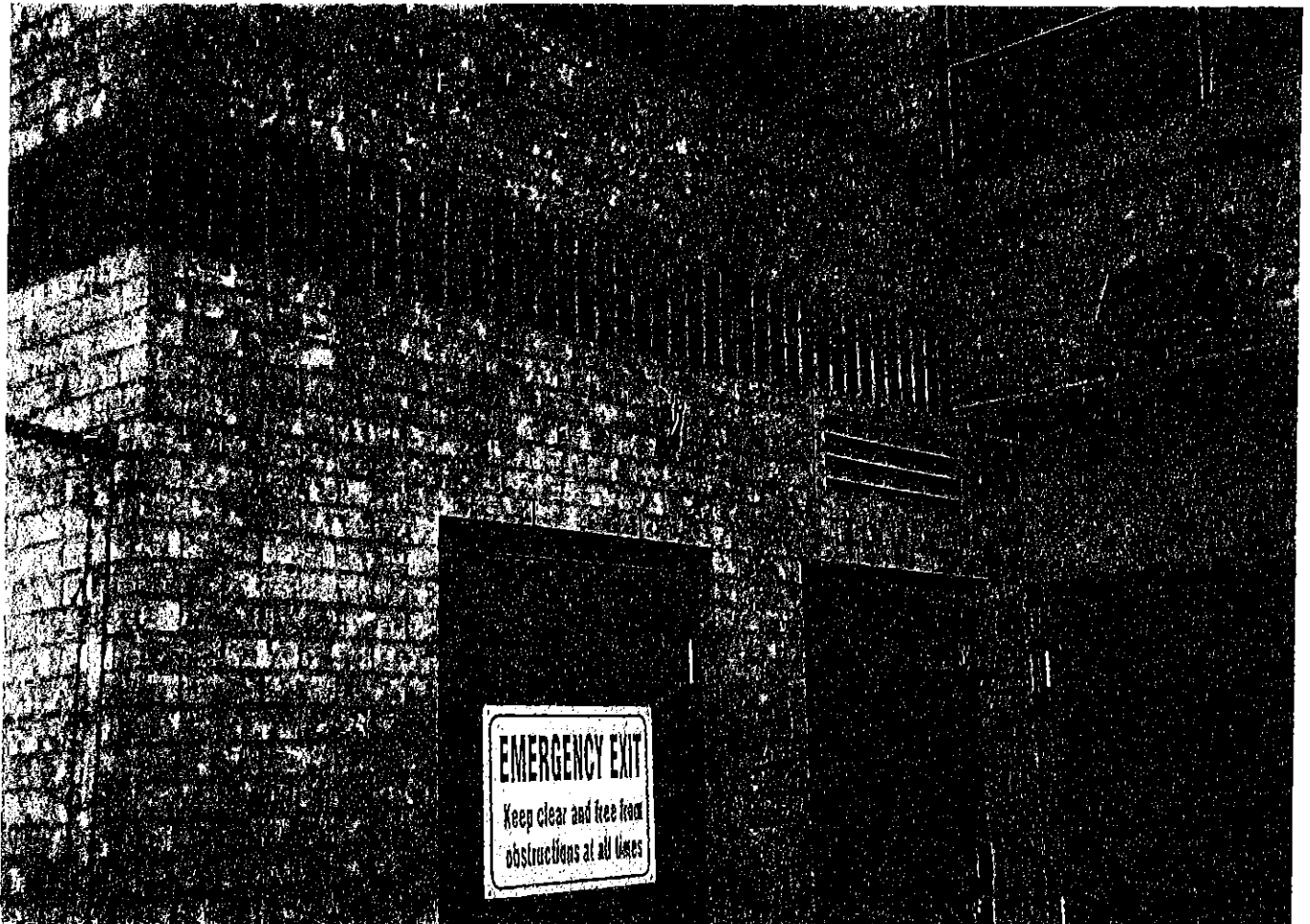


IC-21B





IC-22

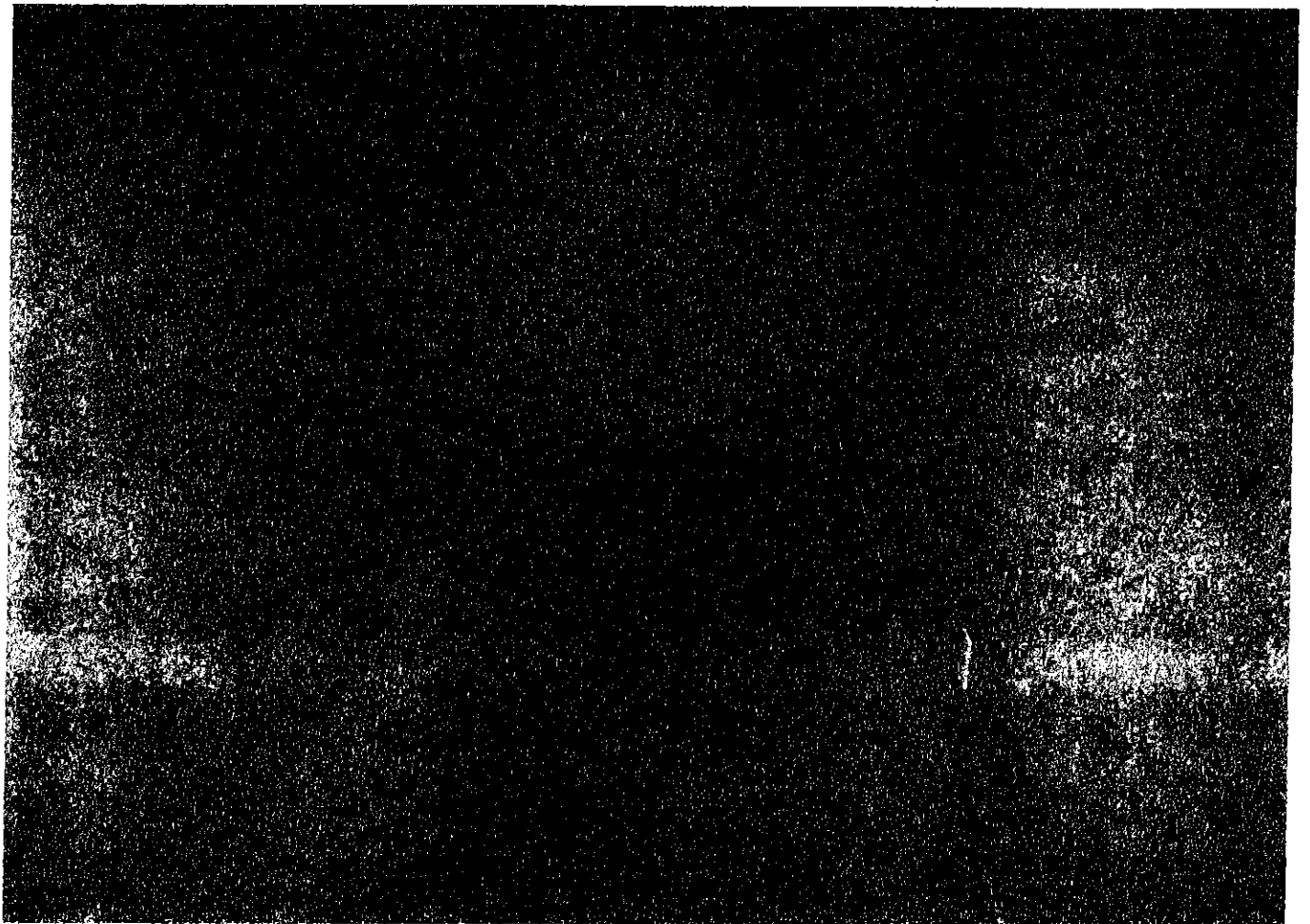


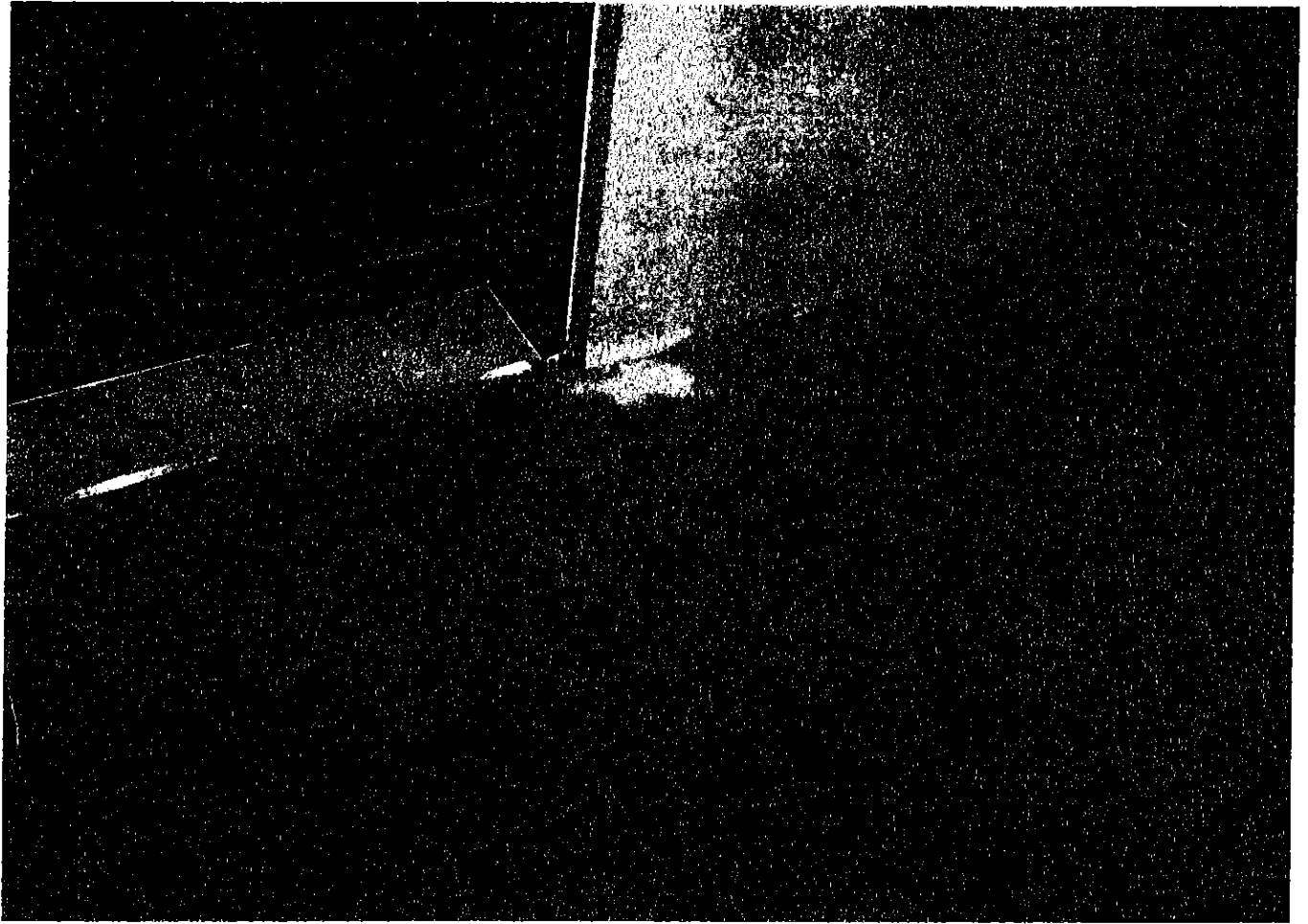
**EMERGENCY EXIT**  
Keep clear and free from  
obstructions at all times





IC-24



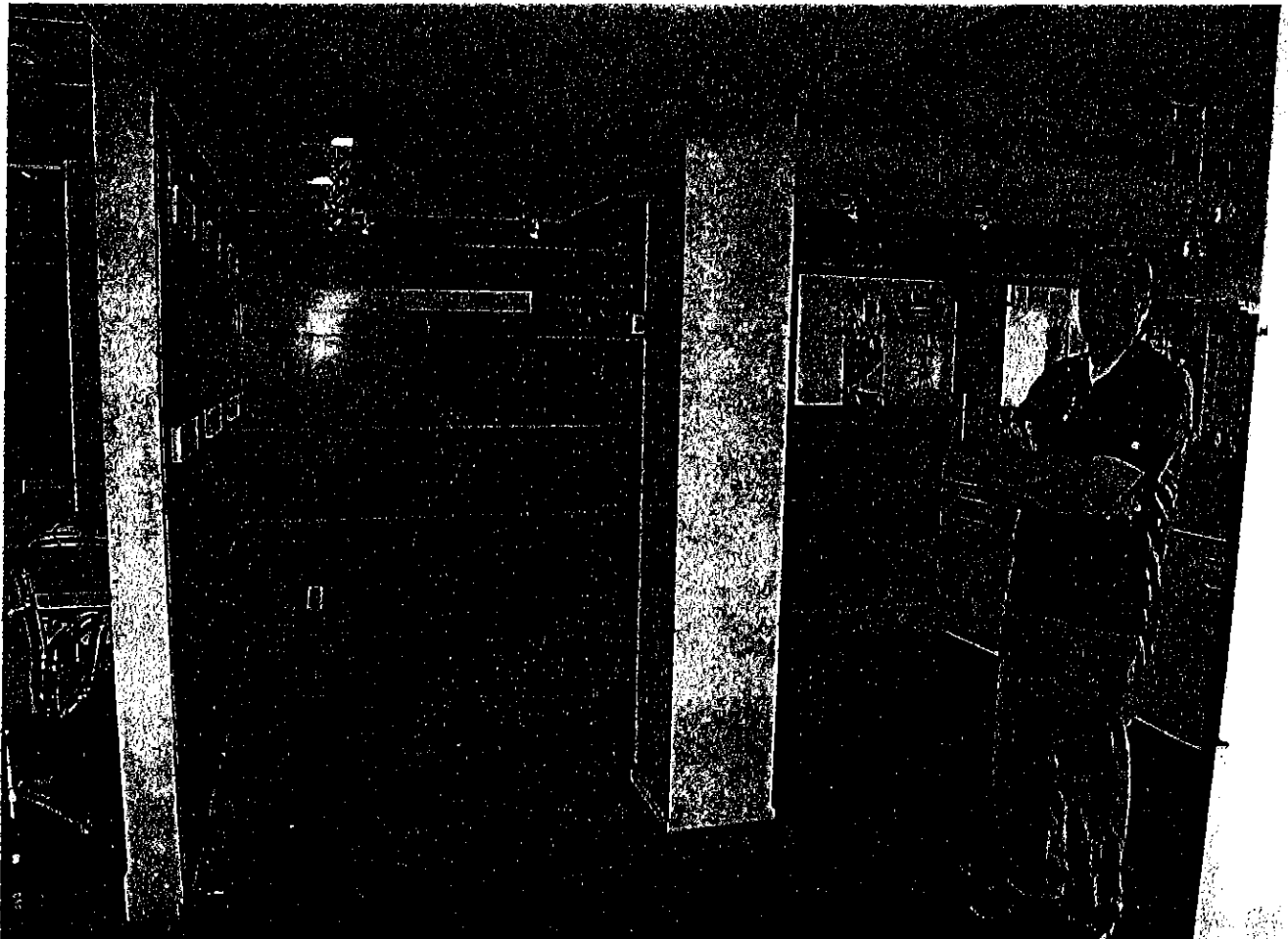


IC-27



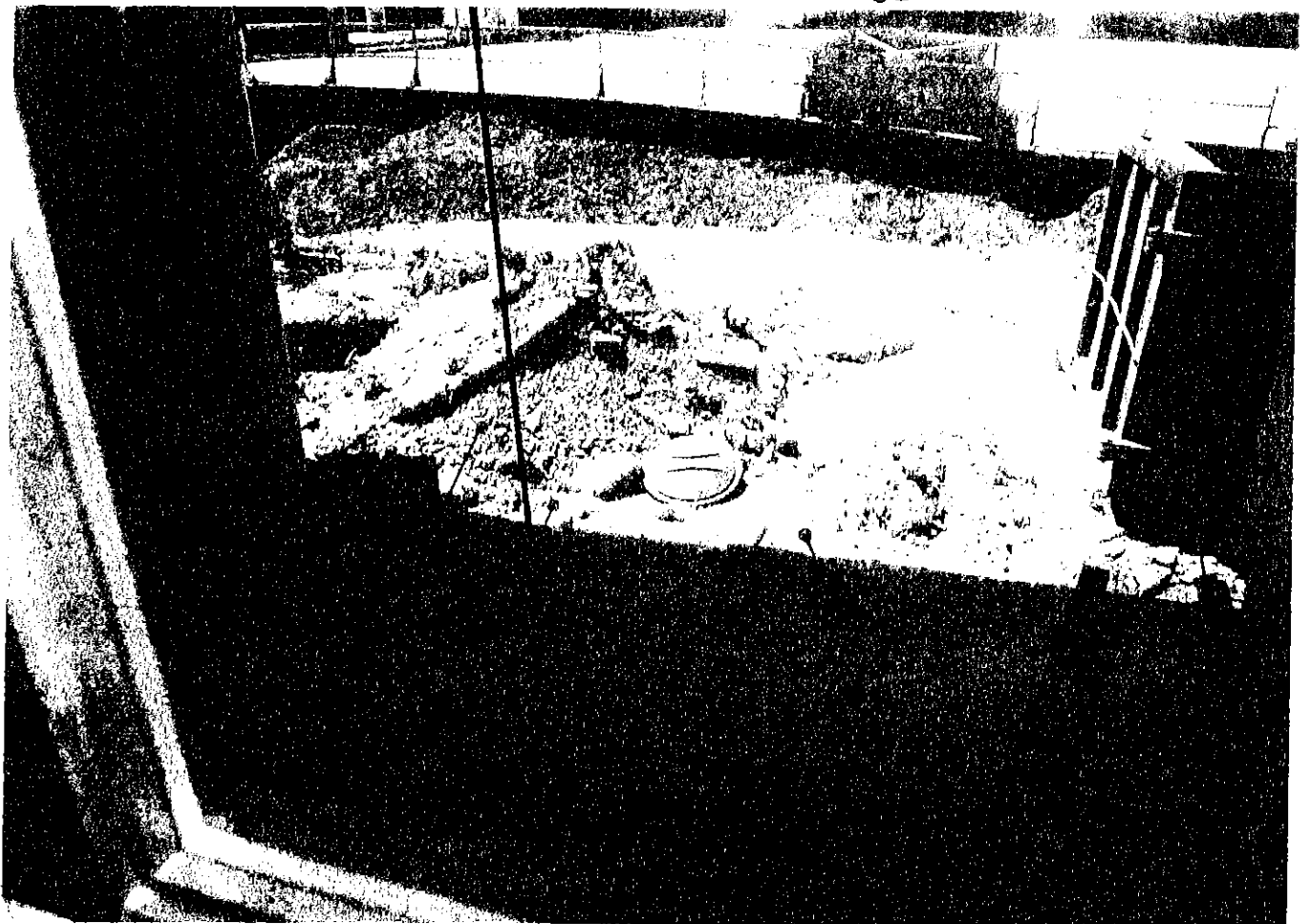


IC-31





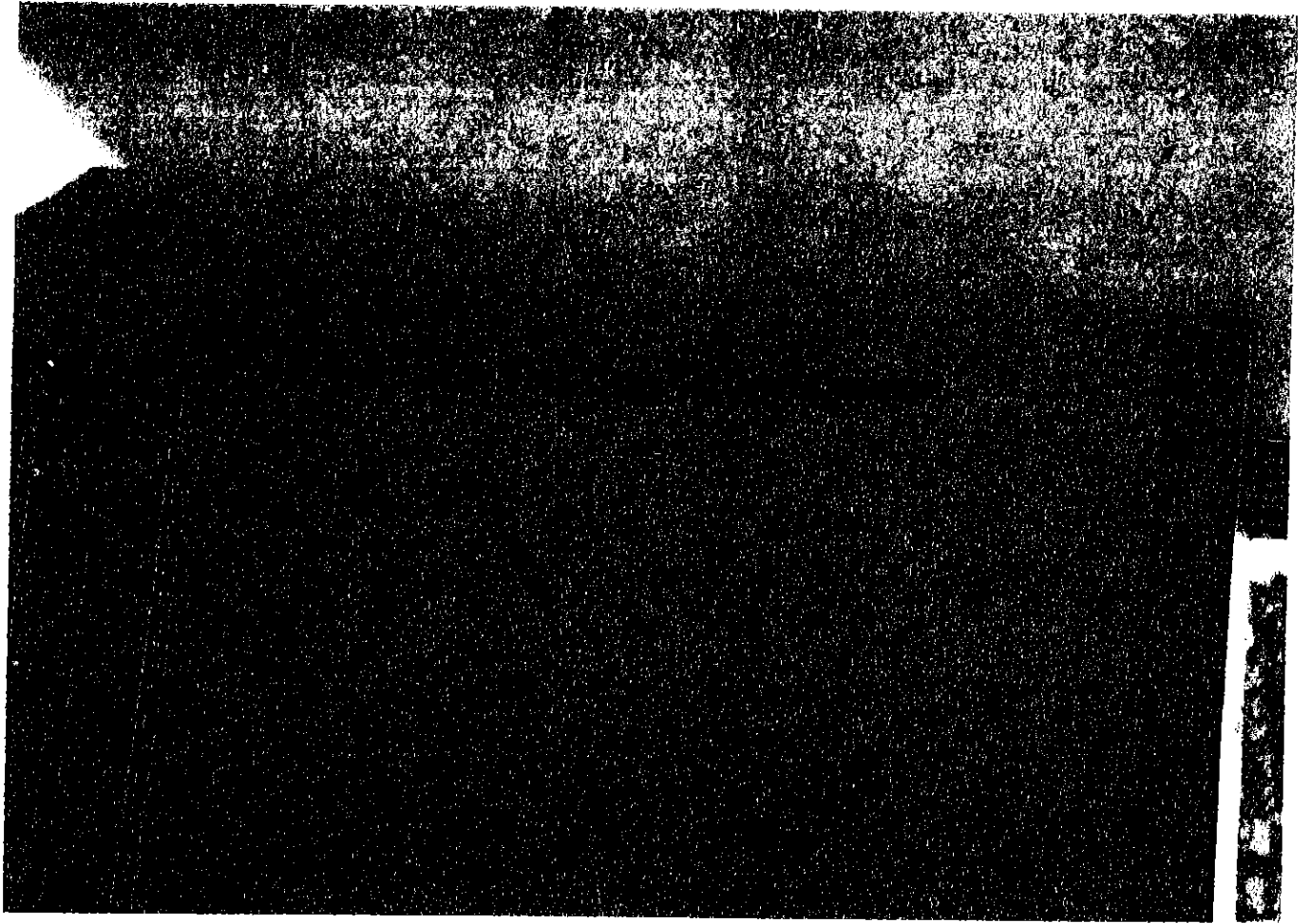
IC-35





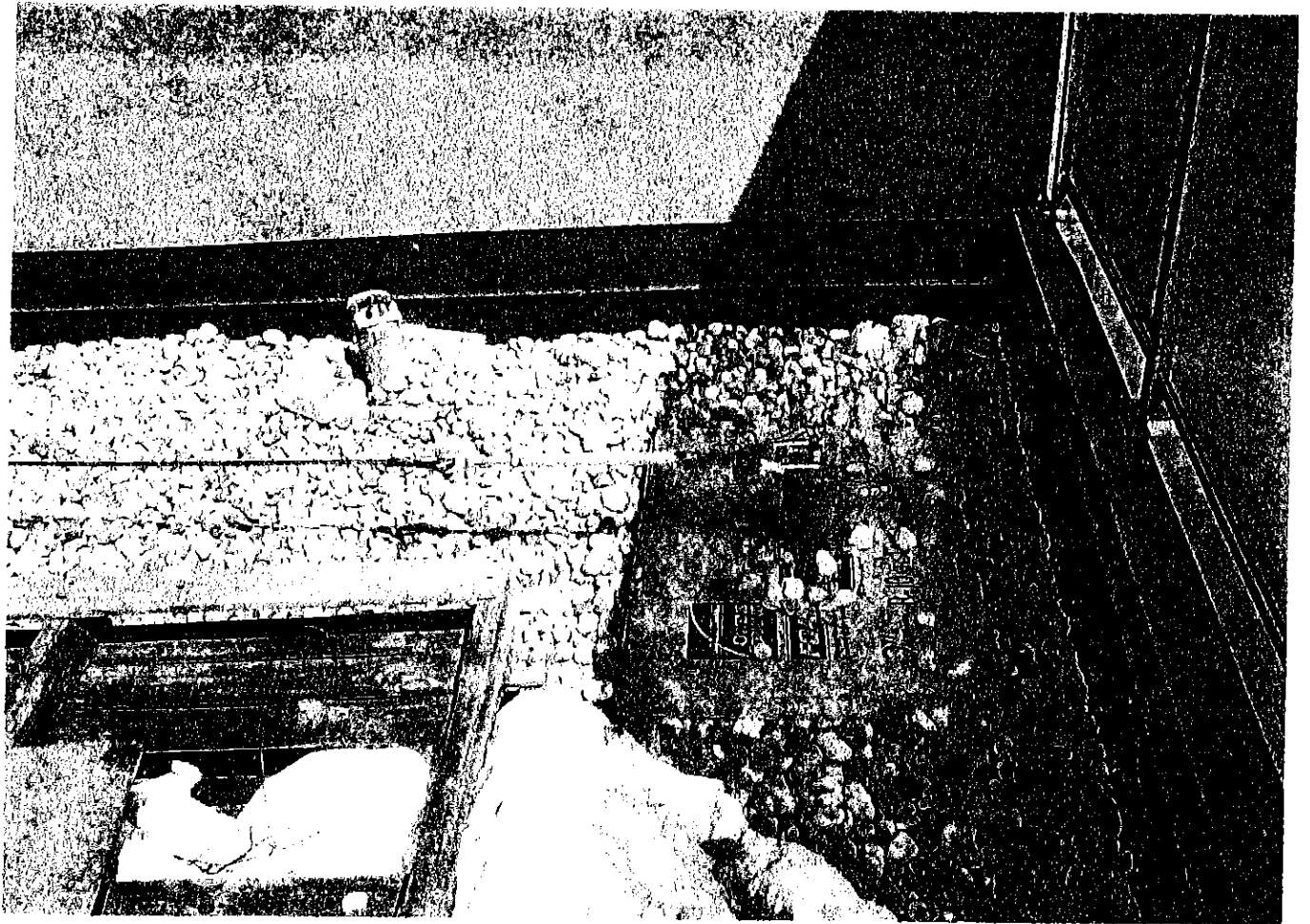
IC-36B



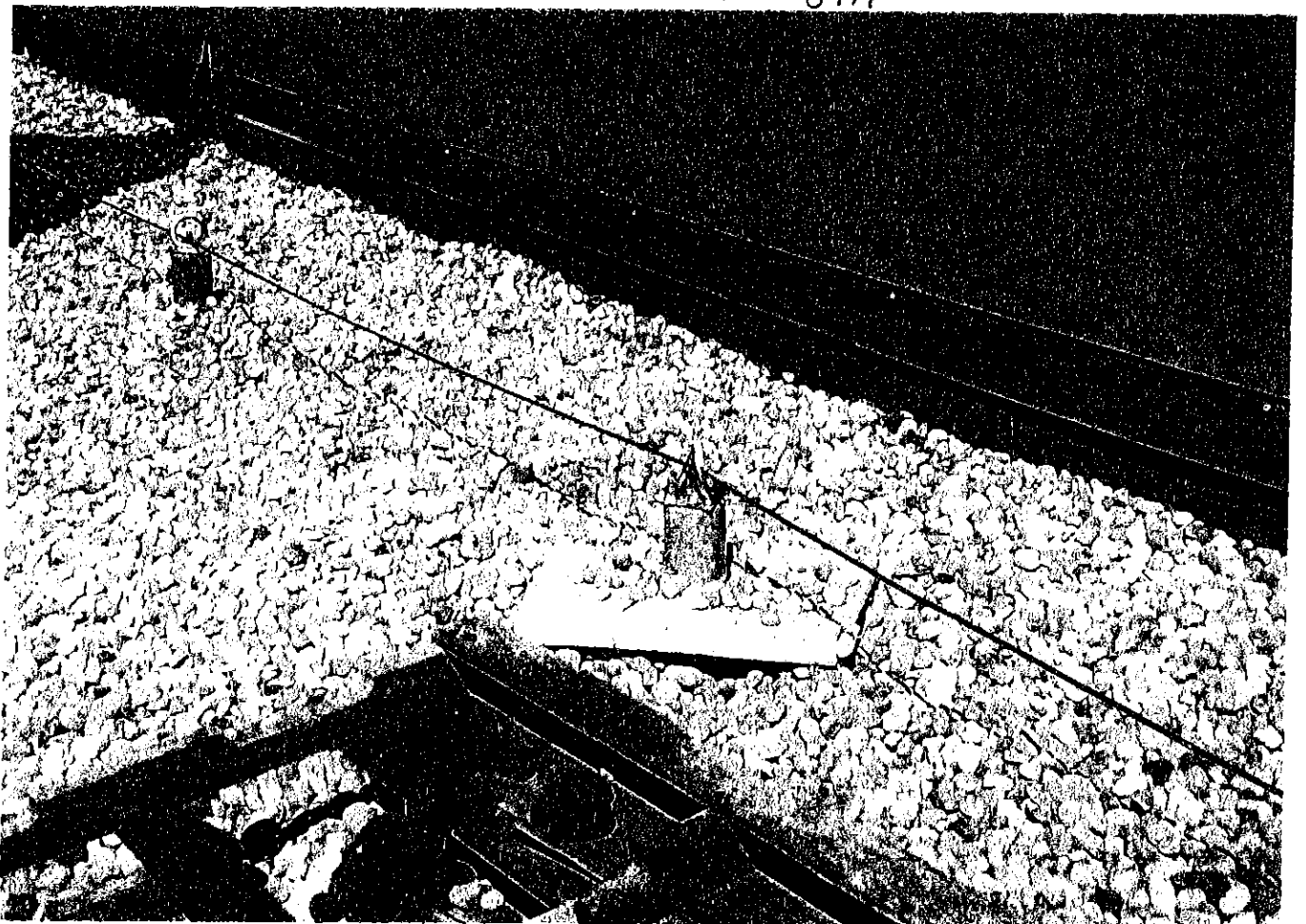


IC-37





IC-39A



# APPENDIX "G"



# Highbury - Incomplete Work and Deficiency Review

Field Review Date: January 15, 2016

In Attendance: B. Olund, M.Eng., P.Eng. - Urban One Builders; Luke Alliband - Deloitte; Tom Michelussi - Condo Strata.



Item ID#	Zone	Level	Location or Suite	Sub-Location	Description	Originating Party	Photo ID#s	Item Category	Responsible Party	Urban One Repair Recommendations	Urban One Cost Estimate For Rectification
0	All	All	All		General Conditions associated with overseeing the work to be done	Urban One	All	All	Prorata	All as noted for individual items below.	\$ 66,852.33
1	Tower	Multiple	Building Envelope	Balconies	Exposed Tyvek wrap on many east balconies. Must be weather-proofed & clad.	Condo Strata	2814	Incomplete	Receiver	The exposed peel and stick membrane is redundant to building envelope function and can be trimmed back. In the gap between the balcony edge and the vertical window mullion, vertical caulk could be installed except for a small drain hole at the bottom, to cover the residual edge of the cut back peel and stick membrane.	\$ 7,200.00
2	East	T1 / P3	Exterior	Sidewalk	Sidewalk curb lighting is missing. Wiring in place. Need bulbs/lenses.	Condo Strata	2798 (context), East Frontage (context), 2821 (detail).	Design Issue	Strata	Electrical junction boxes exist in the face of the curb, but are not lighting back-boxes. Lighting if installed cannot be recessed into the curb and would have to be surface-mounted. Surface-mounted lighting, in addition to creating a trip hazard, would be likely to be damaged or knocked off by snowblower impact during winter property maintenance. Recommend deactivation of these circuits at electrical panel, and abandonment.	\$ 500.00
3	East	T1 / P3	Exterior	Planters	Irrigation system is partially installed. Exposed Piping. Must be tested & Finished (sprinkler heads & controls).	Condo Strata	2824	Incomplete	Receiver	The number of locations could not be counted accurately due to snow coverage at time of Urban One site review. Allow \$250 per planter on east frontage, to complete irrigation system including piping, pop-up head, and control.	\$ 2,500.00
4	East	L1 / M / P1	Building Envelope	Townhouses	Unfinished scupper above townhouses, and missing downspouts.	Condo Strata	N/A	Incomplete	Receiver	Scuppers will not normally have any downspouts since they are only active in case of overflow condition if the drain is plugged. In terms of canopy drain downspouts, none were specifically reviewed in the walkthrough because the canopies are typically outwardly sloped and non-guttered. A nominal allowance is provisionally included here to install up to 2 downspouts, once missed locations can be identified on site and confirmed from the drawings.	\$ 600.00
5	East	L1 / M / P1	Building Envelope	East frontage	Unfinished Brick trim around scuppers	Condo Strata	N/A	Incomplete	Receiver	Less than 4 locations observed. Allow \$400 per location to obtain and customize bricks and install around scupper pipe including access measures for the work.	\$ 1,600.00
6	South	T1 / P3	Exterior	Near south property line	South retaining wall, facing building: open receptacles with wiring, nails protruding	Condo Strata	N/A	Incomplete	Receiver	Not reviewed in walkthrough. Allow \$50 to install suitable cover plates at up to 2 electrical back-boxes, and \$4.50/SF for surface grinding and parging work over up to 200 SF of exposed wall area.	\$ 950.00
7	South	T1 / P3	Building Envelope	West end of south wall	South Building wall, unfinished vent opening (for new parkade)	Condo Strata	238, 2809	Incomplete	Receiver	Strata comment: "Done." Urban One interpretation is that the aluminum louver on the south wall of the building was installed after connection of the additional parkade area and not with the original construction. This is consistent with the soil elevation having been initially higher against the wall in the area and the louver looking quite new as shown in photo 238. One thing needed in this area is installation of permanent means of soil support just south of the louver location, replacing that shown in photo 2809. Allow \$1,400 for a concrete retaining wall segment, \$300 for waterproofing repairs associated to wall construction, \$100 to remove and replace soil, \$250 for EIFS repairs at end of wall.	\$ 2,050.00
8	South	T1 / P3	Exterior	South end of building	South Building wall, exposed wires by T1 man door for security camera and keypad	Condo Strata	2807	Incomplete	Receiver	Strata Comment: "Cameras Installed by HB Bd: actual cost". Urban One interprets that this item is by Strata.	\$ 1,050.00
9	South	T1 / P3	Building Envelope	West end of south wall	South Building wall, exposed Styrofoam: behind townhomes. Need weatherproofing & cladding.	Condo Strata	238, 2808	Deficiency	Strata	EIFS appears to have been damaged, possibly during louver installation. Locally remove damaged EIFS cladding over rigid insulation. The insulation looks OK. Redo EIFS cladding below brick and west of new louver. Exclude cleaning of soil residue off adjacent EIFS; considered part of routine maintenance.	\$ 420.00
10	East	T1 / P3	Exterior	Southeast corner of overall property	SE corner, exposed 1 1/2" OD black PVC piping (possibly irrigation)	Condo Strata	N/A	Deficiency	Strata	Not irrigation-related (wrong pipe material and diameter is too large). Possibly used for other purposes during construction. Recommend to cut off, plug, and abandon minimum 12" below grade.	\$ 75.00
11	South	T2 / P2	Exterior	Northwest of the southwest roof area that is missing the landscaping	South facing retaining wall has unfinished concrete: needs cladding or parging (per drwgs).	Condo Strata	243, 244, 2815	Incomplete	Receiver	Urban One interprets that this is in reference to the vertical wall currently coated with roofing membrane. At this wall the permanent condition is for it to be underground, so there would not be cladding or parging. The work required is part of the Landscape Completion Estimate except for the roofing which is estimated here.	\$ 3,169.70
12	Southwest	T2 / P2	Building Envelope		Parkade roof behind townhouses has exposed AND missing Styrofoam (may have to remove existing Styrofoam to ensure waterproofing is viable).	Condo Strata	241, 242, 2816, 2817, 2818	Incomplete	Receiver	Remove all items down to roofing membrane. Building Envelope or Roofing Consultant to inspect condition of membrane. Spot repairs of membrane, new drain mat, insulation, filter cloth. Replace ballast and add more material for thicker ballast.	\$ 26,064.05
13	Southwest	T1 / P3	Exterior	East end of south wall	South Building wall has unfinished flashing at bottom.	Condo Strata	239, 2806	Incomplete	Receiver	The exposed peel and stick membrane is not UV-stable and should not have been left exposed. It may or may not tie in to a back-angle below the window, which will need to be determined. The window should have a sill flashing underneath it, over the peel and stick membrane, prior to installation of the window. The correct condition cannot be established without removing and reinstalling the window. A partial repair would consist of tying in replacement exposed portion of peel and stick membrane, inserting a partial sill flashing from the outside, and using caulk between sill flashing and sill mullion of window except for a drain slot in the caulk. With the assumption that the resident will not want the window removed (based on it has not leaked in 6 years) Urban One has carried the partial repair cost in this estimate.	\$ 253.00
14	South	T2 / P2	Exterior		South Building wall, exposed wires by T2 man door for security camera and keypad	Condo Strata	2819	Incomplete	Receiver	Strata comment: "Cameras Installed." Urban One interprets that this item is by Strata.	\$ 1,050.00
15	Southwest	T2 / P2	Exterior	Below SW corner show suite	Concrete wall has exposed Styrofoam and waterproofing membrane (below Main floor SW corner show suite).	Condo Strata	240	Incomplete	Receiver	Move soil back. Remove and discard UV-exposed styrofoam. Inspect drain mat condition and remove upper piece. Add new styrofoam and drain mat. Add sill flashing under brick. Backfill area.	\$ 982.00
16	East	T1 / P3	Exterior	East frontage	Missing address plaques on many townhouses	Condo Strata	N/A	Incomplete	Receiver	Supply and install new ones.	\$ 2,100.00

Item ID#	Zone	Level	Location or Suite	Sub-Location	Description	Originating Party	Photo ID#s	Item Category	Responsible Party	Urban One Repair Recommendations	Urban One Cost Estimate For Rectification
17	East	T1 / P3	Exterior	Northeast corner of the building	Exposed insulation/metal flashing, unfinished/exposed water proofing membrane.	Condo Strata	246, 2800	Deficiency	Strata	The item is either a design coordination issue or a construction error. The existing pinch bar must be removed. The waterproofing membrane needs to be cut down to just above the existing planter soil elevation. The membrane likely was not UV-stable and the exposed portion of the membrane appears to need replacement. The soil has to be pulled back, the membrane removed, new membrane tied in, and the top of the membrane protected with a flashing regletted and caulked into the concrete wall face. Above the reglet, cementitious parging matching the surrounding area in texture and colour must be applied.	\$ 2,070.35
18	North	T1 / P3, and P4	Exterior	North of townhomes	North facing hard landscaping: Current parkade entrance needs filling in. NOTE: Existing Parkade man door Emergency Exit to remain as per plans. Landscaping to be completed per plans.	Condo Strata	2797, 2801, 2802	Incomplete	Receiver	Hard landscaping and retaining walls carried here. Soft landscaping in same area is carried in ID #68.	\$ 46,795.85
19	Northwest	T1 / P3	Exterior	West of north townhomes	Unfinished landscaping on west side of northern townhouses: refer to design drawings. East, North & South side landscaping also required (per drawings) those moved to ID# 68 and upwards.	Condo Strata	2803	Incomplete	Receiver	Large stone work appears complete but landscape planting in between the stone work appears incomplete or dead and must be redone. Some hard landscaping is also incomplete. This estimate is for all landscaping north of centerline of future main lobby and west of northwest corner of north townhomes. Bike racks carried in ID #50.	\$ 55,209.68
20	Northwest	T1 / P3	Exterior	North portion of west landscaping	Storm retention tank operation needs to be verified. Location and operation of all sump pumps need verification. Concern with localized water entry into the parkade during heavy rain events.	Condo Strata	247	Incomplete	Receiver	This item could not be evaluated within the scope of the site visit conducted. If there is a problem, repair cost could be anywhere from \$0 to \$6,000 range. \$3,000 included in this estimate as a provisional contingency Cash Allowance pending further evaluation of this item, which may need to take place during a heavy rain event.	\$ 3,000.00
21	Northwest	L1 / M / P1	Exterior	Western roof portion of north townhomes	Exposed Styrofoam above north townhomes. Waterproof membrane needs inspection and Styrofoam covered.	Condo Strata	N/A	Incomplete	Receiver	Not reviewed in walkthrough but visible from Google Earth view. Roof planting is missing. Remove styrofoam, inspect waterproofing membrane, ensure no drain clog issues, install new styrofoam, install roof planting.	\$ 10,851.00
22	North	T1 / P3	Exterior	North townhome used as Sales Presentation Centre	Exposed/temporary man door will be replaced with a window (townhome).	Condo Strata	N/A	Renovation	Strata	Carrying into this estimate, \$600 to remove and dispose existing man door, \$2,000 to procure, prepare, and install window in place of door.	\$ 2,600.00
23	Northwest	T2 / P2	Exterior	Over garbage room access door	Exposed wiring above garbage room access for security camera/keypad. These need to be installed.	Condo Strata	N/A	Incomplete	Receiver	Strata comment: "Cameras Installed by HB Bd". Urban One interprets that this item is by Strata.	\$ 1,050.00
24	Northwest	T2 / P2	Exterior		Unfinished landscaping outside of garbage room	Condo Strata	N/A	Incomplete	Receiver	Part of overall landscaping estimate, in item #19.	\$ -
25	Northwest	T2 / P2	Interior	North emergency man door exit	Level T2, unfinished flooring and baseboards (north emergency man door exit).	Condo Strata	N/A	Incomplete	Receiver	Recommend light floor grind, garage floor paint, and rubber base.	\$ 2,793.17
26	Townhomes	T2 / P2	Interior	South emergency man door exit	Level T2, unfinished flooring and baseboards (south emergency man door exit)	Condo Strata	N/A	Incomplete	Receiver	Recommend light floor grind, garage floor paint, and rubber base.	\$ 1,576.54
27	Townhomes	T2 / P2	Interior	Elevator lobby	Level T2, elevator lobby unfinished flooring. Note previously there were 4 pallets of stone tile stored in the garbage room for this work. Needs to be returned to Condo Board.	Condo Strata	N/A	Incomplete	Receiver	As discussed on site that garage floor paint can be used in conjunction with rubber base at this area.	\$ 872.72
28	Townhomes	T2 / P2	Interior	Garbage room	Level T2, garbage room entrance has large floor lip. See Item 27 note on stone tiles.	Condo Strata	N/A	Incomplete	Receiver	Carrying into this estimate, \$200 to grind floor lip. garage floor finish covered in Item #27.	\$ 200.00
29	Townhomes	T2 / P2	Interior	Corridors	Level T2, has many missing ceiling sprinkler head trims (escutcheons).	Condo Strata	N/A	Incomplete	Receiver	Not reviewed in walkthrough; location unknown. Included here contingency of \$150 for supply and installation of up to 6 escutcheon plates.	\$ 150.00
30	Townhomes	T1 / P3	Interior	Storage / Dog Wash Area	Level T1, Dog wash facility has no running water and is unfinished.	Condo Strata	N/A	Incomplete	Receiver	Running water tested active as of Jan. 15/16 by Urban One.	\$ -
31	Townhomes	T1 / P3	Interior	Main electrical room	Level T1, Main electrical room needs to have fire proof caulking for hole below panel box	Condo Strata	N/A	Incomplete	Receiver	This item was not reviewed on site.	\$ 125.00
32	Townhomes	T1 / P3	Interior	North townhome used as Sales Presentation Centre	Level T1 by show suite: The corridor is unfinished and emergency man door on the north wall is sealed. Two demising walls also missing. All need to be built to plans.	Condo Strata	N/A	Renovation	Strata	Demising walls; corridor wall, floor, and ceiling finishes.	\$ 16,408.39
33	Townhomes	T1 / P3	Interior	North townhome used as Sales Presentation Centre	Level T1, Need to separate 2 townhome suites at north end of hallway (i.e. show suite and manager suite).	Condo Strata	N/A	Renovation	Strata	Both portions of the existing sales suite need to be renovated. Allow interior renovation estimate of \$100/SF over entire suite areas (14600 + 14601 Shawnee Gate).	\$ 162,857.96
34	Parkade	T1 / P3	Parkade	New parkade area	Level T1, New Parkade area, cracks in floor that leak into parkade below	Condo Strata	N/A	Maintenance	Strata	Shrinkage cracks in concrete structure are inherent to the nature of the concrete and do not reflect a material selection or installation defect. Repair of parkade cracks is a normal building maintenance item and not a deficiency.	\$ -
35	Parkade	T1 / P3	Exterior		Level T1, New Parkade area, exposed/missing expansion gasket/seal, floor, walls, and ceiling. Can see daylight.	Condo Strata	N/A	Incomplete	Receiver	Must be addressed from the outside. Courtesy flashing is missing above parkade drive aisle at junction between two parallel walls.	\$ 785.92
36	Tower	L1 / M / P1	Exterior	West main lobby	Level M, Unfinished West Main lobby entrance/platform, ceiling, cladding and missing steps. Build to plans.	Condo Strata	2811, 2812, 2813	Incomplete	Receiver	West lobby needs steps, landscape treatment outside, hard surface inside, ceiling treatment above, and selected building envelope improvements.	\$ 12,048.07
37	Tower	9	Building Envelope	Roof	West facing building wall has exposed building envelope material	Condo Strata	N/A	Incomplete	Strata	This item has been caused by birds and was not related to the original construction. Changed responsible party to Strata.	\$ -
38	Tower	9	Building Envelope	Roof	Roof anchors need access through patio railing glass for cables (do not place cables over patio railings).	Condo Strata	N/A	Design Issue	Strata	This is a common detail - many building cleaning companies have to temporarily remove guardrail glass to enable bosun chair worker to access the outside of the building. The bosun chair primary and secondary ropes have to go under the balcony railing bottom rail, not over it. The cleaning companies put the glass back in place once they are done, but a pane of glass does get broken from time to time.	\$ -
39	Tower	9	Building Envelope	Roof	East side by chiller, the roof Styrofoam and membrane need inspection/repair. Were damaged by Deloitte during roof anchor inspection.	Condo Strata	2820	Incomplete	Receiver	Move roof ballast stones out of the way. Remove existing infill / surround pieces of rigid insulation and cut new ones. Inspect roofing membrane for damage (none known). Install new rigid insulation pieces. Redistribute roof ballast stones back over the area.	\$ 44.40
40	Parkade	P4	Parkade	P4	Existing lower parkade: Remove and relocate the sliding security gate	Condo Strata	N/A	Incomplete	Receiver	Strata comment: "Delete from list." Urban One interprets that no further action is required.	\$ -
41	Tower		Interior		Elevator FOB readers need to be completed. Readers are installed but not operational.	Condo Strata		Incomplete	Receiver	Strata comment: "Installed by HB Bd: Actual cost". Urban One interprets that no further action is required.	\$ -

Item ID#	Zone	Level	Location or Suite	Sub-Location	Description	Originating Party	Photo ID#s	Item Category	Responsible Party	Urban One Repair Recommendations	Urban One Cost Estimate For Rectification
42	Outside South PL	T2 / P2	Exterior	South Property Line	The removal of the retaining wall on James McKeivitt Road to allow the project to relate directly to sidewalk grades.	Condo Strata	McKeivitt Frontage	Incomplete	Receiver	Strata comment: "Relates to the removal of the retaining wall to access the bus stop and James McDevitt Road from main entrance."	\$ 1,896.98
43	West of Development Match Line	L1 / M / P1	Exterior	Traffic Circle	Driveway flares to be revised to match mark-up comments from Calgary Roads.	Condo Strata	N/A	Deficiency	Statesman	Nothing carried in this assessment due to west of development match line and Strata noted Statesman as the responsible party.	\$ -
44	Northwest	L1 / M / P1	Exterior	Traffic Circle	Widen access for waste vehicle access to 4.8 m.	Condo Strata	N/A	Deficiency	Statesman	Nothing carried in this assessment due to west of development match line and Strata noted Statesman as the responsible party. No reason to widen existing garbage room access road since it is already wider than a single road lane.	\$ -
45	Outside South PL	T2/P2	Exterior	South Property Line	Connect internal sidewalks to public sidewalks without the use of stairs (for wheelchairs, etc.). Provide barrier free access to from Traffic circle to bus stop on James McKeivitt. Provide signage at both ends. All pedestrian routes shall be lighted (CPTED)	Condo Strata	McKeivitt Frontage	Incomplete	Receiver	Hard landscaping of connection carried in Item #71. Not possible to do this without stairs due to extent of grade change, and Landscape drawings show use of stairs. Retaining wall changes at James McKeivitt road carried in Item #42. See also ID #70 for connecting hard landscape work inside South Property Line. Existing fence removal, and allowance for lighting carried here.	\$ 3,705.45
46	West of Development Match Line	L1 / M / P1	Exterior	Traffic Circle	All sidewalks around traffic circle to be 1.5 m wide.	Condo Strata	N/A	Incomplete	Statesman	Nothing carried in this assessment due to west of development match line. Changed responsible party to Statesman.	\$ -
47	West of Development Match Line	L1 / M / P1	Exterior	Traffic Circle	Provide pedestrian crossings on each leg of traffic circle.	Condo Strata	N/A	Incomplete	Statesman	Nothing carried in this assessment due to west of development match line and Strata noted Statesman as the responsible party. Also noted that it would not make sense or be optimal from a safety standpoint, to add 8 individual pedestrian crossings as "spokes of the wheel" for the traffic circle.	\$ -
48	West of Development Match Line	L1 / M / P1	Exterior	Traffic Circle	The parkade entrance and driveways off the traffic circle shall be 7.2 m wide.	Condo Strata	N/A	Incomplete	Statesman	Nothing carried in this assessment due to north of development match line and Strata noted Statesman as the responsible party.	\$ -
49	Outside South PL		Exterior		An architecturally compatible transit patron waiting amenity shall be provided at the bus zone on James McKeivitt Rd.	Condo Strata	McKeivitt Frontage	Incomplete	Statesman	Nothing carried in this assessment due to Strata noted Statesman as the responsible party.	\$ -
50	Northwest	L1 / M / P1	Exterior	North of west lobby	Bicycle parking shall be provided (per City of Calgary Bicycle Parking Handbook).	Condo Strata	2810	Incomplete	Receiver	Bike Racks required - 2 singles and 5 doubles.	\$ 2,400.00
51	Northeast	T2 / P2	Exterior		A detailed redesign of the intersection of the access to the site and Shawnee Gate will be required.	Condo Strata	N/A	Incomplete	Statesman	Nothing carried in this assessment due to Strata noted Statesman as the responsible party.	\$ -
52	West of Development Match Line	L1 / M / P1	Exterior	Traffic Circle	All access roads, turnaround areas and traffic circle to be designed to carry Fire Dept. apparatus (85,000 lbs.).	Condo Strata	N/A	DONE	Statesman	Strata comment: "Done." Urban One interprets that any remaining action is west of development match line and therefore by Statesman.	\$ -
53	All	All	All		The development shall be completed in its entirety in accordance with the approved plans and conditions. There is no provision for revisions.	Condo Strata	N/A	N/A	Receiver	Item is too vague to be actionable / quantifiable. No allowances will be carried.	\$ -
54	North	T2 / P2	Exterior	NW corner of building	All service meters outside the building shall be located inside an architecturally compatible screening enclosure. As such, the Highbury gas piping and metering station would require this.	Condo Strata	245, 2799	Incomplete	Receiver	Relates to enclosures for the gas piping and metering station. Recommend powder coated aluminum tall picket fence detail. Budget cost \$55/LF. Also need approximately 5 small post bases at ~\$120 each. Need masonry block blast wall between gas meters and building.	\$ 4,001.57
55	All	All	Exterior		The developer shall submit an "As Constructed Grade Certificate" signed/sealed by a P. Eng. or registered Arch.	Condo Strata	N/A	Incomplete	Receiver	This item not to proceed until hard and soft landscaping has been completed. Allow for Alberta Landscape Surveyor / P.Eng. Call out and certificate.	\$ 1,200.00
56	All	All	Parkade		Emergency Gen. Fuel Supply: provide 3 sets of drawings (stamped by P. Eng.) to Fire Prevention Bureau.	Condo Strata	N/A	Incomplete	Receiver	Assume the original drawing of this has been lost; allow \$1,000 for replacement Engineered drawings and submission of same.	\$ 1,000.00
57	All	All	Exterior		Ponding Is required for 1:100 year storm events. Direct all roof drainage to on-site storm. Controlled storm water discharge required.	Condo Strata	N/A	Incomplete	Receiver	Strata comment: "Receiver & Statesman". Completion of landscaping as designed, will significantly assist absorption and slowing of release rate of rainwater to storm drainage. Included here contingency of \$3,000 toward additional underground drain tile piping associated with Highbury portion of the site.	\$ 3,000.00
58	All	All	All		The applicant is required to identify, implement and integrate a Travel Demand Management (TDM) program into the management of the proposed development.	Condo Strata	N/A	Incomplete	Statesman	Urban One interprets that no further action is required by Strata or Receiver for this item.	\$ -
59		T1 / P3	Parkade	New parkade area	New Visitor Parking on level P3 requires 1 handicap parking stall	Condo Strata	N/A	DONE	Strata	Strata comment: "Resolved: trade stalls"	\$ -
60	Tower	All	Miscellaneous		Cost of registering new Condo Plan and By-Laws (i.e. splitting the project) for Tower 1: est. \$20,000	Condo Strata	N/A	Incomplete	Receiver	Estimated by Lawyer. Urban One has no comment but will carry same estimate amount for purpose of completeness.	\$ 20,000.00
61	Parkade	P3	Miscellaneous		Cost of registering new level P3 Parking stalls as common property, etc.: est. \$10,000	Condo Strata	N/A	Incomplete	Receiver	Estimated by Lawyer. Urban One has no comment but will carry same estimate amount for purpose of completeness.	\$ 10,000.00
62	Tower	All	Miscellaneous		Cost of registering City of Calgary access agreement/easement on all Tower 1 titles: est. \$20,000	Condo Strata	N/A	Incomplete	Receiver	Estimated by Lawyer. Urban One has no comment but will carry same estimate amount for purpose of completeness.	\$ 20,000.00
63	Townhomes	All	Interior		Permanent version of Fire Safety Plans is not in place.	Jan. 15, 2016 review	N/A	Incomplete	Receiver	Typically installed as laser scribed and painted metal signage; laminated paper is only temporary.	\$ 2,160.00
64	Townhomes	All	Interior		Top of south sidelite of structural glass lobby doors, there is a gap and the shims are exposed.	Jan. 15, 2016 review	2804	Incomplete	Receiver	A polished metal closure strip could be applied to hide the problem.	\$ 350.00
65	Townhomes	All	Interior		Northwest corner of lobby, there are red and black wires exposed in the ceiling.	Jan. 15, 2016 review	2805	Incomplete	Receiver	Allow in this estimate for this being a camera location.	\$ 1,050.00
66	South	T2 / P2	Exterior	At South Property Line	Permanent fencing is required on top of retaining wall by James Mc Kevitt Road (existing is chainlink).	Jan. 15, 2016 review	N/A	Incomplete	Receiver	This item is not shown in original project rendering. Match picket style railing observed at several outdoor locations of the project.	\$ 3,100.39
67	Northwest	L1 / M / P1	Interior		West Lobby flood damage, Dec. 27/16. Doors were chained shut by Receiver, and Strata mitigation response could not readily access the location to stop the water leak.	Jan. 15, 2016 review	N/A	Incomplete	Receiver	Insurance claim. Receiver may be involved in covering Strata's Insurance deductible for this event, if agreed between the parties. Included here contingency of \$5,000 toward insurance deductible.	\$ 5,000.00
68	North		Exterior		Split out from ID #19 - Incomplete North Soft Landscaping	Condo Strata	N/A	Incomplete	Receiver	Missing landscaping straight north of north townhomes only.	\$ 15,051.71

Item ID#	Zone	Level	Location or Suite	Sub-Location	Description	Originating Party	Photo ID#s	Item Category	Responsible Party	Urban One Repair Recommendations	Urban One Cost Estimate For Rectification
69	East	T1 / P3	Exterior		Split out from ID #19 - Incomplete East Landscaping	Condo Strata	Shawnee Gate Frontage	Incomplete	Receiver	Missing landscaping east of the building, and one sidewalk ramp segment.	\$ 50,925.74
70	South	T1 / P3	Exterior	Inside Property Line	Split out from ID #19 - Incomplete South Landscaping	Condo Strata	N/A	Incomplete	Receiver	See also ID #45 for work at and outside of South Property Line.	\$ 16,838.78
71	Southwest	T2 / P2	Exterior		Split out from ID #19 - Incomplete Southwest Landscaping	Condo Strata	N/A	Incomplete	Receiver	Missing landscaping west of the building and south of the centerline of the west lobby.	\$ 146,537.27
99					Recommended Scope Contingency		N/A		Prorata		\$ 37,253.65
100					Likely Trade Markups		N/A		Prorata		\$ 117,349.00

Subtotal by Receiver:	\$ 493,288.99
Subtotal by Strata:	\$ 184,931.71
GC / Contingency / Fee Total:	\$ 221,454.99
GC / Contingency / Fee Receiver Portion:	\$ 161,070.44
GC / Contingency / Fee Strata Portion:	\$ 60,384.55
Total of Work Items by Receiver:	\$ 654,359.43
Total of Work Items by Strata:	\$ 245,316.26
<b>Total Work Value Estimate:</b>	<b>\$ 899,675.68</b>

# APPENDIX "H"

# Highbury - Incomplete Work and Deficiency Review

Field Review Dates: January 15 and May 12, 2016

In Attendance: B. Olund, M.Eng., P.Eng. - Urban One Builders; Luke Alliband - Deloitte; Tom Michelussi - Condo Strata.



Item ID#	Zone	Level	Location or Suite	Sub-Location	Description	Originating Party	Photo ID#s	Item Category	Responsible Party	Summer 2016 Work?	Urban One Repair Recommendations	Urban One Cost Estimate For Rectification
0	All	All	All		General Conditions associated with overseeing the work to be done - Summer 2016 portion of the work scope.	Urban One	All	All	Prorata	YES	All as needed to supervise individual items below.	\$ 67,272.33
1	Tower	Multiple	Building Envelope	Balconies	Exposed Tyvek wrap on many east balconies. Must be weather-proofed & clad.	Condo Strata	2814	Incomplete	Receiver	YES	The exposed peel and stick membrane is redundant to building envelope function and can be trimmed back. In the gap between the balcony edge and the vertical window mullion, vertical caulk could be installed except for a small drain hole at the bottom, to cover the residual edge of the cut back peel and stick membrane.	\$ 7,200.00
2	East	T1 / P3	Exterior	Sidewalk	Sidewalk curb lighting is missing. Wiring in place. Need bulbs/lenses.	Condo Strata	2798 (context), East Frontage (context), 2821 (detail).	Design Issue	Strata	YES	Electrical junction boxes exist in the face of the curb, but are not lighting back-boxes. Lighting if installed cannot be recessed into the curb and would have to be surface-mounted. Surface-mounted lighting, in addition to creating a trip hazard, would be likely to be damaged or knocked off by snowblower impact during winter property maintenance. Recommend deactivation of these circuits at electrical panel, and abandonment.	\$ 600.00
3	East	T1 / P3	Exterior	Planters	Irrigation system is partially installed. Exposed Piping. Must be tested & Finished (sprinkler heads & controls).	Condo Strata	2824	Incomplete	Receiver	YES	The number of locations could not be counted accurately due to snow coverage at time of Urban One site review. Allow \$250 per planter on east frontage, to complete irrigation system including piping, pop-up head, and control.	\$ 2,500.00
4	East	L1 / M / P1	Building Envelope	Townhouses	Unfinished scupper above townhouses, and missing downspouts.	Condo Strata	N/A	Incomplete	Receiver	YES	Scuppers will not normally have any downspouts since they are only active in case of overflow condition if the drain is plugged. In terms of canopy drain downspouts, none were specifically reviewed in the walkthrough because the canopies are typically outwardly sloped and non-guttered. A nominal allowance is provisionally included here to install up to 2 downspouts, once missed locations can be identified on site and confirmed from the drawings.	\$ 800.00
5	East	L1 / M / P1	Building Envelope	East frontage	Unfinished Brick trim around scuppers	Condo Strata	N/A	Incomplete	Receiver	YES	Less than 4 locations observed. Allow \$400 per location to obtain and customize bricks and install around scupper pipe including access measures for the work.	\$ 1,600.00
6	South	T1 / P3	Exterior	Near south property line	South retaining wall, facing building: open receptacles with wiring, nails protruding	Condo Strata	3183, 3184, 3185	Incomplete	Receiver	YES	There are a total of 8 open electrical junction boxes in the wall. Allow \$25 per location to install suitable cover plates at electrical back-boxes, and \$4.50/SF for surface grinding and parging work over up to 120 SF of exposed wall area.	\$ 740.00
7	South	T1 / P3	Building Envelope	West end of south wall	South Building wall, unfinished vent opening (for new parkade)	Condo Strata	238, 2809, 3182	Incomplete	Receiver	YES	Strata comment: "Done." Urban One interpretation is that the aluminum louver on the south wall of the building was installed after connection of the additional parkade area and not with the original construction. This is consistent with the soil elevation having been initially higher against the wall in the area and the louver looking quite new as shown in photo 238. New soil retaining wall has been built by Statesman in 8" masonry block. Allow \$300 for waterproofing repairs associated to masonry block wall construction, \$100 to remove and replace soil, \$250 for EIFS repairs at end of wall.	\$ 650.00
8	South	T1 / P3	Exterior	South end of building	South Building wall, exposed wires by T1 man door for security camera and keypad	Condo Strata	2807	Incomplete	Receiver	YES	Strata Comment: "Cameras Installed by HB Bd: actual cost". Receiver and Strata settled for \$6,000 for 5 locations and this is one of the locations.	\$ 1,200.00
9	South	T1 / P3	Building Envelope	West end of south wall	South Building wall, exposed Styrofoam: behind townhomes. Need weatherproofing & cladding.	Condo Strata	238, 2808	Incomplete	Receiver	YES	EIFS appears to have been damaged, possibly during louver installation. Locally remove damaged EIFS cladding over rigid insulation. The insulation looks OK. Redo EIFS cladding below brick and west of new louver. Exclude cleaning of soil residue off adjacent EIFS; considered part of routine maintenance.	\$ 420.00
10	East	T1 / P3	Exterior	Southeast corner of overall property	SE corner, exposed 1 1/2" OD black PVC piping (possibly irrigation)	Condo Strata	N/A	Incomplete	Receiver	YES	Not irrigation-related (wrong pipe material and diameter is too large). Possibly used for other purposes during construction. Recommend to cut off, plug, and abandon minimum 12" below grade.	\$ 550.00
11	South	T2 / P2	Exterior	Northwest of the southwest roof area that is missing the landscaping	South facing retaining wall has unfinished concrete: needs cladding or parging (per drwgs).	Condo Strata	243, 244, 2815	Incomplete	Receiver	YES	Urban One interprets that this is in reference to the vertical wall currently coated with roofing membrane. At this wall the permanent condition is for it to be underground, so there would not be cladding or parging. The work required is part of the Landscape Completion Estimate except for the roofing which is estimated here.	\$ 3,169.70
12	Southwest	T2 / P2	Building Envelope		Parkade roof behind townhouses has exposed AND missing Styrofoam (may have to remove existing Styrofoam to ensure waterproofing is viable).	Condo Strata	241, 242, 2816, 2817, 2818	Incomplete	Receiver	YES	Remove all items down to roofing membrane. Building Envelope or Roofing Consultant to inspect condition of membrane. Spot repairs of membrane, new drain mat, insulation, filter cloth. Replace ballast and add more material for thicker ballast.	\$ 26,959.95
13	Southwest	T1 / P3	Exterior	East end of south wall	South Building wall has unfinished flashing at bottom.	Condo Strata	239, 2806	Incomplete	Receiver	YES	The exposed peel and stick membrane is not UV-stable and should not have been left exposed. It may or may not tie in to a back-angle below the window, which will need to be determined. The window should have a sill flashing underneath it, over the peel and stick membrane, prior to installation of the window. The correct condition cannot be established without removing and reinstalling the window. A partial repair would consist of tying in replacement exposed portion of peel and stick membrane, inserting a partial sill flashing from the outside, and using caulk between sill flashing and sill mullion of window except for a drain slot in the caulk. With the assumption that the resident will not want the window removed (based on it has not leaked in 6 years) Urban One has carried the partial repair cost in this estimate.	\$ 360.00
14	South	T2 / P2	Exterior		South Building wall, exposed wires by T2 man door for security camera and keypad	Condo Strata	2819	Incomplete	Receiver	YES	Strata comment: "Cameras Installed." Receiver and Strata settled for \$6,000 for 5 locations and this is one of the locations.	\$ 1,200.00
15	Southwest	T2 / P2	Exterior	Below SW corner show suite	Concrete wall has exposed Styrofoam and waterproofing membrane (below Main floor SW corner show suite).	Condo Strata	240	Incomplete	Receiver	YES	Move soil back. Remove and discard UV-exposed styrofoam. Inspect drain mat condition and remove upper piece. Add new styrofoam and drain mat. Add sill flashing under brick. Backfill area.	\$ 1,205.00
16	East	T1 / P3	Exterior	East frontage	Missing address plaques on many townhouses	Condo Strata	3187	Incomplete	Receiver	YES	Supply and install new ones: 12 exterior, 4 interior. Laser-etched slate Townhouse unit number example understood to be an acceptable design and an equivalent design can be selected.	\$ 2,340.00

Item ID#	Zone	Level	Location or Suite	Sub-Location	Description	Originating Party	Photo ID#s	Item Category	Responsible Party	Summer 2016 Work?	Urban One Repair Recommendations	Urban One Cost Estimate For Rectification
17	East	T1 / P3	Exterior	Northeast corner of the building	Exposed insulation/metal flashing, unfinished/exposed water proofing membrane.	Condo Strata	246, 2800	Deficiency	Strata	YES	The item is either a design coordination issue or a construction error. The existing pinch bar must be removed. The waterproofing membrane needs to be cut down to just above the existing planter soil elevation. The membrane likely was not UV-stable and the exposed portion of the membrane appears to need replacement. The soil has to be pulled back, the membrane removed, new membrane tied in, and the top of the membrane protected with a flashing regletted and caulked into the concrete wall face. Above the reglet, cementitious parging matching the surrounding area in texture and colour must be applied.	\$ 2,757.75
18	North	T1 / P3, and P4	Exterior	North of townhomes	North facing hard landscaping: Current parkade entrance needs filling in. NOTE: Existing Parkade man door Emergency Exit to remain as per plans. Landscaping to be completed per plans.	Condo Strata	2797, 2801, 2802	Incomplete	Receiver	NO	Hard landscaping and retaining walls carried here, based on new landscape drawings. Soft landscaping in same area is carried in ID #68 as per old landscape drawings.	\$ 62,162.18
19	Northwest	T1 / P3	Exterior	West of north townhomes	Unfinished landscaping on west side of northern townhouses: refer to design drawings. East, North & South side landscaping also required (per drawings) - those moved to ID# 68 and upwards.	Condo Strata	2803	Incomplete	Receiver	NO	Large stone work appears complete but landscape planting in between the stone work appears incomplete or dead and must be redone. Some hard landscaping is also incomplete. This estimate is for all landscaping north of centerline of future main lobby and west of northwest corner of north townhomes. Bike racks carried in ID #50.	\$ 63,380.53
20	Northwest	T1 / P3	Exterior	North portion of west landscaping	Storm retention tank operation needs to be verified. Location and operation of all sump pumps need verification. Concern with localized water entry into the parkade during heavy rain events.	Condo Strata	247	Incomplete	Receiver	N/A	This item could not be evaluated within the scope of the site visits conducted. Further evaluation of this item may need to take place during a heavy rain event. Since no problem is specifically known with the tank or its discharge works, which are understood to be complete, it was discussed in the April 15 meeting that no contingency will be carried for this item.	\$ -
21	Northwest	L1 / M / P1	Exterior	Western roof portion of north townhomes	Exposed Styrofoam above north townhomes. Waterproof membrane needs inspection and Styrofoam covered.	Condo Strata	N/A	Incomplete	Receiver	NO	Not reviewed in walkthrough but visible from Google Earth view. Roof planting is missing. Remove styrofoam, inspect waterproofing membrane, ensure no drain clog issues, install new styrofoam, install roof planting.	\$ 10,891.78
22	North	T1 / P3	Exterior	North townhome used as Sales Presentation Centre	Exposed/temporary man door will be replaced with a window (townhome).	Condo Strata	3206	Incomplete	Receiver	YES	Carrying into this estimate: to remove and dispose existing man door; to procure, prepare, and install window in place of door. Quest Windows' tag number for replacement of damaged window on site, needed to be installed to replace temporary west access into former Sales Suite.	\$ 2,924.71
23	Northwest	T2 / P2	Exterior	Over garbage room access door	Exposed wiring above garbage room access for security camera/keypad. These need to be installed.	Condo Strata	N/A	Incomplete	Receiver	YES	Strata comment: "Cameras Installed by HB Bd". Receiver and Strata settled for \$6,000 for 5 locations and this is one of the locations.	\$ 1,200.00
24	Northwest	T2 / P2	Exterior		Unfinished landscaping outside of garbage room	Condo Strata	N/A	Incomplete	Receiver		Part of overall landscaping estimate, in item #19.	\$ -
25	Northwest	T2 / P2	Interior	North emergency man door exit	Level T2, unfinished flooring and baseboards (north emergency man door exit).	Condo Strata	N/A	Incomplete	Receiver	YES	Recommend light floor grind, garage floor paint, and rubber base.	\$ 2,793.17
26	Townhomes	T2 / P2	Interior	South emergency man door exit	Level T2, unfinished flooring and baseboards (south emergency man door exit)	Condo Strata	N/A	Incomplete	Receiver	YES	Recommend light floor grind, garage floor paint, and rubber base.	\$ 1,576.54
27	Townhomes	T2 / P2	Interior	Elevator lobby	Level T2, elevator lobby unfinished flooring. Note previously there were 4 pallets of stone tile stored in the garbage room for this work. Needs to be returned to Condo Board.	Condo Strata	N/A	Incomplete	Receiver	YES	As discussed on site that garage floor paint can be used in conjunction with rubber base at this area.	\$ 910.78
28	Townhomes	T2 / P2	Interior	Garbage room	Level T2, garbage room entrance has large floor lip. See Item 27 note on stone tiles.	Condo Strata	N/A	Incomplete	Receiver	YES	Carrying into this estimate, \$200 to grind floor lip. garage floor finish covered in Item #27.	\$ 200.00
29	Townhomes	T2 / P2	Interior	Corridors	Level T2, has many missing ceiling sprinkler head trims (escutcheons).	Condo Strata	N/A	Negotiated	Strata	YES	Not reviewed in walkthrough; location unknown. Confirmed in April 15 meeting that Receiver would not fund this item for Strata.	\$ 150.00
30	Townhomes	T1 / P3	Interior	Storage / Dog Wash Area	Level T1, Dog wash facility has no running water and is unfinished.	Condo Strata	N/A	Incomplete	Receiver	N/A	Running water tested active as of Jan. 15/16 by Urban One.	\$ -
31	Townhomes	T1 / P3	Interior	Main electrical room	Level T1, Main electrical room needs to have fire proof caulking for hole below panel box	Condo Strata	N/A	Incomplete	Receiver	YES	This item was not reviewed on site.	\$ 125.00
32A	Townhomes	T1 / P3	Interior	North townhome used as Sales Presentation Centre	Level T1 by show suite: The corridor is unfinished and emergency man door on the north wall is sealed. All need to be built to plans.	Condo Strata	N/A	Incomplete	Receiver	YES	Corridor wall, floor, and ceiling finishes.	\$ 7,696.20
32B	Townhomes	T1 / P3	Interior	North townhome used as Sales Presentation Centre	Level T1 by show suite: Two demising walls also missing. All need to be built to plans.	Condo Strata	N/A	Renovation	Statesman	YES	Demising walls	\$ 8,712.20
33	Townhomes	T1 / P3	Interior	North townhome used as Sales Presentation Centre	Level T1, Need to separate 2 townhome suites at north end of hallway (i.e. show suite and manager suite).	Condo Strata	N/A	Renovation	Statesman	YES	Both portions of the existing sales suite need to be renovated. Allow interior renovation estimate of \$100/SF over entire suite areas (14600 + 14601 Shawnee Gate).	\$ 162,857.96
34	Parkade	T1 / P3	Parkade	New parkade area	Level T1, New Parkade area, cracks in floor that leak into parkade below	Condo Strata	3190, 3194	Incomplete	Receiver	YES	Photos show extent of missing vehicle traffic membrane; it must be installed unless the Structural Engineer advises that it is not required for this building. In the process of installation, existing floor cracks would be routed out and filled with a compatible self-leveling urethane sealer.  Shrinkage cracks if reoccurring in concrete structure are inherent to the nature of the concrete and do not reflect a material selection or installation defect; repair of parkade cracks is a normal building maintenance item and not a deficiency.	\$ 32,495.65
35	Parkade	T1 / P3	Exterior	Against east wall of new parkade entry ramp	Level T1, New Parkade area, exposed/missing expansion gasket/seal, floor, walls, and ceiling. Can see daylight.	Condo Strata	3196	Incomplete	Statesman	YES	Expansion joint detail is missing above parkade drive aisle at junction between two parallel walls (interface between old and new parkades). Work is required outside as well as at Level P1 / T3.	\$ 4,944.17
36	Tower	L1 / M / P1	Exterior	West main lobby	Level M, Unfinished West Main lobby entrance/platform, ceiling, cladding and missing steps. Build to plans.	Condo Strata	2811, 2812, 2813, 3201, 3203, 3204	Incomplete	Receiver	YES	West lobby needs steps, landscape treatment outside, hard surface inside, ceiling treatment above, and selected building envelope improvements. Existing soffit insulation above future West Lobby needs to be replaced and redone with air barrier above it. Future West Lobby window and door sill heights misaligned. Paver surface will be required to match door sill elevation which will make it high relative to window sill elevation. Patching on concrete column at future West Lobby entry area needs to be chipped and rendered properly.	\$ 15,278.83
37	Tower	9	Building Envelope	Roof	West facing building wall has exposed building envelope material	Condo Strata	N/A	Incomplete	Strata	N/A	This item has been caused by birds and was not related to the original construction. Changed responsible party to Strata.	\$ -
38	Tower	9	Building Envelope	Roof	Roof anchors need access through patio railing glass for cables (do not place cables over patio railings).	Condo Strata	N/A	Design Issue	Strata	N/A	This is a common detail - many building cleaning companies have to temporarily remove guardrail glass to enable bosun chair worker to access the outside of the building. The bosun chair primary and secondary ropes have to go under the balcony railing bottom rail, not over it. The cleaning companies put the glass back in place once they are done, but a pane of glass does get broken from time to time.	\$ -

Item ID#	Zone	Level	Location or Suite	Sub-Location	Description	Originating Party	Photo ID#s	Item Category	Responsible Party	Summer 2016 Work?	Urban One Repair Recommendations	Urban One Cost Estimate For Rectification
39	Tower	9	Building Envelope	Roof	East side by chiller, the roof Styrofoam and membrane need inspection/repair. Were damaged by Deloitte during roof anchor inspection.	Condo Strata	2820	Incomplete	Receiver	YES	Move roof ballast stones out of the way. Remove existing infill / surround pieces of rigid insulation and cut new ones. Inspect roofing membrane for damage (none known). Install new rigid insulation pieces. Redistribute roof ballast stones back over the area.	\$ 98.00
40	Parkade	P4	Parkade	P4	Existing lower parkade: Remove and relocate the sliding security gate	Condo Strata	N/A	Incomplete	Receiver	N/A	Strata comment: "Delete from list." Urban One interprets that no further action is required.	\$ -
41	Tower		Interior		Elevator FOB readers need to be completed. Readers are installed but not operational.	Condo Strata		Incomplete	Receiver	N/A	Strata comment: "Installed by HB Bd: Actual cost". Urban One interprets that no further action is required.	\$ -
42	Outside South PL	T2 / P2	Exterior	South Property Line	The removal of the retaining wall on James McKeivitt Road to allow the project to relate directly to sidewalk grades.	Condo Strata	McKeivitt Frontage	Incomplete	Receiver	YES	Strata comment: "Relates to the removal of the retaining wall to access the bus stop and James McKeivitt Road from main entrance."	\$ 1,354.99
43	West of Development Match Line	L1 / M / P1	Exterior	Traffic Circle	Driveway flares to be revised to match mark-up comments from Calgary Roads.	Condo Strata	N/A	Deficiency	Statesman	N/A	Nothing carried in this assessment due to west of development match line and Strata noted Statesman as the responsible party.	\$ -
44	Northwest	L1 / M / P1	Exterior	Traffic Circle	Widen access for waste vehicle access to 4.8 m.	Condo Strata	N/A	Deficiency	Statesman	N/A	Nothing carried in this assessment due to west of development match line and Strata noted Statesman as the responsible party. No reason to widen existing garbage room access road since it is already wider than a single road lane.	\$ -
45	Outside South PL	T2/P2	Exterior	South Property Line	Connect internal sidewalks to public sidewalks without the use of stairs (for wheelchairs, etc.). Provide barrier free access to from Traffic circle to bus stop on James McKeivitt. Provide signage at both ends. All pedestrian routes shall be lighted (CPTED)	Condo Strata	McKeivitt Frontage, 3186, 3197	Incomplete	Receiver	YES	Hard landscaping of connection carried in Item #71. Not possible to do this without stairs due to extent of grade change, and Landscape drawings show use of stairs. Retaining wall changes at James McKeivitt road carried in Item #42. Photo 3186 shows pre-existing fence already relocated by Statesman. See also ID #70 for connecting hard landscape work inside South Property Line. Allowance for 13 LED bollards and related conduit and wiring carried here. Photo 3197 shows current core line conduit for wiring to pedestrian lighting.	\$ 4,550.00
46	West of Development Match Line	L1 / M / P1	Exterior	Traffic Circle	All sidewalks around traffic circle to be 1.5 m wide.	Condo Strata	N/A	Incomplete	Statesman	NO	Nothing carried in this assessment due to west of development match line. Changed responsible party to Statesman.	\$ -
47	West of Development Match Line	L1 / M / P1	Exterior	Traffic Circle	Provide pedestrian crossings on each leg of traffic circle.	Condo Strata	N/A	Incomplete	Statesman	NO	Nothing carried in this assessment due to west of development match line and Strata noted Statesman as the responsible party. Also noted that it would not make sense or be optimal from a safety standpoint, to add 8 individual pedestrian crossings as "spokes of the wheel" for the traffic circle.	\$ -
48	West of Development Match Line	L1 / M / P1	Exterior	Traffic Circle	The parkade entrance and driveways off the traffic circle shall be 7.2 m wide.	Condo Strata	N/A	Incomplete	Statesman	NO	Nothing carried in this assessment due to north of development match line and Strata noted Statesman as the responsible party.	\$ -
49	Outside South PL		Exterior		An architecturally compatible transit patron waiting amenity shall be provided at the bus zone on James McKeivitt Rd.	Condo Strata	McKeivitt Frontage	Incomplete	Statesman	NO	Nothing carried in this assessment due to Strata noted Statesman as the responsible party.	\$ -
50	Northwest	L1 / M / P1	Exterior	North of west lobby	Bicycle parking shall be provided (per City of Calgary Bicycle Parking Handbook).	Condo Strata	2810	Incomplete	Receiver	NO	Bike Racks required - 2 singles and 5 doubles.	\$ 2,400.00
51	Northeast	T2 / P2	Exterior		A detailed redesign of the intersection of the access to the site and Shawnee Gate will be required.	Condo Strata	N/A	Incomplete	Statesman	N/A	Nothing carried in this assessment due to Strata noted Statesman as the responsible party.	\$ -
52	West of Development Match Line	L1 / M / P1	Exterior	Traffic Circle	All access roads, turnaround areas and traffic circle to be designed to carry Fire Dept. apparatus (85,000 lbs.).	Condo Strata	N/A	DONE	Statesman	N/A	Strata comment: "Done." Urban One interprets that any remaining action is west of development match line and therefore by Statesman.	\$ -
53	All	All	All		The development shall be completed in its entirety in accordance with the approved plans and conditions. There is no provision for revisions.	Condo Strata	N/A	N/A	Receiver	N/A	Item is too vague to be actionable / quantifiable. No allowances will be carried.	\$ -
54	North	T2 / P2	Exterior	NW corner of building	All service meters outside the building shall be located inside an architecturally compatible screening enclosure. As such, the Highbury gas piping and metering station would require this.	Condo Strata	245, 2799	Incomplete	Receiver	NO	Relates to enclosures for the gas piping and metering station. Recommend powder coated aluminum tall picket fence detail. Budget cost \$55/LF. Also need approximately 5 small post bases at ~\$120 each. Need masonry block blast wall between gas meters and building.	\$ 4,001.57
55	All	All	Exterior		The developer shall submit an "As Constructed Grade Certificate" signed/sealed by a P. Eng. or registered Arch.	Condo Strata	N/A	Incomplete	Receiver	NO	This item not to proceed until hard and soft landscaping has been completed. Allow for Alberta Landscape Surveyor / P.Eng. Call out and certificate.	\$ 1,200.00
56	All	All	Parkade		Emergency Gen. Fuel Supply: provide 3 sets of drawings (stamped by P. Eng.) to Fire Prevention Bureau.	Condo Strata	N/A	Incomplete	Receiver	YES	Assume the original drawing of this has been lost; allow \$1,000 for replacement Engineered drawings and submission of same.	\$ 1,000.00
57	All	All	Exterior		Ponding Is required for 1:100 year storm events. Direct all roof drainage to on-site storm. Controlled storm water discharge required.	Condo Strata	N/A	Incomplete	Receiver	YES	Strata comment: "Receiver & Statesman". Completion of landscaping as designed, will significantly assist absorption and slowing of release rate of rainwater to storm drainage. Included here contingency of \$3,000 toward additional underground drain tile piping associated with Highbury portion of the site.	\$ 3,000.00
58	All	All	All		The applicant is required to identify, implement and integrate a Travel Demand Management (TDM) program into the management of the proposed development.	Condo Strata	N/A	Incomplete	Statesman	N/A	Urban One interprets that no further action is required by Strata or Receiver for this item.	\$ -
59		T1 / P3	Parkade	New parkade area	New Visitor Parking on level P3 requires 1 handicap parking stall	Condo Strata	N/A	DONE	Strata	N/A	Strata comment: "Resolved: trade stalls"	\$ -
60	Tower	All	Miscellaneous		Cost of registering new Condo Plan and By-Laws (i.e. splitting the project) for Tower 1: est. \$20,000	Condo Strata	N/A	Incomplete	Receiver	YES	Estimated by Lawyer. Urban One has no comment but will carry same estimate amount for purpose of completeness.	\$ 20,000.00
61	Parkade	P3	Miscellaneous		Cost of registering new level P3 Parking stalls as common property, etc.: est. \$10,000	Condo Strata	N/A	Incomplete	Receiver	YES	Estimated by Lawyer. Urban One has no comment but will carry same estimate amount for purpose of completeness.	\$ 10,000.00
62	Tower	All	Miscellaneous		Cost of registering City of Calgary access agreement/easement on all Tower 1 titles: est. \$20,000	Condo Strata	N/A	Incomplete	Receiver	YES	Estimated by Lawyer. Urban One has no comment but will carry same estimate amount for purpose of completeness.	\$ 20,000.00
63	Townhomes	All	Interior		Permanent version of Fire Safety Plans is not in place.	Jan. 15, 2016 review	N/A	Incomplete	Receiver	YES	Typically installed as laser scribed and painted metal signage; laminated paper is only temporary.	\$ 2,400.00
64	Townhomes	All	Interior		Top of south sidelite of structural glass lobby doors, there is a gap and the shims are exposed.	Jan. 15, 2016 review	2804	Incomplete	Receiver	YES	A polished metal closure strip could be applied to hide the problem.	\$ 350.00
65	Townhomes	All	Interior		Northwest corner of lobby, there are red and black wires exposed in the ceiling.	Jan. 15, 2016 review	2805	Incomplete	Receiver	YES	Allow in this estimate for this being a camera. Receiver and Strata settled for \$6,000 for 5 locations and this is one of the locations.	\$ 2,400.00
66	South	T2 / P2	Exterior	At South Property Line	Permanent fencing is required on top of retaining wall by James Mc Keivitt Road (existing is chainlink).	Jan. 15, 2016 review	N/A	Incomplete	Receiver	YES	This item is not shown in original project rendering. Match picket style railing observed at several outdoor locations of the project.	\$ 3,100.39
68	North		Exterior		Split out from ID #19 - Incomplete North Soft Landscaping	Condo Strata	N/A	Incomplete	Receiver	NO	Missing landscaping straight north of north townhomes only.	\$ 20,249.08



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69	East	T1 / P3	Exterior	Between the building and the closest sidewalk	Split out from ID #19 - Incomplete East Landscaping	Condo Strata	Shawnee Gate Frontage	Incomplete	Receiver	YES	Missing landscaping east of the building, and one sidewalk ramp segment. Further to April 15 meeting, scope east of the east edge of the sidewalk close to the building (i.e. on City of Calgary property) has been deleted. The scope of the Letter Of Credit must be verified or else this line item may be underestimated.	\$ 4,417.14
70	South	T1 / P3	Exterior	Inside Property Line	Split out from ID #19 - Incomplete South Landscaping	Condo Strata	N/A	Incomplete	Receiver	YES	See also ID #45 for work at and outside of South Property Line.	\$ 15,110.87
71	Southwest	T2 / P2	Exterior		Split out from ID #19 - Incomplete Southwest Landscaping	Condo Strata	3198	Incomplete	Receiver	YES	Missing landscaping west of the building and south of the centerline of the west lobby.	\$ 148,251.24
72	West	L1 / M / P1	West Main Lobby	Vestibule	Install enterphone unit in vestibule. Strata noted "missing intercom".	Condo Strata	2801, 3188, 3202	Incomplete	Receiver	YES	Enterphone unit is to be recovered from north temporary parkade entrance; see detail in Item 18. Enterphone will be installed into existing rough-in location in vestibule to West Lobby.	\$ 1,050.00
73	Southwest	L1 / M / P1	Exterior	Top of future parking entry ramp	Install enterphone unit at future parkade entry. Statesman demonstrated this location on site, May 12/16.	May 12, 2016 review	3197, Kantech Price	Incomplete	Receiver	NO	Conduit for enterphone at top of new parkade ramp. Enterphone manufacturer is to be Kantech to match others. Also shown in photo 3197 is conduit for landscape path lamp standards.	\$ 4,551.45
74	Parkade	T1 / P3	Parkade	Near south wall	Parkade Make-Up Air unit is operational (its operation was manually tested) but is not running on automatic control.	Condo Strata	3193	Incomplete	Receiver	YES	Photo shows detail view of this newer HVAC unit. Allow for 3rd party Commissioning Consultant to calibrate the control of the unit and issue a Commissioning Report. Cash Allowance of \$1,200 for this.	\$ 1,200.00
75	West	L1 / M / P1	West Main Lobby	West wall just north of lobby	Fire department connection is missing at exterior, just to the north of future West Lobby area. Drawing SW-C2 shows permanent Siamese connection to be in place there but it does not exist.	Urban One	3200, 3205, 3208	Incomplete	Receiver	YES	Sprinkler main piping to connect to this, is also missing at Storage Room below. Mechanical design is required in order to assess where this will need to connect from.	\$ 13,285.00
76	Parkade	T1 / P3	Parkade	From emergency generator room to top of new parking entry ramp	Fuel fill lines for emergency generator have no signal wiring for remote read-out. Need remote fill station with leak catchment measures added at top of new ramp.	May 12, 2016 review	3191, 3195, 3209	Incomplete	Receiver	NO		\$ 1,892.00
77	Parkade	T1 / P3	Parkade	Near south wall	Upon finalizing landscaping above, large drywall bulkhead to be removed to facilitate permanent ventilation of the parkade.	May 12, 2016 review	3192, 3199	Incomplete	Receiver	YES	Ventilation of level P3 has been substantially blocked by the improvised drywall enclosure.	\$ 1,540.00
78	All	All	All	Fire extinguisher cabinets	All fire extinguisher cabinets in the building are missing the glass.	May 12, 2016 review	3207	Incomplete	Receiver	YES	Allow \$28 each.	\$ 616.00
99					Recommended Scope Contingency		N/A		Prorata			\$ 39,332.11
100					Likely Trade Markups		N/A		Prorata			\$ 123,896.14

add 4 cameras for \$1,200 535,748 \$ 4,800

227,482 \$ 1,532

**\$ 763,230**

Subtotal by Receiver:	\$ 540,547.75
Subtotal by Statesman:	\$ 176,514.33
Subtotal by Strata:	\$ 3,507.75
GC / Contingency / Fee Total:	\$ 230,500.58
GC / Contingency / Fee Receiver Portion:	\$ 229,014.45
GC / Contingency / Fee Statesman Portion:	\$ -
GC / Contingency / Fee Strata Portion:	\$ 1,486.13
Total of Work Items by Receiver:	\$ 769,562.20
Total of Work Items by Statesman:	\$ 176,514.33
Total of Work Items by Strata:	\$ 4,993.88
<b>Total Work Value Estimate:</b>	<b>\$ 951,070.41</b>

# APPENDIX "I"

October 13, 2016

Highbury Tower 1 Board of Directors  
Attn: Mr. Tod Michelussi, President  
10 Shawnee Hill SW  
Calgary AB, T2Y 0K5

Dear Mr. Michelussi,

**RE: Highbury Tower 1  
Review of Construction Defects**

**RJC No. CAL.106758.0006**

In response to your request and per our proposal dated July 21, 2016, Read Jones Christoffersen Ltd. (RJC) completed the initial review (stage 1) of construction defects at the Highbury Tower 1. The purpose of the initial review was to identify if additional deficiencies/incomplete items exist that have been omitted from the list prepared by Urban One. A summary of our review is provided below.

## 1.0 Review Methodology

Our initial review was based on the following information:

- Base building architectural drawings produced by Poon McKenzie Architects, dated February 15, 2007;
- An list of incomplete/deficiency construction items prepared by Urban One, which can be found in Appendix A;
- A site tour completed on September 15, 2016 with Mr. Michelussi. The tour did not include all areas of the building as limited access was provided to the building exterior and interior areas during the site visit.



## 2.0 Partial Description of Building Exterior




The Highbury Tower (Phase 1) was constructed starting circa 2008 and consists of a midrise residential tower as well as low rise townhouses on the north and south ends. The tower utilizes conventionally reinforced concrete as its primary structural system. Balconies at each suite are cantilevered past the exterior walls. The exterior façade is typically clad with a combination of brick masonry and an aluminum framed window wall system. The typical exterior façade at the penthouse level is composed of exterior insulation finish system (EIFS). The window wall system

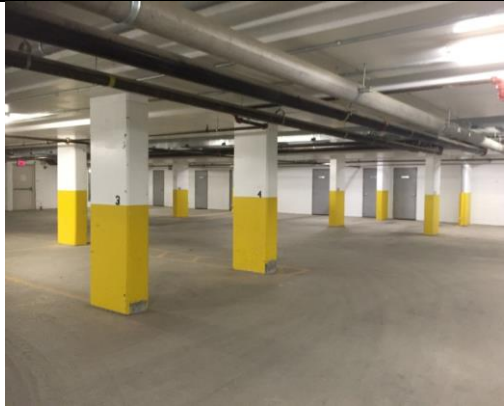
incorporates Insulated Glazing vision Units (IGUs) and opaque glass spandrel panels are installed at floor slabs. Systems employed generally correspond with the base building architectural drawings.

### 3.0 General Observations & Discussion

During our site tour we were able to visually review some of the deficiency/incomplete items as previously identified by Urban One. In addition to those noted, several other items were also observed that were not included in Urban One’s list. Our observations are summarized in Table 1 below. The list presented below is not complete as we were not provided full access to the building exterior and interior areas, but is provided instead to demonstrate that there exist items which were not accounted for on Urban One’s list.

Table 1: Additional Incomplete Items Observed During The Site Tour			
Item #	Building Area	Incomplete Item Description	Photo
A1	Balconies	The majority of balcony slab edges are unfinished and require parging. To install the parging would require rigging a specialized swingstage.	 <p>Photo 1: West elevation balcony slab.</p>
A2	Landscaping	The incomplete plaza has lead to visible insulation and membrane damage. No root barrier installed. The damage may be extensive, and may require complete removal and replacement of the plaza membrane.	 <p>Photo 2: Existing ballast and exposed insulation at the south end of west elevation.</p>

A3	Window Wall/Brick Cladding Transition	On the west elevation, north end we observed exposed insulation above the window wall frame. The perimeter joint was not sealed. Exposed insulation is not considered viable due to UV damage. Replacement requires brick removal.	 <p>Photo 3: Exposed insulation between the window wall frame and brick cladding above, west elevation, north end.</p>
A4	EIFS Cladding	We observed several locations with the EIFS cladding not fully back wrapped along the base of the wall, at the penthouse level. We are not aware of any EIFS system which meets the requisite combustible material performance ratings without fully encapsulated reinforcing.	 <p>Photo 4: Incomplete EIFS cladding at base of wall, at penthouse level.</p>
A5	Roof	Filter fabric was not installed at various gravel ballast roofs. Based on the architectural drawings the typical roof assembly should have a layer of filter fabric installed over the rigid insulation, before the gravel ballast is installed.	 <p>Photo 5: Penthouse gravel ballast roof exposed insulation and without filter fabric.</p>

A6	Parking Deck Membrane	Traffic deck coating was not installed throughout the parkade. Exposed concrete slab has cracks that need to be repaired prior to installing new coating	 <p data-bbox="870 659 1333 730">Photo 6: Parkade slab without traffic deck coating.</p>
A7	Retaining Walls	The west elevation has two locations, the north and south, with incomplete retaining walls.	
A8	Sprinkler Room	The sprinkler room at the parkade level is unsecured, and requires a new wall partition and secure door.	

Based on our observations the list produced by Urban does not include all incomplete construction items at the referenced complex. For a detailed assessment and total quantities of the incomplete items a more thorough investigation of the entire building should be completed with the assistance of a qualified quantity surveyor. During the investigation access would be required to all interior and exterior areas including all suites, balconies, roofs, mechanical areas, parkade, landscaping, etc.

## 4.0 Analysis of Pricing

The list produced by Urban One includes estimated costs for rectifying each of the items identified on the list. It is our opinion that the costs presented for isolated items are less than the current market prices. For example, Urban One estimated \$30,094.51 for supply and install of new traffic deck coating throughout the parkade slab surface, see item 34 on the attached Urban One list. This approximately translates to a unit price of \$3.32 per square foot, based on an approximate parkade area of 9,064.61 square feet (taken from Urban One's budget quantity). It is our opinion that the estimated cost is not representative of the current 2016 market prices. We recommend allowing for a unit price of \$14 per square feet of area (\$150 per square meter of area) for applying new traffic deck coating throughout the parkade. The above unit price is a reasoned deduction based on generally accepted broad unit rates obtained through competitively tendering similar work in 2016, and our past experiences, as well as the current construction market. The costs presented by Urban One are not realistic and should be re-assessed.



## 5.0 Recommendations

### 5.1 Stage 2 – Detailed Review / Quantity Surveying

Based on our findings it is our opinion that the Urban One list is neither complete nor reflects the reality of the current Calgary construction market. We recommend the following be undertaken by the Board to appropriately quantify all incomplete works and identify costs required for their proper implementation given the current state of the building.

- A detailed site review of the existing incomplete construction items. During this time we would require access to all suites, balconies, parkade, mechanical and roof areas, as well as landscape areas. A Board representative or a designated security person engaged by the Board is expected to escort RJC during access through individual suites;
- Selective dismantling of certain construction details if required, to quantify the extent of an incomplete item (contractor fees not included in our fees below);
- A quantity surveyor would be retained to document the defects noted and apply these quantities to the entire complex;
- In preparation for stage 3 and in consultation with the quantity surveyor, we would establish a scope for schematic design and specifications for repair of the work;
- Prepare a summary report noting the incomplete items identified with total quantities noted for each item. Opinions for construction costs will not be included in this stage.

The cost below includes our engineering fees and the quantity surveyor fees for the defined scope of work above. A copy of the quantity surveyor fees can be found in Appendix B.

<b>RJC Engineering Fees:</b>	<b>\$18,000</b>
<b>Quantity Surveyor Fees:</b>	
▪ <b>Billed per diem with hourly rate of \$135/hr with a proposed budget of:</b>	<b>\$15,000</b>

If deemed necessary pending our review, a contractor would be engaged to dismantle select areas of the building envelope sections in order to review the extent of the incomplete construction items. The contractor would perform their work on a time and material basis, within the estimated budget of \$3,000. Contractor invoices would be reviewed and included in RJC invoicing as a separate disbursement to the fees presented above.

## 5.2 Stage 3 – Schematic Design/Costing

The scope of this stage would include the development of a pre-defined number of schematic details which would be issued to the local contracting community for pricing. The result of this costing exercise would provide the basis for our opinion of probable construction costs for the incomplete work.

**Engineering Fees**

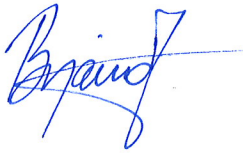
**\$8,000 to \$12,000**

Trusting the above addresses your request, we remain at your direction. Please contact this office should you have any questions regarding the above or if you would like to proceed with the repairs recommended.

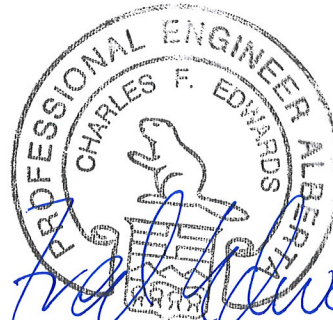
Yours truly,

READ JONES CHRISTOFFERSEN LTD.  
APEGA Permit To Practice No. P00152

REVIEWED BY:



Jelena Bojanic, BSc, EIT  
Design Engineer  
Building Science and Restoration



Fred Edwards, P. Eng., LEED® AP BD+C  
Associate  
Building Science and Restoration

JB/cl  
Encl.





## APPENDIX A– Urban One List of Incomplete Items

# Highbury - Incomplete Work and Deficiency Review

Field Review Dates: January 15 and May 12, 2016

In Attendance: B. Olund, M.Eng., P.Eng. - Urban One Builders; Luke Alliband - Deloitte; Tom Michelussi - Condo Strata.



Item ID#	Zone	Level	Location or Suite	Sub-Location	Description	Originating Party	Photo ID#s	Item Category	Responsible Party	Summer 2016 Work?	Urban One Repair Recommendations	Urban One Cost Estimate For Rectification
0	All	All	All		General Conditions associated with overseeing the work to be done - Summer 2016 portion of the work scope.	Urban One	All	All	Prorata	YES	All as needed to supervise individual items below.	\$ 67,272.33
1	Tower	Multiple	Building Envelope	Balconies	Exposed Tyvek wrap on many east balconies. Must be weather-proofed & clad.	Condo Strata	2814	Incomplete	Receiver	YES	The exposed peel and stick membrane is redundant to building envelope function and can be trimmed back. In the gap between the balcony edge and the vertical window mullion, vertical caulk could be installed except for a small drain hole at the bottom, to cover the residual edge of the cut back peel and stick membrane.	\$ 7,200.00
2	East	T1 / P3	Exterior	Sidewalk	Sidewalk curb lighting is missing. Wiring in place. Need bulbs/lenses.	Condo Strata	2798 (context), East Frontage (context), 2821 (detail).	Design Issue	Strata	YES	Electrical junction boxes exist in the face of the curb, but are not lighting back-boxes. Lighting if installed cannot be recessed into the curb and would have to be surface-mounted. Surface-mounted lighting, in addition to creating a trip hazard, would be likely to be damaged or knocked off by snowblower impact during winter property maintenance. Recommend deactivation of these circuits at electrical panel, and abandonment.	\$ 600.00
3	East	T1 / P3	Exterior	Planters	Irrigation system is partially installed. Exposed Piping. Must be tested & Finished (sprinkler heads & controls).	Condo Strata	2824	Incomplete	Receiver	YES	The number of locations could not be counted accurately due to snow coverage at time of Urban One site review. Allow \$250 per planter on east frontage, to complete irrigation system including piping, pop-up head, and control.	\$ 2,500.00
4	East	L1 / M / P1	Building Envelope	Townhouses	Unfinished scupper above townhouses, and missing downspouts.	Condo Strata	N/A	Incomplete	Receiver	YES	Scuppers will not normally have any downspouts since they are only active in case of overflow condition if the drain is plugged. In terms of canopy drain downspouts, none were specifically reviewed in the walkthrough because the canopies are typically outwardly sloped and non-guttered. A nominal allowance is provisionally included here to install up to 2 downspouts, once missed locations can be identified on site and confirmed from the drawings.	\$ 800.00
5	East	L1 / M / P1	Building Envelope	East frontage	Unfinished Brick trim around scuppers	Condo Strata	N/A	Incomplete	Receiver	YES	Less than 4 locations observed. Allow \$400 per location to obtain and customize bricks and install around scupper pipe including access measures for the work.	\$ 1,600.00
6	South	T1 / P3	Exterior	Near south property line	South retaining wall, facing building: open receptacles with wiring, nails protruding	Condo Strata	3183, 3184, 3185	Incomplete	Receiver	YES	There are a total of 8 open electrical junction boxes in the wall. Allow \$25 per location to install suitable cover plates at electrical back-boxes, and \$4.50/SF for surface grinding and parging work over up to 120 SF of exposed wall area.	\$ 740.00
7	South	T1 / P3	Building Envelope	West end of south wall	South Building wall, unfinished vent opening (for new parkade)	Condo Strata	238, 2809, 3182	Incomplete	Receiver	YES	Strata comment: "Done." Urban One interpretation is that the aluminum louver on the south wall of the building was installed after connection of the additional parkade area and not with the original construction. This is consistent with the soil elevation having been initially higher against the wall in the area and the louver looking quite new as shown in photo 238. New soil retaining wall has been built by Statesman in 8" masonry block. Allow \$300 for waterproofing repairs associated to masonry block wall construction, \$100 to remove and replace soil, \$250 for EIFS repairs at end of wall.	\$ 650.00
8	South	T1 / P3	Exterior	South end of building	South Building wall, exposed wires by T1 man door for security camera and keypad	Condo Strata	2807	Negotiated	Strata	YES	Strata Comment: "Cameras Installed by HB Bd: actual cost". Receiver and Strata settled for \$6,000 for 5 locations and this is one of the locations.	\$ 1,200.00
9	South	T1 / P3	Building Envelope	West end of south wall	South Building wall, exposed Styrofoam: behind townhomes. Need weatherproofing & cladding.	Condo Strata	238, 2808	Incomplete	Receiver	YES	EIFS appears to have been damaged, possibly during louver installation. Locally remove damaged EIFS cladding over rigid insulation. The insulation looks OK. Redo EIFS cladding below brick and west of new louver. Exclude cleaning of soil residue off adjacent EIFS; considered part of routine maintenance.	\$ 420.00
10	East	T1 / P3	Exterior	Southeast corner of overall property	SE corner, exposed 1 1/2" OD black PVC piping (possibly irrigation)	Condo Strata	N/A	Incomplete	Receiver	YES	Not irrigation-related (wrong pipe material and diameter is too large). Possibly used for other purposes during construction. Recommend to cut off, plug, and abandon minimum 12" below grade.	\$ 550.00
11	South	T2 / P2	Exterior	Northwest of the southwest roof area that is missing the landscaping	South facing retaining wall has unfinished concrete: needs cladding or parging (per drwgs).	Condo Strata	243, 244, 2815	Incomplete	Receiver	YES	Urban One interprets that this is in reference to the vertical wall currently coated with roofing membrane. At this wall the permanent condition is for it to be underground, so there would not be cladding or parging. The work required is part of the Landscape Completion Estimate except for the roofing which is estimated here.	\$ 3,169.70
12	Southwest	T2 / P2	Building Envelope		Parkade roof behind townhouses has exposed AND missing Styrofoam (may have to remove existing Styrofoam to ensure waterproofing is viable).	Condo Strata	241, 242, 2816, 2817, 2818	Incomplete	Receiver	YES	Remove all items down to roofing membrane. Building Envelope or Roofing Consultant to inspect condition of membrane. Spot repairs of membrane, new drain mat, insulation, filter cloth. Replace ballast and add more material for thicker ballast.	\$ 26,959.95
13	Southwest	T1 / P3	Exterior	East end of south wall	South Building wall has unfinished flashing at bottom.	Condo Strata	239, 2806	Incomplete	Receiver	YES	The exposed peel and stick membrane is not UV-stable and should not have been left exposed. It may or may not tie in to a back-angle below the window, which will need to be determined. The window should have a sill flashing underneath it, over the peel and stick membrane, prior to installation of the window. The correct condition cannot be established without removing and reinstalling the window. A partial repair would consist of tying in replacement exposed portion of peel and stick membrane, inserting a partial sill flashing from the outside, and using caulk between sill flashing and sill mullion of window except for a drain slot in the caulk. With the assumption that the resident will not want the window removed (based on it has not leaked in 6 years) Urban One has carried the partial repair cost in this estimate.	\$ 360.00
14	South	T2 / P2	Exterior		South Building wall, exposed wires by T2 man door for security camera and keypad	Condo Strata	2819	Negotiated	Strata	YES	Strata comment: "Cameras Installed." Receiver and Strata settled for \$6,000 for 5 locations and this is one of the locations.	\$ 1,200.00
15	Southwest	T2 / P2	Exterior	Below SW corner show suite	Concrete wall has exposed Styrofoam and waterproofing membrane (below Main floor SW corner show suite).	Condo Strata	240	Incomplete	Receiver	YES	Move soil back. Remove and discard UV-exposed styrofoam. Inspect drain mat condition and remove upper piece. Add new styrofoam and drain mat. Add sill flashing under brick. Backfill area.	\$ 1,205.00
16	East	T1 / P3	Exterior	East frontage	Missing address plaques on many townhouses	Condo Strata	3187	Incomplete	Receiver	YES	Supply and install new ones: 12 exterior, 4 interior. Laser-etched slate Townhouse unit number example understood to be an acceptable design and an equivalent design can be selected.	\$ 2,340.00

Item ID#	Zone	Level	Location or Suite	Sub-Location	Description	Originating Party	Photo ID#s	Item Category	Responsible Party	Summer 2016 Work?	Urban One Repair Recommendations	Urban One Cost Estimate For Rectification
17	East	T1 / P3	Exterior	Northeast corner of the building	Exposed insulation/metal flashing, unfinished/exposed water proofing membrane.	Condo Strata	246, 2800	Deficiency	Strata	YES	The item is either a design coordination issue or a construction error. The existing pinch bar must be removed. The waterproofing membrane needs to be cut down to just above the existing planter soil elevation. The membrane likely was not UV-stable and the exposed portion of the membrane appears to need replacement. The soil has to be pulled back, the membrane removed, new membrane tied in, and the top of the membrane protected with a flashing regletted and caulked into the concrete wall face. Above the reglet, cementitious parging matching the surrounding area in texture and colour must be applied.	\$ 2,757.75
18	North	T1 / P3, and P4	Exterior	North of townhomes	North facing hard landscaping: Current parkade entrance needs filling in. NOTE: Existing Parkade man door Emergency Exit to remain as per plans. Landscaping to be completed per plans.	Condo Strata	2797, 2801, 2802	Incomplete	Receiver	NO	Hard landscaping and retaining walls carried here, based on new landscape drawings. Soft landscaping in same area is carried in ID #68 as per old landscape drawings.	\$ 62,162.18
19	Northwest	T1 / P3	Exterior	West of north townhomes	Unfinished landscaping on west side of northern townhouses: refer to design drawings. East, North & South side landscaping also required (per drawings) - those moved to ID# 68 and upwards.	Condo Strata	2803	Incomplete	Receiver	NO	Large stone work appears complete but landscape planting in between the stone work appears incomplete or dead and must be redone. Some hard landscaping is also incomplete. This estimate is for all landscaping north of centerline of future main lobby and west of northwest corner of north townhomes. Bike racks carried in ID #50.	\$ 63,380.53
20	Northwest	T1 / P3	Exterior	North portion of west landscaping	Storm retention tank operation needs to be verified. Location and operation of all sump pumps need verification. Concern with localized water entry into the parkade during heavy rain events.	Condo Strata	247	Incomplete	Receiver	N/A	This item could not be evaluated within the scope of the site visits conducted. Further evaluation of this item may need to take place during a heavy rain event. Since no problem is specifically known with the tank or its discharge works, which are understood to be complete, it was discussed in the April 15 meeting that no contingency will be carried for this item.	\$ -
21	Northwest	L1 / M / P1	Exterior	Western roof portion of north townhomes	Exposed Styrofoam above north townhouses. Waterproof membrane needs inspection and Styrofoam covered.	Condo Strata	N/A	Incomplete	Receiver	NO	Not reviewed in walkthrough but visible from Google Earth view. Roof planting is missing. Remove styrofoam, inspect waterproofing membrane, ensure no drain clog issues, install new styrofoam, install roof planting.	\$ 10,891.78
22	North	T1 / P3	Exterior	North townhome used as Sales Presentation Centre	Exposed/temporary man door will be replaced with a window (townhome).	Condo Strata	3206	Incomplete	Receiver	YES	Carrying into this estimate: to remove and dispose existing man door; to procure, prepare, and install window in place of door. Quest Windows' tag number for replacement of damaged window on site, needed to be installed to replace temporary west access into former Sales Suite.	\$ 2,924.71
23	Northwest	T2 / P2	Exterior	Over garbage room access door	Exposed wiring above garbage room access for security camera/keypad. These need to be installed.	Condo Strata	N/A	Negotiated	Strata	YES	Strata comment: "Cameras Installed by HB Bd". Receiver and Strata settled for \$6,000 for 5 locations and this is one of the locations.	\$ 1,200.00
24	Northwest	T2 / P2	Exterior		Unfinished landscaping outside of garbage room	Condo Strata	N/A	Incomplete	Receiver		Part of overall landscaping estimate, in item #19.	\$ -
25	Northwest	T2 / P2	Interior	North emergency man door exit	Level T2, unfinished flooring and baseboards (north emergency man door exit).	Condo Strata	N/A	Incomplete	Receiver	YES	Recommend light floor grind, garage floor paint, and rubber base.	\$ 2,793.17
26	Townhomes	T2 / P2	Interior	South emergency man door exit	Level T2, unfinished flooring and baseboards (south emergency man door exit)	Condo Strata	N/A	Incomplete	Receiver	YES	Recommend light floor grind, garage floor paint, and rubber base.	\$ 1,576.54
27	Townhomes	T2 / P2	Interior	Elevator lobby	Level T2, elevator lobby unfinished flooring. Note previously there were 4 pallets of stone tile stored in the garbage room for this work. Needs to be returned to Condo Board.	Condo Strata	N/A	Incomplete	Receiver	YES	As discussed on site that garage floor paint can be used in conjunction with rubber base at this area.	\$ 910.78
28	Townhomes	T2 / P2	Interior	Garbage room	Level T2, garbage room entrance has large floor lip. See Item 27 note on stone tiles.	Condo Strata	N/A	Incomplete	Receiver	YES	Carrying into this estimate, \$200 to grind floor lip. garage floor finish covered in Item #27.	\$ 200.00
29	Townhomes	T2 / P2	Interior	Corridors	Level T2, has many missing ceiling sprinkler head trims (escutcheons).	Condo Strata	N/A	Negotiated	Strata	YES	Not reviewed in walkthrough; location unknown. Confirmed in April 15 meeting that Receiver would not fund this item for Strata.	\$ 150.00
30	Townhomes	T1 / P3	Interior	Storage / Dog Wash Area	Level T1, Dog wash facility has no running water and is unfinished.	Condo Strata	N/A	Incomplete	Receiver	N/A	Running water tested active as of Jan. 15/16 by Urban One.	\$ -
31	Townhomes	T1 / P3	Interior	Main electrical room	Level T1, Main electrical room needs to have fire proof caulking for hole below panel box	Condo Strata	N/A	Incomplete	Receiver	YES	This item was not reviewed on site.	\$ 125.00
32A	Townhomes	T1 / P3	Interior	North townhome used as Sales Presentation Centre	Level T1 by show suite: The corridor is unfinished and emergency man door on the north wall is sealed. All need to be built to plans.	Condo Strata	N/A	Incomplete	Receiver	YES	Corridor wall, floor, and ceiling finishes.	\$ 7,696.20
32B	Townhomes	T1 / P3	Interior	North townhome used as Sales Presentation Centre	Level T1 by show suite: Two demising walls also missing. All need to be built to plans.	Condo Strata	N/A	Renovation	Statesman	YES	Demising walls	\$ 8,712.20
33	Townhomes	T1 / P3	Interior	North townhome used as Sales Presentation Centre	Level T1, Need to separate 2 townhome suites at north end of hallway (i.e. show suite and manager suite).	Condo Strata	N/A	Renovation	Statesman	YES	Both portions of the existing sales suite need to be renovated. Allow interior renovation estimate of \$100/SF over entire suite areas (14600 + 14601 Shawnee Gate).	\$ 162,857.96
34	Parkade	T1 / P3	Parkade	New parkade area	Level T1, New Parkade area, cracks in floor that leak into parkade below	Condo Strata	3190, 3194	Incomplete	Receiver	YES	Photos show extent of missing vehicle traffic membrane; it must be installed unless the Structural Engineer advises that it is not required for this building. In the process of installation, existing floor cracks would be routed out and filled with a compatible self-leveling urethane sealer.  Shrinkage cracks if reoccurring in concrete structure are inherent to the nature of the concrete and do not reflect a material selection or installation defect; repair of parkade cracks is a normal building maintenance item and not a deficiency.	\$ 32,495.65
35	Parkade	T1 / P3	Exterior	Against east wall of new parkade entry ramp	Level T1, New Parkade area, exposed/missing expansion gasket/seal, floor, walls, and ceiling. Can see daylight.	Condo Strata	3196	Incomplete	Statesman	YES	Expansion joint detail is missing above parkade drive aisle at junction between two parallel walls (interface between old and new parkades). Work is required outside as well as at Level P1 / T3.	\$ 4,944.17
36	Tower	L1 / M / P1	Exterior	West main lobby	Level M, Unfinished West Main lobby entrance/platform, ceiling, cladding and missing steps. Build to plans.	Condo Strata	2811, 2812, 2813, 3201, 3203, 3204	Incomplete	Receiver	YES	West lobby needs steps, landscape treatment outside, hard surface inside, ceiling treatment above, and selected building envelope improvements. Existing soffit insulation above future West Lobby needs to be replaced and redone with air barrier above it. Future West Lobby window and door sill heights misaligned. Paver surface will be required to match door sill elevation which will make it high relative to window sill elevation. Patching on concrete column at future West Lobby entry area needs to be chipped and rendered properly.	\$ 15,278.83
37	Tower	9	Building Envelope	Roof	West facing building wall has exposed building envelope material	Condo Strata	N/A	Incomplete	Strata	N/A	This item has been caused by birds and was not related to the original construction. Changed responsible party to Strata.	\$ -

Item ID#	Zone	Level	Location or Suite	Sub-Location	Description	Originating Party	Photo ID#s	Item Category	Responsible Party	Summer 2016 Work?	Urban One Repair Recommendations	Urban One Cost Estimate For Rectification
38	Tower	9	Building Envelope	Roof	Roof anchors need access through patio railing glass for cables (do not place cables over patio railings).	Condo Strata	N/A	Design Issue	Strata	N/A	This is a common detail - many building cleaning companies have to temporarily remove guardrail glass to enable bosun chair worker to access the outside of the building. The bosun chair primary and secondary ropes have to go under the balcony railing bottom rail, not over it. The cleaning companies put the glass back in place once they are done, but a pane of glass does get broken from time to time.	\$ -
39	Tower	9	Building Envelope	Roof	East side by chiller, the roof Styrofoam and membrane need inspection/repair. Were damaged by Deloitte during roof anchor inspection.	Condo Strata	2820	Incomplete	Receiver	YES	Move roof ballast stones out of the way. Remove existing infill / surround pieces of rigid insulation and cut new ones. Inspect roofing membrane for damage (none known). Install new rigid insulation pieces. Redistribute roof ballast stones back over the area.	\$ 98.00
40	Parkade	P4	Parkade	P4	Existing lower parkade: Remove and relocate the sliding security gate	Condo Strata	N/A	Incomplete	Receiver	N/A	Strata comment: "Delete from list." Urban One interprets that no further action is required.	\$ -
41	Tower		Interior		Elevator FOB readers need to be completed. Readers are installed but not operational.	Condo Strata		Incomplete	Receiver	N/A	Strata comment: "Installed by HB Bd: Actual cost". Urban One interprets that no further action is required.	\$ -
42	Outside South PL	T2 / P2	Exterior	South Property Line	The removal of the retaining wall on James McKeivitt Road to allow the project to relate directly to sidewalk grades.	Condo Strata	McKeivitt Frontage	Incomplete	Receiver	YES	Strata comment: "Relates to the removal of the retaining wall to access the bus stop and James McKeivitt Road from main entrance."	\$ 1,354.99
43	West of Development Match Line	L1 / M / P1	Exterior	Traffic Circle	Driveway flares to be revised to match mark-up comments from Calgary Roads.	Condo Strata	N/A	Deficiency	Statesman	N/A	Nothing carried in this assessment due to west of development match line and Strata noted Statesman as the responsible party.	\$ -
44	Northwest	L1 / M / P1	Exterior	Traffic Circle	Widen access for waste vehicle access to 4.8 m.	Condo Strata	N/A	Deficiency	Statesman	N/A	Nothing carried in this assessment due to west of development match line and Strata noted Statesman as the responsible party. No reason to widen existing garbage room access road since it is already wider than a single road lane.	\$ -
45	Outside South PL	T2/P2	Exterior	South Property Line	Connect internal sidewalks to public sidewalks without the use of stairs (for wheelchairs, etc.). Provide barrier free access to from Traffic circle to bus stop on James McKeivitt. Provide signage at both ends. All pedestrian routes shall be lighted (CPTED)	Condo Strata	McKeivitt Frontage, 3186, 3197	Incomplete	Receiver	YES	Hard landscaping of connection carried in Item #71. Not possible to do this without stairs due to extent of grade change, and Landscape drawings show use of stairs. Retaining wall changes at James McKeivitt road carried in Item #42. Photo 3186 shows pre-existing fence already relocated by Statesman. See also ID #70 for connecting hard landscape work inside South Property Line. Allowance for 13 LED bollards and related conduit and wiring carried here. Photo 3197 shows current core line conduit for wiring to pedestrian lighting.	\$ 4,550.00
46	West of Development Match Line	L1 / M / P1	Exterior	Traffic Circle	All sidewalks around traffic circle to be 1.5 m wide.	Condo Strata	N/A	Incomplete	Statesman	NO	Nothing carried in this assessment due to west of development match line. Changed responsible party to Statesman.	\$ -
47	West of Development Match Line	L1 / M / P1	Exterior	Traffic Circle	Provide pedestrian crossings on each leg of traffic circle.	Condo Strata	N/A	Incomplete	Statesman	NO	Nothing carried in this assessment due to west of development match line and Strata noted Statesman as the responsible party. Also noted that it would not make sense or be optimal from a safety standpoint, to add 8 individual pedestrian crossings as "spokes of the wheel" for the traffic circle.	\$ -
48	West of Development Match Line	L1 / M / P1	Exterior	Traffic Circle	The parkade entrance and driveways off the traffic circle shall be 7.2 m wide.	Condo Strata	N/A	Incomplete	Statesman	NO	Nothing carried in this assessment due to north of development match line and Strata noted Statesman as the responsible party.	\$ -
49	Outside South PL		Exterior		An architecturally compatible transit patron waiting amenity shall be provided at the bus zone on James McKeivitt Rd.	Condo Strata	McKeivitt Frontage	Incomplete	Statesman	NO	Nothing carried in this assessment due to Strata noted Statesman as the responsible party.	\$ -
50	Northwest	L1 / M / P1	Exterior	North of west lobby	Bicycle parking shall be provided (per City of Calgary Bicycle Parking Handbook).	Condo Strata	2810	Incomplete	Receiver	NO	Bike Racks required - 2 singles and 5 doubles.	\$ 2,400.00
51	Northeast	T2 / P2	Exterior		A detailed redesign of the intersection of the access to the site and Shawnee Gate will be required.	Condo Strata	N/A	Incomplete	Statesman	N/A	Nothing carried in this assessment due to Strata noted Statesman as the responsible party.	\$ -
52	West of Development Match Line	L1 / M / P1	Exterior	Traffic Circle	All access roads, turnaround areas and traffic circle to be designed to carry Fire Dept. apparatus (85,000 lbs.).	Condo Strata	N/A	DONE	Statesman	N/A	Strata comment: "Done." Urban One interprets that any remaining action is west of development match line and therefore by Statesman.	\$ -
53	All	All	All		The development shall be completed in its entirety in accordance with the approved plans and conditions. There is no provision for revisions.	Condo Strata	N/A	N/A	Receiver	N/A	Item is too vague to be actionable / quantifiable. No allowances will be carried.	\$ -
54	North	T2 / P2	Exterior	NW corner of building	All service meters outside the building shall be located inside an architecturally compatible screening enclosure. As such, the Highbury gas piping and metering station would require this.	Condo Strata	245, 2799	Incomplete	Receiver	NO	Relates to enclosures for the gas piping and metering station. Recommend powder coated aluminum tall picket fence detail. Budget cost \$55/LF. Also need approximately 5 small post bases at ~\$120 each. Need masonry block blast wall between gas meters and building.	\$ 4,001.57
55	All	All	Exterior		The developer shall submit an "As Constructed Grade Certificate" signed/sealed by a P. Eng. or registered Arch.	Condo Strata	N/A	Incomplete	Receiver	NO	This item not to proceed until hard and soft landscaping has been completed. Allow for Alberta Landscape Surveyor / P.Eng. Call out and certificate.	\$ 1,200.00
56	All	All	Parkade		Emergency Gen. Fuel Supply: provide 3 sets of drawings (stamped by P. Eng.) to Fire Prevention Bureau.	Condo Strata	N/A	Incomplete	Receiver	YES	Assume the original drawing of this has been lost; allow \$1,000 for replacement Engineered drawings and submission of same.	\$ 1,000.00
57	All	All	Exterior		Ponding Is required for 1:100 year storm events. Direct all roof drainage to on-site storm. Controlled storm water discharge required.	Condo Strata	N/A	Incomplete	Receiver	YES	Strata comment: "Receiver & Statesman". Completion of landscaping as designed, will significantly assist absorption and slowing of release rate of rainwater to storm drainage. Included here contingency of \$3,000 toward additional underground drain tile piping associated with Highbury portion of the site.	\$ 3,000.00
58	All	All	All		The applicant is required to identify, implement and integrate a Travel Demand Management (TDM) program into the management of the proposed development.	Condo Strata	N/A	Incomplete	Statesman	N/A	Urban One interprets that no further action is required by Strata or Receiver for this item.	\$ -
59		T1 / P3	Parkade	New parkade area	New Visitor Parking on level P3 requires 1 handicap parking stall	Condo Strata	N/A	DONE	Strata	N/A	Strata comment: "Resolved: trade stalls"	\$ -
60	Tower	All	Miscellaneous		Cost of registering new Condo Plan and By-Laws (i.e. splitting the project) for Tower 1: est. \$20,000	Condo Strata	N/A	Incomplete	Receiver	YES	Estimated by Lawyer. Urban One has no comment but will carry same estimate amount for purpose of completeness.	\$ 20,000.00
61	Parkade	P3	Miscellaneous		Cost of registering new level P3 Parking stalls as common property, etc.: est. \$10,000	Condo Strata	N/A	Incomplete	Receiver	YES	Estimated by Lawyer. Urban One has no comment but will carry same estimate amount for purpose of completeness.	\$ 10,000.00
62	Tower	All	Miscellaneous		Cost of registering City of Calgary access agreement/easement on all Tower 1 titles: est. \$20,000	Condo Strata	N/A	Incomplete	Receiver	YES	Estimated by Lawyer. Urban One has no comment but will carry same estimate amount for purpose of completeness.	\$ 20,000.00
63	Townhomes	All	Interior		Permanent version of Fire Safety Plans is not in place.	Jan. 15, 2016 review	N/A	Incomplete	Receiver	YES	Typically installed as laser scribed and painted metal signage; laminated paper is only temporary.	\$ 2,400.00

Item ID#	Zone	Level	Location or Suite	Sub-Location	Description	Originating Party	Photo ID#s	Item Category	Responsible Party	Summer 2016 Work?	Urban One Repair Recommendations	Urban One Cost Estimate For Rectification
64	Townhomes	All	Interior		Top of south sidelite of structural glass lobby doors, there is a gap and the shims are exposed.	Jan. 15, 2016 review	2804	Incomplete	Receiver	YES	A polished metal closure strip could be applied to hide the problem.	\$ 350.00
65	Townhomes	All	Interior		Northwest corner of lobby, there are red and black wires exposed in the ceiling.	Jan. 15, 2016 review	2805	Incomplete	Receiver	YES	Allow in this estimate for this being a camera. Receiver and Strata settled for \$6,000 for 5 locations and this is one of the locations.	\$ 1,200.00
66	South	T2 / P2	Exterior	At South Property Line	Permanent fencing is required on top of retaining wall by James Mc Kevitt Road (existing is chainlink).	Jan. 15, 2016 review	N/A	Incomplete	Receiver	YES	This item is not shown in original project rendering. Match picket style railing observed at several outdoor locations of the project.	\$ 3,100.39
68	North		Exterior		Split out from ID #19 - Incomplete North Soft Landscaping	Condo Strata	N/A	Incomplete	Receiver	NO	Missing landscaping straight north of north townhomes only.	\$ 20,249.08
69	East	T1 / P3	Exterior	Between the building and the closest sidewalk	Split out from ID #19 - Incomplete East Landscaping	Condo Strata	Shawnee Gate Frontage	Incomplete	Receiver	YES	Missing landscaping east of the building, and one sidewalk ramp segment. Further to April 15 meeting, scope east of the east edge of the sidewalk close to the building (i.e. on City of Calgary property) has been deleted. The scope of the Letter Of Credit must be verified or else this line item may be underestimated.	\$ 4,417.14
70	South	T1 / P3	Exterior	Inside Property Line	Split out from ID #19 - Incomplete South Landscaping	Condo Strata	N/A	Incomplete	Receiver	YES	See also ID #45 for work at and outside of South Property Line.	\$ 15,110.87
71	Southwest	T2 / P2	Exterior		Split out from ID #19 - Incomplete Southwest Landscaping	Condo Strata	3198	Incomplete	Receiver	YES	Missing landscaping west of the building and south of the centerline of the west lobby.	\$ 148,251.24
72	West	L1 / M / P1	West Main Lobby	Vestibule	Install enterphone unit in vestibule. Strata noted "missing intercom".	Condo Strata	2801, 3188, 3202	Incomplete	Receiver	YES	Enterphone unit is to be recovered from north temporary parkade entrance; see detail in Item 18. Enterphone will be installed into existing rough-in location in vestibule to West Lobby.	\$ 1,050.00
73	Southwest	L1 / M / P1	Exterior	Top of future parking entry ramp	Install enterphone unit at future parkade entry. Statesman demonstrated this location on site, May 12/16.	May 12, 2016 review	3197, Kantech Price	Incomplete	Receiver	NO	Conduit for enterphone at top of new parkade ramp. Enterphone manufacturer is to be Kantech to match others. Also shown in photo 3197 is conduit for landscape path lamp standards.	\$ 4,551.45
74	Parkade	T1 / P3	Parkade	Near south wall	Parkade Make-Up Air unit is operational (its operation was manually tested) but is not running on automatic control.	Condo Strata	3193	Incomplete	Receiver	YES	Photo shows detail view of this newer HVAC unit. Allow for 3rd party Commissioning Consultant to calibrate the control of the unit and issue a Commissioning Report. Cash Allowance of \$1,200 for this.	\$ 1,200.00
75	West	L1 / M / P1	West Main Lobby	West wall just north of lobby	Fire department connection is missing at exterior, just to the north of future West Lobby area. Drawing SW-C2 shows permanent Siamese connection to be in place there but it does not exist.	Urban One	3200, 3205, 3208	Incomplete	Receiver	YES	Sprinkler main piping to connect to this, is also missing at Storage Room below. Mechanical design is required in order to assess where this will need to connect from.	\$ 13,285.00
76	Parkade	T1 / P3	Parkade	From emergency generator room to top of new parking entry ramp	Fuel fill lines for emergency generator have no signal wiring for remote read-out. Need remote fill station with leak catchment measures added at top of new ramp.	May 12, 2016 review	3191, 3195, 3209	Incomplete	Receiver	NO		\$ 1,892.00
77	Parkade	T1 / P3	Parkade	Near south wall	Upon finalizing landscaping above, large drywall bulkhead to be removed to facilitate permanent ventilation of the parkade.	May 12, 2016 review	3192, 3199	Incomplete	Receiver	YES	Ventilation of level P3 has been substantially blocked by the improvised drywall enclosure.	\$ 1,540.00
78	All	All	All	Fire extinguisher cabinets	All fire extinguisher cabinets in the building are missing the glass.	May 12, 2016 review	3207	Incomplete	Receiver	YES	Allow \$28 each.	\$ 616.00
99					Recommended Scope Contingency		N/A		Prorata			\$ 39,332.11
100					Likely Trade Markups		N/A		Prorata			\$ 123,896.14

Subtotal by Receiver:	\$ 535,747.75
Subtotal by Statesman:	\$ 176,514.33
Subtotal by Strata:	\$ 7,107.75
GC / Contingency / Fee Total:	\$ 230,500.58
GC / Contingency / Fee Receiver Portion:	\$ 227,482.58
GC / Contingency / Fee Statesman Portion:	\$ -
GC / Contingency / Fee Strata Portion:	\$ 3,018.00
Total of Work Items by Receiver:	\$ 763,230.32
Total of Work Items by Statesman:	\$ 176,514.33
Total of Work Items by Strata:	\$ 10,125.75
<b>Total Work Value Estimate:</b>	<b>\$ 949,870.41</b>



## APPENDIX B – Quantity Surveyor Quote

04 October 2016  
 Ref No. P16732

Read Jones Christoffersen Ltd.  
 Suite 500 - 1816 Crowchild Trail NW  
 Calgary, AB T2M 3Y7

Birks Building  
 10113 - 104 Street, Suite 346.  
 Edmonton, Alberta  
 T5J1A1

+1 (780) 643 0134  
 www.turnerandtowntsend.com

**For the attention of Mr. Fred Edwards**

Dear Mr. Edwards,

**Highbury Tower 1 Deficiencies Review - Cost Consulting**

Further to your request of September 26, 2016 we are pleased to submit our fee proposal to provide cost consulting services for the above noted.

Based on the information provided our fee is as follows:

Item	Base scope of services	Proposed Upset fee
1	Preparation of schedule of quantities for Highbury Tower 1 Deficiencies Review – specifications and scope to be provided by RJC  Billed per diem with an hourly rate of \$135/hr	\$15,000
<b>Total Proposed Fee (excluding GST)</b>		<b>\$15,000</b>

The above fee **excludes** GST. Where the scope of the work or our terms of reference changes significantly we reserve the right to adjust our fee accordingly. Additional services will be charged net in addition based on our current hourly rates, unless otherwise agreed.

We trust this meets with your approval. Should there be any part of this proposal that needs clarification, please contact the undersigned. If our proposal is acceptable to you please review and execute our enclosed Terms of Appointment as confirmation of your acceptance.

Yours sincerely



Joanne Daley  
 Associate Director  
 Turner & Townsend  
 e: joanne.daley@turntown.com

F:\CANADA\BUSINESS DEVELOPMENT\PROPOSALS\2016\P16732 - RJC- Highbury Tower 1 - REVIEW OF CONSTRUCTION DEFICIEICIES - FILE TRANSFER - Highbury Tower 1 - QUANTITY SURVEY QUOTE REQUEST, AB - CM/RFP RESPONSE\P16732 -FEE LETTER.DOCX

## Terms of Appointment

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October 2016

### 1 Definitions

"You/Your" means Read Jones Christoffersen, whose head office is at Suite 500 - 1816 Crowchild Trail NW, Calgary, AB T2M 3Y7 whom we are to provide services in accordance with these Terms.

"We/Us/Our" means Turner & Townsend cm2r Inc., carrying on business as Turner & Townsend, whose registered office is at 2 St. Clair Avenue West, Floor 12, Toronto, Ontario, M4V 1L5, Canada.

"Agreement" means this agreement, including all annexes and all amendments or restatements as permitted and as duly signed by all parties to this Agreement.

"Services" means the services to be provided by the Us under this Agreement as set out the annex attached to these Terms.

"Terms" means the terms and conditions set out in this Agreement.

### 2 GENERAL

- (i) We undertake to perform all Services set out in this Agreement on the basis of the Terms contained herein only.
- (ii) No variation of these Terms shall be binding unless agreed in writing by both Us and You.
- (iii) The Terms will be the only terms binding upon the parties, and no further terms shall be binding upon the parties unless reduced to writing and signed by each of the parties.
- (iv) Nothing contained in these Terms or the performance of Services by Us shall be interpreted as forming a partnership or joint venture between You and Us. The Services to be performed by Us shall be performed as an independent contractor and not as agent or otherwise as the representative of You.
- (v) These Terms shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. Neither party shall assign these Terms without the prior written authorization of the other, not to be unreasonably withheld.

### 3 SERVICES

- (i) We undertake to provide such service as would be expected of a firm of cost consultants in a proper professional manner and will perform the Services with reasonable skill and care. We will act in good faith at all times.
- (ii) Our "Services" shall be strictly limited to those set out in the annex attached to these Terms. Should additional services or a change in our Services be requested or required, then We shall be entitled to an appropriate adjustment for such additional or changed services.
- (iii) These Services are, however, provided subject to the following:

© Turner & Townsend. This document is expressly provided to and solely for the use of Read Jones Christoffersen on the P16732-Highbury Tower 1 Deficiencies-CM and takes into account their particular instructions and requirements. It must not be made available or copied or otherwise quoted or referred to in whole or in part in any way, including orally, to any other party without our express written permission and we accept no liability of whatsoever nature for any use by any other party.



# Read Jones Christoffersen

## P16732-Highbury Tower 1 Deficiencies-CM

- a We may, if considered appropriate and agreed in writing by Us and You, secure performance of any or all Services by instructing one or more other persons, firms or companies (whether as a sub-consultant or in any other capacity) upon such terms as We consider appropriate ("Subcontractors"). In these circumstances, no additional fee shall be payable by You in the absence of prior agreement to such additional fee but You shall be liable to pay all fees and other sums payable to Us as if all Services had been performed by Us.
- b You agree that We shall not be responsible for any third party whatsoever arranged by You to provide any of the Services or any other work for You.
- c We shall not be deemed to be in breach of the Agreement where Our failure to perform or Our delay in performing Services is due to a cause beyond Our reasonable control, and in such a case, We shall be entitled to an equitable adjustment in Our Fee and, if applicable, the time required to perform Our Services.

### **4 INFORMATION PROVIDED BY YOU**

- (i) You undertake to Us that all information provided by You and/or Your professional advisors or other representatives regarding any services undertaken is accurate and factually correct and acknowledge that We will rely upon this information.
- (ii) You shall designate in writing a representative who shall be fully acquainted with the project and shall have the authority to act on Your behalf in relation to all of Your duties and responsibilities under these Terms. We shall in all respects be entitled to rely upon such designated representative as having full and complete authority in all matters.
- (iii) You shall give prompt consideration to all reports, drawings, specifications and other documents prepared by Us and promptly inform Us of Your decisions with respect thereto so as not to delay Us in the performance of the Services.
- (iv) You shall engage contractors or other consultants as may be required to fulfil Your obligations under these Terms, under terms and conditions of agreements that are compatible with these Terms.

### **5 INSURANCE**

- (i) We shall take out a policy of Professional Indemnity Insurance with a limit of indemnity of CAD \$1 million in the aggregate for any one occurrence or series of occurrences arising out of any one event and maintain such insurance for a period of 6 years from the date of completion of the Services providing such insurance remains available in the market on reasonable rates and terms. We shall provide brokers certificates for inspection by You at all times, upon request.
- (ii) You shall provide and maintain in full force, from the date of commencement to the completion of Our Services under this agreement, General Liability Insurance with a limit of CAD \$5 million per occurrence covering bodily injury, including death, and damage to property including loss of use thereof, together with all other insurance that a prudent owner of the project would obtain. We and Our sub-contractors shall be added as additional insureds, and You will provide evidence of such coverage to Us upon request.

### **6 FEES**

- (i) Fees will be charged as set out in Our offer annexed hereto. In the event of a change in the scope of Our Services, We reserve the right to adjust Our fees accordingly.
- (ii) If this appointment is terminated by You or Us, We shall be entitled to charge a fair and reasonable proportion of Our fees, as well as Our disbursements, in accordance with clause 7 below.

# Read Jones Christoffersen

## P16732-Highbury Tower 1 Deficiencies-CM

### **7 PAYMENT**

- (i) We will invoice You for Our fees on a monthly basis in arrears or in accordance with a previously agreed payment timetable.
- (ii) Any disbursements not included within Our fees will be invoiced to You when the expenditure is incurred.
- (iii) Goods and Services Tax and harmonized sales tax payable by You and collectible by Us under the Excise Tax Act (Canada), and any similar value added or multi-staged tax imposed by any applicable provincial or territorial legislation, will be payable where applicable at the rate prevailing at the time of invoicing on fees and disbursements.
- (iv) If after thirty (30) days of the date of Our invoice, You have not paid it in full We reserve the right to charge You interest on any unpaid invoice at the rate of 8% per annum above the prime rate, which for the purposes of these Terms, means the lowest rate of interest quoted by The Royal Bank of Canada from time to time in the City of Toronto, Ontario, Canada to the most credit-worthy borrowers for prime business loans, and calculated on a daily basis.
- (v) If any sum owed to Us by You remains unpaid for more than thirty (30) days after the date of the invoice We shall be entitled, without limiting any other remedies available to Us, to give fourteen (14) days' notice of non-payment where after We reserve Our right to suspend all Services provided to You or take such action as We deem necessary in terms of this Agreement, including but not limited to, termination of this Agreement. In these circumstances, We shall not be liable for any delays, losses or expenses whatsoever resulting from such suspension or termination.

### **8 OWNERSHIP OF INTELLECTUAL PROPERTY**

- (i) You retain all rights, including all intellectual property rights, in all information, documents or other materials provided by You to Us ("Your Materials and IP"). You hereby grant Us and Our Subcontractors the right to use Your Materials and IP for the purpose of performing the Services under this Agreement.
- (ii) We retain all rights, including all intellectual property rights, in all background information, documents or other materials provided by Us to You and all reports, designs, documentation or other deliverables developed by Us or by Our Subcontractors as a result of performing the Services under this Agreement ("Our Materials and IP"). You shall not copy, disclose, distribute, alter, create derivative works based upon Our Materials and IP and You shall not otherwise use Our Materials and IP for any purpose other than that associated with Our Services under these Terms.

### **9 CONFIDENTIALITY**

- (i) "Confidential Information" shall mean Our or Your proprietary and confidential information and the proprietary and confidential information of Our Subcontractors, whether they be in written, graphic or oral form, which may be disclosed or made available by Us to You or by You to Us in connection with the Services performed under this Agreement. For greater certainty, Our Materials and IP shall be treated as Our Confidential Information.
- (ii) "Recipient" shall mean the party under this Agreement who is receiving or becoming aware of the Confidential Information of the other party.
- (iii) "Disclosing Party" shall mean the party under this Agreement disclosing or making available the Confidential Information.
- (iv) The Recipient shall keep and hold the Confidential Information in the strictest confidence, shall not disclose such Confidential Information to anyone other than to directors, officers, employees, agents and

# Read Jones Christoffersen P16732-Highbury Tower 1 Deficiencies-CM

consultants on a need to know basis and shall not use it other than in association with the Services under these Terms, provided that the obligations set forth herein shall not apply to such portions of the Confidential Information that: (i) was already known by the Recipient at the time of disclosure thereof by the Disclosing Party and was not subject to an obligation of confidentiality; or (ii) was received by the Recipient in good faith and without any obligation of confidentiality from a third party in lawful possession thereof.

- (v) In the event that a Recipient, or anyone to whom a Recipient discloses Confidential Information pursuant to this Agreement or otherwise, becomes legally compelled to disclose any Confidential Information of the Disclosing Party, the Recipient will, at the request of the Disclosing Party, exercise reasonable efforts to prohibit the disclosure of the Confidential Information. In the event that both parties are unable to prevent the disclosure of the Confidential Information, the Receiving Party will, or will use reasonable efforts to cause such person to whom the Receiving Party disclosed the Confidential Information to, furnish only that portion of the Confidential Information which the Receiving Party is legally required to be furnished by the Receiving Party to such person and exercise reasonable efforts to obtain assurances that confidential treatment will be afforded to that portion of the Confidential Information so furnished.
- (vi) All Confidential Information is and shall remain the property of the Disclosing Party.

## **10 USE OF OUR NAME**

- (i) You shall not use or refer to Our name or trade-marks on your website, in your advertisements, in other promotional materials or otherwise in connection with the operation of Your business without Our prior written consent.

## **11 DISPUTES**

- (i) If You have a complaint in respect of Our performance under this Agreement, without prejudice to any other remedy available under this Agreement You shall be entitled to have access to Our complaints handling procedure, written copies of which are available from Us on request. Both of us agree to try to resolve any complaint by escalating it through Our respective management structures prior to referring it to litigation or any other dispute resolution procedure available herein or otherwise.

## **12 CORRUPT GIFTS & PAYMENT OF COMMISSION**

- (i) You shall not engage in any activity, practice or conduct which would constitute an offence in relation to any applicable anti-bribery and corruption legislation in the jurisdictions in which We or You operate.
- (ii) Any breach of this clause by You or by anyone employed by You or acting on Your behalf (whether with or without Your knowledge) shall entitle Us notwithstanding any other remedies open to Us to terminate this appointment and recover from You the amount of any loss whatsoever including but not limited to any costs, charges, fines, expenses or other financial liabilities incurred by us as a consequence of Your breach as well as any consequential loss and loss of profit to Us resulting from such termination.
- (iii) You shall promptly report to Us any request or demand for any undue financial or other advantage of any kind received by You in connection with the performance of this appointment.

## **13 TERMINATION**

- (i) If We should neglect to provide the Services required by this Agreement to a substantial degree, You may notify Us in writing that We are in default of Our contractual obligations and instruct Us to correct the default within seven (7) calendar days immediately following the receipt of such notice. If the correction

# Read Jones Christoffersen P16732-Highbury Tower 1 Deficiencies-CM

of the default cannot be completed within the seven (7) calendar days specified, We shall be in compliance with Your instructions if We:

- a commence the correction of the default within the specified time,
- b provide You with an acceptable schedule for such correction, and
- c complete the correction in accordance with such schedule.

If We fail to complete the correction in accordance with such schedule You may terminate this Agreement by providing to Us written notice of termination.

- (ii) This Agreement may be terminated by Us by giving You fourteen (14) days' notice in writing for the following reasons:
  - a If, as a result of circumstances outside the control of You or Us, it becomes impossible to perform the Services within a reasonable period, or
  - b If You do not fulfil Your obligations, or
  - c You have not made payment by the due date of any sum payable by You to Us.

## 14 LIABILITY LIMITATION

- (i) Liability for any negligent failure by Us to carry out Our duties under these Terms shall be limited to such liability as is covered by Our Professional Indemnity Insurance Policy terms.
- (ii) Without prejudice to Clause 14 (iii) our liability is also limited to such a sum as it would be equitable for Us to pay having regard to the extent of Our responsibility for any loss or damage suffered by You on the basis that all other consultants, contractors and subcontractors who also have a liability shall be deemed to have provided contractual undertakings to You on terms no less onerous than these Terms and shall be deemed to have paid to You such sums as it would be just and equitable for them to pay having regard to the extent of their responsibility for any such loss or damage.
- (iii) Our aggregate limit of liability under this appointment shall not exceed the value of fees paid to Us or CAD \$1 million, whichever is the less.
- (iv) Where in this appointment We are under an obligation to ensure events occur which are under the direct control of others and, due to others, We are unable to comply with that obligation, then We will be liable to You only in the event that We have failed to use reasonable endeavours to ensure the occurrence of the event. We do not warrant the work of others, save that nothing in this clause shall affect Our responsibility for Our subcontractors if any. Notwithstanding this, We are required to inform You in writing of the action taken to resolve the matter and recommend to You a further course of action to ensure the occurrence of the event.

## 15 INDEMNIFICATION

- (i) You agree to indemnify and hold Us and Our subcontractors at any tier, and each of their respective directors, officers, shareholders, advisors, employees and agents harmless from claims, demands, actions, suits or proceedings of whatever nature, losses, damages, liabilities or expenses to the property of the indemnified persons listed above and of third parties, and injury (including death) to any person to the extent that such claim, loss, damage, liability or expense arises out of or results from the misconduct, wilful omissions, or negligence of You, or Your subcontractors or suppliers, and their respective directors, officers, agents, servants and employees.

# Read Jones Christoffersen P16732-Highbury Tower 1 Deficiencies-CM

## 16 LAW

- (i) This Agreement shall be governed by and construed in all respects in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in such Province. We and You irrevocably submit to the exclusive jurisdiction of the courts of the Province of Ontario and all courts competent to hear appeals therefrom in relation to any dispute or proceedings arising out of or in connection with this Agreement subject to the operation of clause 11.
- (ii) The Agreement is drawn in English at the request of the parties hereto; la présente convention est rédigée en anglais à la demande des parties. All communications between the parties, written or oral, and all documents required to be exchanged between the parties under the Agreement shall be in the English language.
- (iii) Except as expressly provided in these Terms, the duties and obligations imposed hereby and the rights and remedies available hereunder shall be in addition to and not a limitation of any duties, obligations, rights or remedies otherwise imposed or available at law or in equity.

## 17 SEVERABILITY

- (i) If, in any jurisdiction, any provision of the Agreement or its application to any party or circumstance is restricted, prohibited or unenforceable, the provision shall, as to that jurisdiction, be ineffective only to the extent of the restriction, prohibition or unenforceability without invalidating the remaining provisions of the Agreement, affecting the validity or enforceability of such provision in any other jurisdiction, or affecting its application to other parties or circumstances.

## 18 3rd PARTY RIGHTS

- (ii) This Agreement does not purport to confer any benefit on any person or class of persons not described herein.

**Signed on Our behalf**

**Signed on Your behalf**

**Signature**

**Signature**

**Name**

**Name**

**Position**

**Position**

**Signature**

**Signature**

**Name**

**Name**

**Address**

**Address**

**Date**

**Date**

## Scope of Service

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### Annex A – The fee and services

	Base scope of services	Proposed Upset Fee
1	Preparation of schedule of quantities for Highbury Tower 1 Deficiencies Review – specifications and scope to be provided by RJC	\$15,000
	<b>Total Proposed Fee (excluding GST)</b>	<b>\$15,000</b>

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The above fee **excludes** reimbursable expenses (e.g. travel, printing, courier, etc.) and GST. Where the scope of the work or our terms of reference changes significantly we reserve the right to adjust our fee accordingly. Additional services will be charged net in addition based on our current hourly rates, unless otherwise agreed.

# APPENDIX "J"



Deloitte Restructuring Inc.  
700, 850 - 2 Street SW  
Calgary AB T2P 0R8  
Canada

Tel: 403-503-1458  
Fax: 403-718-3681  
www.deloitte.ca

WITHOUT PREJUDICE

November 15, 2016

**BY EMAIL: tm-altus@telus.net**

Condominium Corporation No. 091 5321  
C/O Tom Michelussi, President

Dear Mr. Michelussi:

**Re: Highbury Tower, Phase I – Report of Read Jones Christoffersen Ltd (“RJC”)  
dated October 13, 2016**

We refer to our previous discussions regarding the outstanding items and your email on October 21, 2016, which included the report of Read Jones Christoffersen Ltd (“RJC”) dated October 13, 2016 (the “RJC Report”).

The Receiver has reviewed the RJC report and your email, and following discussions with First Calgary and UrbanOne, we respond as follows:

1. The RJC Report identified 8 items in Section 3.0 which are claimed not to have been included in the UrbanOne assessment. Following review and discussion with UrbanOne, the Receiver comments as follows:
  - Item A1 (Balconies) – UrbanOne has advised that this item was not included in their assessment as the balconies included a clear sealant rather than an additional coating.
  - Item A2 (Landscaping) – This item was included in Item #12 in the UrbanOne assessment. While UrbanOne’s estimate included the partial replacement of the membrane, they have advised that based on their inspection the membrane itself had not been exposed to UV and may not require replacement.
  - Item A3 (Window Wall) – Noted. UrbanOne has reviewed the photograph and the building plans and has suggested the following repairs:
    - Remove accessible UV-damaged rigid insulation with small hand tools.
    - Apply chemically-compatible spray foam insulation to correct the bottom edge of the rigid insulation.
    - Trim off any excess of face of cured spray foam insulation.
    - Insert custom breakshape flashing which initiates at top behind brick support ledger angle and terminates with bottom drip edge just over top outside corner of top mullion of the glazing. This flashing will cover the gap above the head mullion of the glazing and the spray foam insulation to be recessed within that gap.
    - UrbanOne has estimated the costs for this work would be approx. \$600, however this would require further inspection and costing analysis to confirm.



- Item A4 (EIFS Cladding) – UrbanOne has advised that provided this is rainscreen EIFS cladding, as per all recent building science, then the primary drainage plane of the building envelope is behind the EIFS panel, not at the acrylic stucco face of the panel. In this case, the piece of EIFS photographed does not need not be perfectly face-sealed, let alone base-sealed. The EIFS in this area has been which has been the subject of repeated seasonal woodpecker damage which the Strata is aware of, which damage has never caused any leaks. The open base of the EIFS panel (able to be photographed only from underneath) could favorably allow escape of water moisture, if ever accumulating into the rigid insulation of the EIFS. This area including the overall EIFS panel is also potentially underneath rain shadow of the mechanical penthouse roof slab above (in particular if the roof slab provides any overhead eyebrow). The photographed item would not appear to be an issue and the fact that the underside of the material has not degraded or turned moldy or caused any prior complaints from any party, strongly supports this.
  - Item A5 (Roof) – UrbanOne agrees with RJC that filter fabric over the rigid insulation is better practice than putting the ballast gravel straight onto the rigid insulation. Filter fabric could be retrofitted to the roof for approx. \$125 for material and \$350 of labour to move the ballast around and get the filter fabric down onto the top plane of the rigid insulation. This work could be added to Item #39 in the UrbanOne assessment. UrbanOne has also noted that the ballast, filter fabric, and rigid insulation may still get periodically disturbed at the bosun chair anchor pedestals as the bosun chair anchors may need to be periodically recertified for use with inspection by a P.Eng. which would require physical review of the attachment of the pedestal base to the concrete structure.
  - Item A6 (Parking Membrane) – This item is covered by Item #34 in the UrbanOne assessment and is discussed further below.
  - Item A7 (Retaining Walls) – The missing concrete retaining walls are items are covered by Item #18 in the UrbanOne assessment and the missing pisa stone retaining walls are covered by Item #19, #70 and #71 of the UrbanOne assessment.
  - Item A8 (Sprinkler Room) – Noted, UrbanOne has asked whether there was already a partition and door in place and it is just no longer secure, or whether there has never been a partition or door in place.
2. In Section 4.0 of the RJC Report, RJC questioned the accuracy of UrbanOne’s pricing estimate for the traffic deck coating in the parkade of approx. \$3.32/sqft and proposes a unit price of \$14/sqft. UrbanOne has advised that their pricing was derived from a project at the time of their initial report where the contractor shot blasted and laid the vehicle traffic membrane over an area of 18,433 sqft at a rate of \$3.25/sqft. UrbanOne has also noted one of their current projects for the cleaning and installation over 119,429 sqft has yielded trade quotes of between \$1.65/sqft and \$2.87/sqft. We also note that UrbanOne’s assessment of all items included a 5% contingency for incompleteness of known scope and a 15% contingency for trade contractors profit markup. We therefore believe the proposed rate of \$14/sqft is unrealistically high and the rate estimated by UrbanOne appears fully supported and reasonable.

3. Further, in your email on October 21 you note that UrbanOne was not willing to complete the construction items at the estimated pricing levels. As you are aware the pricing estimates provided by UrbanOne were not prepared with the intention of self-completion and in all cases did not include quotes required from various subtrades that would be required to complete the work (this was proposed as part of the next step once a complete list and the responsibility for each item was agreed upon), and we are also advised by UrbanOne that they are unlikely to be able to self-complete the construction items due to the delays in the Condo Corp obtaining independent advice regarding their work. We also note that RJC have indicated in their report that they will not be self-performing the work on the construction items either.
4. As you are aware the Receiver engaged UrbanOne, with the consent of the Condo Corp, to provide an independent analysis of what they viewed as incomplete items versus deficiencies at the Highbury and the related estimated costs to remedy each (subject to verification through several quotes on the larger items). UrbanOne was provided with the list previously compiled by the Condo Corp. (without any amounts included) and also toured the property with Luke Alliband of this office and yourself on January 15, 2016.
5. Following the inspection and a review of the available drawings of the property, Urban One provided a detailed listing of the incomplete and deficient items which was supplied to you ahead of the meeting with the Receiver, First Calgary and Statesman on April 15, 2016, the intention of which was to have all parties go through the listing prepared by Urban One and discuss liability for each with the intention of reaching an eventual settlement between the parties. During the meeting it became apparent that the Condo Corp was not prepared to discuss and reach an agreement regarding the liability and requested time to engage an independent engineer to review UrbanOne's assessment and identify any further incomplete/deficient items.
6. In the six months following the all-parties meeting on April 15, 2016, the Receiver was advised by the Condo Corp on numerous occasions that an independent review was to be conducted and a report would be forthcoming so a complete list of items could be compiled. The Receiver was advised of expected delivery dates of June 30, July 15, July 30 and September 30 2016, each of which were not met. It appears that RJC was engaged by the Condo Corp. on July 21, 2016 (three months after our April 15, 2016 meeting), RJC completed a limited tour of the site on September 15, 2016 (two months after the engagement by the Condo Corp.) and then RJC provided a very preliminary report a month later. The RJC report is only an initial assessment and RJC has not provided any timeframe for a detailed assessment or any related costing. RJC also noted in Section 1.0 of their report that they were only given limited access to the property and their inspection did not include all areas of the building. This is not acceptable after the Receiver has waited over six months for this update.
7. As a result of the above, First Calgary and the Receiver are of the opinion that the Condo Corp has not acted with sufficient urgency and diligence in attempting to resolve the outstanding construction items and come to an agreement with all parties. This has resulted in greater than expected costs and delays being incurred by the Receiver. Please confirm by November 25, 2016 if the Condo Corp. is intending to engage RJC to complete the recommendations outlined in section 5 of the RJC Report at its own cost and the timing of such work. Please also have RJC comment on the responses from UrbanOne with respect to the issues raised in the RJC Report.

The Receiver and First Calgary remain open to considering a settlement in order to bring this to a conclusion, but need to see progress in trying to resolve this and look forward to your response.

November 15, 2016  
Page 4

If you have any questions or require further information, please contact the undersigned at 403-503-1458.

Yours sincerely,

**DELOITTE & TOUCHE INC.**

In its capacity as Receiver and Manager of  
Perera Shawnee Ltd. and Perera Development  
Corporation and not in its personal capacity



Jeff Keeble, CPA, CA, LIT, CBV  
Senior Vice President

# APPENDIX "K"

## **Keeble, Jeff (CA - Alberta)**

---

**From:** Tom Michelussi <tm-altus@telus.net>  
**Sent:** Thursday, November 24, 2016 4:59 PM  
**To:** Keeble, Jeff (CA - Alberta)  
**Cc:** Alliband, Luke (CA - Alberta)  
**Subject:** RE: Highbury - Meeting Next Week  
**Attachments:** Judge Decision Oct 17, 2013.pdf

**Importance:** High

Hello Jeff.

Thank you for your response to our email dated Oct. 21, 2016.

Your response shows that Urban One does not agree with many of the technical issues and cost estimates that RJC has brought forward.

It is important to note the credentials of both these parties.

RJC is an Engineering firm while Urban One is a Construction company.

As an Engineering Company, RJC's conduct is governed by strict requirements of a governing/permitting body (APEGA) and must conduct itself in an ethical and honest manner.

As an Engineering Company, RJC will also have a much more extensive knowledge of proven construction methods and technologies.

As an Engineering company, RJC has the authority to stamp and sign construction design drawings (to obtain building permits and approvals).

Urban One, as a construction company has no such capabilities.

Given a disagreement between the two companies, most people would side with the Engineering Company, as the authoritative party.

In fact, paragraph 14 of the Court decision (Oct. 2013) states that an independent engineer or architect be retained to determine what constitutes a deficiency or incomplete construction item.

The Board has been requesting the Receiver do just that since 2013, however, the Receiver did not want to incur this additional cost.

Instead the Receiver has put unjust pressure on the Board to compile its own list of incomplete construction items. The Receiver has also put unjust pressure on the Board to accept its cost estimate (that is not supported by detailed fixed cost bids).

This is the reason, little progress has been made in resolving these issues.

The Board requires an independent professional (such as an Engineer or Architect) to establish a comprehensive list of incomplete construction items, along with a detailed cost estimate.

The Board believes that RJC could be this independent body.

If the Receiver agrees, then the Board is willing to split the cost of RJC's study work (to obtain a list and detailed pricing), provided the Receiver will abide by the conclusions and results of same.

The Board is willing to abide by the conclusions and results of the RJC report.

The other option available to the Receiver is to propose a settlement amount now prior to the outcome of the RJC report.

This settlement amount will absolve the receiver of any further costs and the Board will accept all risks of future cost escalations.

In order for the Board to accept these risks, the settlement amount must be substantially higher than the current Urban One estimate of \$763,230.00 (i.e. \$535,748 +\$227,482 contingency).

I look forward to your response.  
Thank you.

Tom Michelussi  
President, Highbury Condominium Board 0915321

**From:** Keeble, Jeff (CA - Alberta) [mailto:jkeeble@deloitte.ca]  
**Sent:** Tuesday, November 15, 2016 3:12 PM  
**To:** Tom Michelussi <tm-altus@telus.net>  
**Cc:** Alliband, Luke (CA - Alberta) <lualliband@deloitte.ca>  
**Subject:** RE: Highbury - Meeting Next Week

Tom,

Further to the below email trail, please find the enclosed letter from the Receiver.

Regards,

**Jeff Keeble, CPA, CA, CIRP, LIT, CBV**  
Partner | Restructuring Services / Financial Advisory  
Deloitte  
700, 850 - 2 Street SW, Calgary, Alberta, T2P 0R8, Canada  
Tel/Direct 403-503-1458 | Fax 403-718-3681  
[jkeeble@deloitte.ca](mailto:jkeeble@deloitte.ca) | [www.deloitte.ca](http://www.deloitte.ca)

**From:** Keeble, Jeff (CA - Alberta)  
**Sent:** Monday, October 24, 2016 10:17 AM  
**To:** Tom Michelussi <tm-altus@telus.net>  
**Cc:** Alliband, Luke (CA - Alberta) <lualliband@deloitte.ca>  
**Subject:** RE: Highbury - Meeting Next Week

Tom,

Based on the information you have provided, a meeting at this time would not be useful. We will provide a more fulsome response to your email and the report after discussing it with Urban One and First Calgary.

Regards,

**Jeff Keeble, CPA, CA, CIRP, LIT, CBV**  
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[jkeeble@deloitte.ca](mailto:jkeeble@deloitte.ca) | [www.deloitte.ca](http://www.deloitte.ca)

**From:** Tom Michelussi [mailto:tm-altus@telus.net]  
**Sent:** Friday, October 21, 2016 4:36 PM  
**To:** Keeble, Jeff (CA - Alberta) <jkeeble@deloitte.ca>  
**Cc:** Alliband, Luke (CA - Alberta) <lualliband@deloitte.ca>  
**Subject:** RE: Highbury - Meeting Next Week

# APPENDIX "L"

WITHOUT PREJUDICE

December 7, 2016

**BY EMAIL: tm-altus@telus.net**

Condominium Corporation No. 091 5321  
C/O Tom Michelussi, President

Dear Mr. Michelussi:

**Re: Highbury Tower, Phase I – Report of Read Jones Christoffersen Ltd (“RJC”) dated October 13, 2016 (the “RJC Report”)**

Further to your attached email dated November 24, 2016 in response to the Receiver’s letter dated November 15, 2016 (the “November 15 Letter”), the Receiver disagrees with various comments you made about the “credentials” of RJC versus Urban One Builders (“Urban One”) as follows:

- Mr. Brent Olund from Urban One, the individual who performed all of the work on the Incomplete Work and Deficiency Review for the Highbury (the “Urban One Report”), is a registered professional engineer in the Province of BC and is governed by substantially the same code of ethics as for engineers in Alberta. The Receiver understands that Mr. Olund also holds a master’s degree in civil engineering and has over 20 years of general contracting experience.
- The Receiver agrees that RJC should have the authority to stamp and sign construction design drawings (to obtain building permits and approvals), but the Receiver understands that Urban One has put forth what it feels are practical repair scope suggestions for each instance and condition but without becoming a designer of record in doing so. RJC for its part has not done any design, nor in general through its limited work and the RJC Report had any adverse comments to the repair scope elements that Urban One has suggested. The issues raised by RJC in the RJC Report were addressed in the November 15 Letter. It is the Receiver’s understanding that the repair works do not constitute a new building permit nor require new City of Calgary approvals. The City of Calgary signed off provisional occupancy of Phase I in 2010 on the basis that incomplete items in those prior drawings would get completed, and they hold a letter of credit for \$271,200 (the “Outstanding LOC”) for purpose of guaranteeing same. The recommended work by Urban One falls into one of the following three categories including “Incomplete works – unrelated to City of Calgary concern”, “Incomplete works – City of Calgary LOC held”, or “Maintenance / Repair”. No permitting is required for the purpose of conducting maintenance or repairs.
- The Receiver understands that RJC would be more specialized in building envelope engineering than Urban One, however, it is important to point out that the building envelope items among the work scope at Highbury outlined in the Urban One Report are far less than half of the total work required. The building envelope related scope items in the Urban One Report are



specifically, ID #1, 4, 5, 7, 8, 9, 12, 13, 15, 17, 18, 21, 34, 35, and 37, and any other building envelope issues would likely be classified as deficiencies as opposed to incomplete items. The cumulative budgeted value of these items is approximately \$154,000, which is only approximately 20% of the cumulative budgeted value of scope items ID #1-78, collectively. The Receiver understands that assessing the other 80% of the non-building envelope related work as to its scope and budgeting has required a different set of expertise than RJC's building envelope department representatives appear to be currently positioned to offer.

- Paragraph 14 of the Court order dated October 17, 2013 (the "Special Assessment Order") does state that an independent engineer or architect be retained to determine what constitutes a deficiency or incomplete construction item. The Special Assessment Order does not specify that the party selected needed to be an engineering firm and, as previously indicated, Mr. Olund is a professional engineer. The Receiver retained Urban One for this purpose with no input or direction from the Receiver as to scope and provided free access to the site to conduct its review. The Receiver has not requested any changes to any of the items identified in the Urban One Report (other than what was discussed with Urban One and the Board at the April 15, 2016 meeting), despite not being agreement with all of the items and the related responsibility, and the Receiver understands that the same reports have been provided to both the Receiver and the Board. The Receiver also confirmed if the Board would be agreeable to retaining Urban One before it incurred the costs for the report to be completed and the Board agreed to this. Mr. Olund has confirmed that he was acting independent of all parties prior to his involvement and still is, other than the Receiver retaining and paying for his services. Mr. Olund is willing to provide a sealed letter attesting to his independence and diligence as to the assembly of comprehensive and realistic budgeting for the required work.
- The Receiver has been taking steps to try and resolve the issues with the Board since the Special Assessment Order and does not agree that it has been putting unjust pressure on the Board to accept its cost estimate without any fixed cost bids. The Receiver took the initiative at its time and cost to retain Urban One to complete the Urban One Report in order to try and move things forward and the Board has made little efforts to complete its own assessments, as further outlined in the November 15 Letter. The Receiver understands that the Urban One Report is supported by more detail and support than what would come with fixed cost bids.
- The Receiver does not agree that RJC is the appropriate party to complete the assessment and to obtain a list and detailed pricing. The Receiver believes that the trade contractors would not offer the same pricing to RJC as a consultant, than they would offer to a company like Urban One as a general contractor who works with trades a lot more closely and knows the current market pricing better than an engineering company would typically. A company like Urban One likely also has far greater expertise assembling trade contracts, including customized scopes of work per specialty trade work packages, as it often has to dovetail together the trade participants' scopes of work on all projects in a manner that avoids gaps and overlaps. The Receiver understands that Urban One's experience in working on many project types with many different consultants should have led to experientially-informed scope of work documents in this regard.

Despite the issues that the Receiver has with your November 24, 2016 email, some of which are detailed above, it is still willing to try and come to a settlement of this matter with the Board.

The Urban One Report includes an estimate of \$763,230 to finish the incomplete items identified which includes costs of \$535,748 plus a pro-rata amount of \$227,482 for general contractor oversight, scope contingencies and likely trade mark ups. The Receiver does not agree with all of the "responsible party" allocations and classifications of certain incomplete items to the Receiver as indicated by Urban One in the Urban One Report and believes that contingencies have been built into the Urban One Report to account for further risks. Having said that and in an effort to try and resolve this issue, the Receiver is willing to offer the Board [REDACTED] as a full and final settlement for the incomplete work and any other related matters. Any agreement would require full releases by all parties involved and, as part of this agreement, the Receiver would be holding back \$271,200 to account for the Outstanding LOC which would be released to the Board as the City releases all or a portion of the Outstanding LOC.

The foregoing offer is open for acceptance by the Board until 4:30pm on Monday, January 16, 2017 at which time the same shall be automatically withdrawn and be of no further force and effect.

If you have any questions or require further information, please contact the undersigned at 403-503-1458.

Yours truly,

**DELOITTE RESTRUCTURING INC.**

In its capacity as Receiver and Manager of  
Perera Shawnee Ltd. and Perera Development  
Corporation and not in its personal capacity



Jeff Keeble, CPA, CA, LIT, CBV  
Senior Vice President

Enclosure

## **Keeble, Jeff (CA - Alberta)**

---

**From:** Tom Michelussi <tm-altus@telus.net>  
**Sent:** Thursday, November 24, 2016 4:59 PM  
**To:** Keeble, Jeff (CA - Alberta)  
**Cc:** Alliband, Luke (CA - Alberta)  
**Subject:** RE: Highbury - Meeting Next Week  
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Tom Michelussi  
President, Highbury Condominium Board 0915321

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Regards,

**Jeff Keeble, CPA, CA, CIRP, LIT, CBV**  
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**From:** Keeble, Jeff (CA - Alberta)  
**Sent:** Monday, October 24, 2016 10:17 AM  
**To:** Tom Michelussi <tm-altus@telus.net>  
**Cc:** Alliband, Luke (CA - Alberta) <lualliband@deloitte.ca>  
**Subject:** RE: Highbury - Meeting Next Week

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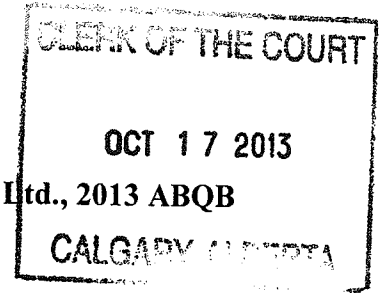
Regards,

**Jeff Keeble, CPA, CA, CIRP, LIT, CBV**  
Partner | Restructuring Services / Financial Advisory  
Deloitte  
700, 850 - 2 Street SW, Calgary, Alberta, T2P 0R8, Canada  
Tel/Direct 403-503-1458 | Fax 403-718-3681  
[jkeeble@deloitte.ca](mailto:jkeeble@deloitte.ca) | [www.deloitte.ca](http://www.deloitte.ca)

**From:** Tom Michelussi [mailto:tm-altus@telus.net]  
**Sent:** Friday, October 21, 2016 4:36 PM  
**To:** Keeble, Jeff (CA - Alberta) <jkeeble@deloitte.ca>  
**Cc:** Alliband, Luke (CA - Alberta) <lualliband@deloitte.ca>  
**Subject:** RE: Highbury - Meeting Next Week

**Court of Queen's Bench of Alberta**

**Citation: First Calgary Savings & Credit Union Ltd. v Perera Shawnee Ltd., 2013 ABQB  
613**



**Date:**  
**Docket: 1001 03215**  
**Registry: Calgary**

Between:

**First Calgary Savings & Credit Union Ltd.**

Plaintiff

- and -

**Perera Shawnee Ltd., Perera Development Corporation,  
Don L. Perera and Shiranie M. Perera**

Defendant

And Between:

**Perera Shawnee Ltd.,  
Don L. Perera and Shiranie M. Perera**

Plaintiffs by Counter-Claim

- and -

**First Calgary Savings & Credit Union Ltd.  
and Deloitte & Touche LLP**

Defendants by Counter-Claim

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**Memorandum of Judgment  
of the  
Honourable Mr. Justice G.C. Hawco**

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[1] This is an application by Condominium Corporation No. 091 5321 (the “Condo Corporation”) to lift the stay of proceedings as it relates to the project known as Highbury Residences developed by the Defendants Perera Shawnee Ltd. and Perera Development Group (collectively “Perera”) which is currently under receivership. The Condo Corporation seeks to lift the stay of proceedings so that it may levy a contribution on those units presently held in the name of Perera. Perera has been placed in receivership pursuant to an application by the Respondent, First Calgary Savings & Credit Union Ltd. (“First Calgary”), which is a secured creditor of Perera.

[2] The Condo Corporation is seeking relief which would have the result of burdening the Receiver (and in the final result, First Calgary) with the entire bill for alleged remedial work to the Highbury project.

[3] Pursuant to section 39(1)(c), a Condominium Corporation may levy a special assessment against unit owners. That section provides:

39(1) In addition to its other powers under this Act, the powers of a corporation include the following:

(c) to raise amounts so determined by levying contributions on the owners

(i) in proportion to the unit factors of the owners’ respective units,

or

(ii) if provided for in the bylaws, on a basis other than in proportion to the unit factors of the owners’ respective units;

[4] It is conceded that the bylaws of the Condominium Corporation do permit that it may levy an assessment on a basis other than in proportion to the unit factors. The Receiver argues that a special assessment should not be levied on a basis other than an attribution of the unit, and not on the basis of the status of the unit holder. The issue before this Court is whether the Condo Corporation ought to be allowed to do so, in the circumstances which follow.

[5] Perera was a condominium real estate developer. The Highbury Project is a condominium development project located in the City of Calgary that was to be developed by Perera in three phases.

[6] Perera defaulted on loans provided to it by First Calgary to develop the Highbury Project. In consequence, First Calgary applied for and this Court appointed the Receiver on March 3, 2010, over all of Perera’s assets, a significant portion of which is the Highbury Project. All proceedings against Perera were stayed pursuant to the Receivership order.

[7] Phase I construction was substantially completed when the Receiver was appointed. There are 70 residential condominium units in Phase I of the Highbury Project, 55 of which have been sold and conveyed to purchasers and 15 of which remain unsold in the control of the Receiver.

[8] Both Perera companies are bankrupt pursuant to bankruptcy orders granted on December 20, 2010. There has been no recovery of any amounts to First Calgary through the bankruptcies,

at a cost to First Calgary in excess of \$59,000. The Trustee was discharged on December 19, 2012 and January 23, 2013 in respect of each of the Perera Defendants.

[9] First Calgary has funded all of the Receiver's certificates at a cost of \$6,500,000 with recoveries from receivership of much less. As of September 4, 2013, the total amount that is owed to First Calgary by Perera, inclusive of recovery and its associated costs, is in excess of \$34 million. It is anticipated that First Calgary will suffer a substantial shortfall once all recoveries are made of approximately \$9 million.

[10] The end result of this is that First Calgary will suffer this loss no matter what now happens.

[11] The Condo Corporation retained a consultant to identify various deficiencies in the project. That consultant (Lawson Projects) has estimated it will cost \$1.2 million to remedy what it describes as deficiencies. The Receiver takes issue with the characterization of the work remaining to be carried out. It claims that some of the "deficiencies" are unfinished work, general wear and tear, additional work which is over and above what the original construction plans called for, and a number of deficiencies. Thus, just what work needs to be done and who should be properly bear the cost are the issues.

[12] I believe the parties now agree that only the cost of that work which would be required to "properly complete" the project should be the issue.

[13] The Condo Corporation argues that any work involving the common property and the resultant cost of remedying any problem ought not to be borne by all of the unit holders. Rather, such work should be paid for by the party who caused the problem, which would be Perera.

[14] The Receiver takes exception to what that would be. It agrees that it will be responsible for the cost of completing the unfinished work, that is, work which is required to complete the project in the manner in which it was designed, once it is determined just what that is. It further agrees, I believe, that it will pay for the cost of carrying out any repair to the common property that is determined to be deficient, once again in accordance with the original plans. At this point in time the Receiver does take exception to what that work might be. It certainly does not agree with the consultant's report. I would therefore propose that an independent party, whom I would suspect would either be an engineer or architect, be retained to determine what does constitute either a deficiency or which work should have been completed by the developer pursuant to the original construction plans.

[15] That would leave the question of who should bear the cost of general wear and tear which has occurred, which, apparently, has been estimated at approximately \$140,000 by the consultant. The second question is who should pay for the cost of repairing those deficiencies which have been estimated at between \$240,000 and \$550,000.

[16] The Condo Corporation argues that it would not be fair to all the other unit owners to have everybody share the cost of deficiencies and general wear and tear because these are costs which can be attributed directly to the developer's lack of care in the construction or lack of oversight. As such, the Condo Corporation argues, this is work which should fall within the nature of work dealt with by Master Smart of the Court of Queen's Bench of Alberta in

*Condominium Plan No. 982 2595 v Fantasy Homes Ltd.*, 2006 ABQB 235. In that case, a developer failed to properly complete the construction of a condominium complex in Alberta. The condominium corporation there passed a bylaw levying a special assessment as against only the unit owned by the developer. That was allowed by Master Smart as it was determined that it was "fair and appropriate" under the circumstances. That matter was appealed to the Alberta Court of Appeal. The Condo Corporation argued that the Court of Appeal chose not to address whether the special assessment against the developer was permitted, and allowed the appeal on other grounds.

[17] In fact, the Court (2010 ABCA 39, at para 32) said this:

For purposes of this appeal, it is not necessary for us to determine whether the right to levy a charge against a condominium unit on other than an a proportionate basis can be invoked as here as against one owner's unit only when the charge is not related to the ownership of the condominium, but arises instead out of some independent cause of action that the condominium corporation may have against the owner based on the owner status and obligations as developer of the condominium project. The answer to this question raises serious issues of statutory interpretation and policy which we decline to determine at this time.

[18] It concluded at the end of that paragraph: "Of course, in the end, the question to be answered is whether the legislation intended that a regime of disproportionate allocation of levies apply to cases such as this."

[19] The Court went on to state, at para 33:

Leaving this significant issue aside for the moment, the fatal flaw in the Master's reasons is his finding that there "appears to be misconduct" of Fantasy as a developer. But an "appearance" of misconduct alone is not sufficient to attach liability to Fantasy for purposes of validating its s. 39 caveat.

[20] In *Condominium Plan No. 8210034 v King*, 2012 ABQB 127, Master Prowse considered both the decision of Master Smart and the decision of the Court of Appeal in *Fantasy Homes* and went on to say this:

25 In my opinion, the 2000 amendments to the Act allow a condominium corporation to pass a bylaw authorizing it to levy assessments against a particular unit for expenses incurred as a result of the conduct of that unit owner, such as collection expenses. There is no reason to limit the 2000 amendments to situations where the physical characteristics of the units mandate disproportionate assessments. If the conduct of one unit owner has led to increased expenses, why should that unit owner not be responsible for those expenses? Why should his/her neighbours in the complex have to pay them? There is nothing in the wording of the 2000 amendments which would require such an inequitable outcome.

[21] With respect, I am of the view that the Condo Corporation is taking far more from Master Prowse's decision than it ought to. Firstly, the only decision to which Master Prowse referred to



of conduct by a particular unit owner as a basis for disproportionate contributions was the *Fantasy Homes* decision, which was clearly overruled by the Court of Appeal.

[22] Secondly, Master Prowse has limited his finding that a condominium corporation may pass a bylaw authorizing it to levy assessments against a particular unit where the conduct of the unit owner in effect caused the expenses which were incurred, in that case, collection expenses.

[23] The Court of Appeal has made it clear, in *Fantasy Homes*, that a minimum, of finding of misconduct would be required in order to entitle a condominium corporation to levy a disproportionate levy against a unit owner and to enforce payment in priority to the interests of secured creditors and others.

[24] As the Court of Appeal has said, in the end, the question to be answered is whether the legislature intended that a regime of disproportionate allocation of levies apply to cases such as this (where there had not been a finding of misconduct).

[25] In the end result, I am not satisfied that the reasoning in the *King* decision is at all applicable. There Master Prowse appears to be looking to the conduct of one unit owner, as a unit holder, which has led to increased expenses by the other unit holders. In this case, there is no finding of misconduct by Perera, nor, of course, the Receiver. The Receiver has agreed to look after any work which ought to have been carried out.

[26] The Condo Corporation could have made a claim against Perera for alleged defective work and, if successful, could have filed a claim in bankruptcy. A claim could have been made against the new home warranty program.

[27] I am simply not satisfied that the purpose of s.139(1)(c) of the *Condominium Property Act* is to enable the Condo Corporation to impose a disproportionate levy against the remaining Perera units, which would give them the right to become, in effect, a super-priority creditor over all secured creditors. For the reasons basically set forth by the Court of Appeal in *Fantasy Homes*, I reject the Condo Corporation's claim.

[28] There has been no finding of misconduct on behalf Perera. Any misconduct which may have been attributable to Perera would not have been conduct of a unit holder as such. The charge sought to be levied in this case is not related to Perera's ownership of the condominium unit.

[29] There is no basis for surmising that "the Legislature intended that a regime of disproportionate allocation of levies [would] apply to cases such as this."

[30] To allow such a claim would cause an an unfair and disproportionate injury upon the Receiver and, ultimately, First Calgary. It would jeopardize a legitimate security position.

Heard on the 1<sup>st</sup> day of October, 2013.

**Dated** at the City of Calgary, Alberta this 17<sup>th</sup> day of October, 2013.



---

G.C. Hawco  
J.C.Q.B.A.

**Appearances:**

Josef G.A. Kruger  
Matti Lemmens  
Borden Ladner Gervais LLP  
for the Plaintiff

Terry L. Czechowskyj  
Miles Davison LLP  
for the Condominium Corporation No. 0915321

A.R. Anderson, Q.C.  
Michael Bokhaut  
Osler, Hoskin & Harcourt LLP  
for the Receiver, Delloite Restructuring Inc.

# APPENDIX "M"

WITHOUT PREJUDICE

April 7, 2017

**BY EMAIL: tm-altus@telus.net**

Condominium Corporation No. 091 5321  
C/O Tom Michelussi, President

Dear Mr. Michelussi:

**Re: Highbury Tower, Phase I – Response to the Counter-Offer from the Condominium Corporation No. 0915321 (the “Condo Corp”) dated January 19, 2017 (the “Counter Offer”)**

Further to the Counter Offer, a copy of which is included in **Appendix A**, the Receiver has been in discussions with the City of Calgary (the “City”) and other parties in regards to the remaining letter of credit for \$271,200 held by the City (the “Outstanding LOC”), and also had Urban One Builders (“Urban One”) review the additional items raised in the Counter Offer (the “Additional Items”) in which the Condo Corp requested an additional amount of [REDACTED] to be added to the settlement offer.

In terms of the Outstanding LOC, the Receiver has now made some progress with the City in regards to the remaining requirements for the Outstanding LOC and has worked with the civil engineer for the development, Hilco Projects Inc., to get this done. The City has recently signed off on the final acceptance certificate (“FAC”) for the main sidewalks, curbs and gutters, excluding the curbs and gutters for the City road entering the development on the North side (the “City Road”). The Receiver understands from the City that the only outstanding items relate to the final repair of the curbs and gutters on the City Road and the completion of the top lift of asphalt (the “Remaining City Road Work”). The Remaining City Road Work can only be done when the development is complete and only during mid-May to mid-September. As a result of approving the FAC, the City has also agreed to reduce the Outstanding LOC to \$50,000 (the “Reduced LOC”) which will be released when the Remaining City Road Work is completed. Urban One has estimated the Remaining City Road Work to total approximately \$25,000. This Remaining City Road Work will be co-ordinated by the Receiver or Connect First Credit Union and the estimated cost is more than covered by the Reduced LOC amount. A copy of the most recent correspondence with the City in regards to the FAC and the Reduced LOC is included in **Appendix B**.

In terms of the Additional Items, the Receiver had Urban One review these items and compare them to the items already included in the Incomplete Work and Deficiency Review of the Highbury completed by Urban One (the “Urban One Report”). In summary, many of the Additional Items were already included in the Urban One Report and Urban One has estimated a total cost of \$23,450 for the Additional Items and comments that not all of these items would be considered obligations of the Receiver. In addition, Urban One indicated that for some of the Additional Items, Urban One would be able to comment further after conducting an additional site visit, however, the value of any incremental work newly identified for the Additional Items could have reasonably been covered collectively within Urban One’s original overall 5% scope contingency of approximately \$39,300 that

was included in the Urban One Report. Urban One's detailed review and costs estimates, where applicable, for the Additional Items are included in **Appendix C**.

The Counter Offer from the Condo Corp included three options to arrive at a final settlement and the Receiver does not agree with retaining another engineering firm "acceptable to the Board" to determine the cost of the Additional Items. The Condo Corp previously agreed with the retention of Urban One to prepare the Urban One Report and the credentials and independence of Urban One, along with their comments on the work completed by the Condo Corp with Read Jones Christoffersen Ltd., have been detailed and addressed in the Receiver's letters to the Condo Corp dated November 15, 2016 and December 7, 2016. Urban One's detailed comments about each of the Additional Items have also been included with this letter and the Condo Corp can have these reviewed by a third party at its own cost. Involving a new party to reassess what has already been done over the past year, will only cause further delays and costs in coming to a potential settlement.

The Receiver's conditional settlement offer of [REDACTED] included in its letter of December 7, 2016 was already approximately [REDACTED] higher than the Urban One estimate of \$763,000 included in the Urban One Report and also included a contingency of [REDACTED]. On this basis, the Receiver has already offered the Condo Corp. over [REDACTED] to cover contingencies and this more than covers the estimated costs of the Additional Items. On this basis, the Receiver is unwilling to increase the offer from [REDACTED] as a full and final settlement for the incomplete work and any other related matters related to Phase I of the Highbury development, but will agree to not hold back any funds to cover the Outstanding LOC or Reduced LOC. As previously outlined, any agreement would require full releases by all parties involved and the Remaining City Road Work would remain the responsibility of the Receiver and be covered by the Reduced LOC.

[REDACTED]

If you have any questions or require further information, please contact the undersigned at 403-503-1458.

Yours truly,

**DELOITTE RESTRUCTURING INC.**

In its capacity as Receiver and Manager of  
Perera Shawnee Ltd. and Perera Development  
Corporation and not in its personal capacity



Jeff Keeble, CPA, CA, LIT, CBV  
Senior Vice President

Enclosure

**Appendix A**

**Counter-Offer from the Condominium Corporation No. 0915321 dated January 19, 2017**

Jeff Keeble, CA, CIRP, CBV  
Sr. Vice President  
Deloitte Restructuring Inc.  
Suite 700, 850 – 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 0R8

**Re: Highbury Tower: Incomplete Construction Issues**

Jan. 19, 2017

The Highbury Condominium Corporation No. 0915321 (the Board) thanks you for your correspondence and offer of settlement dated December 7, 2016.

The Board appreciates this offer/proposal and considers this as a big step towards the final resolution of this matter.

Further to your letter dated Dec. 7, 2016, several new developments and information have come to light that require inclusion to this discussion and final resolution. Specifically, these new developments include:

1. According to your email dated December 24, 2016: the City of Calgary holdback (of \$271,200) is associated with sidewalk, curb and gutter construction which the City Inspector deems to be ready for inspection. Also included is money related to the repair of a damaged driveway crossing. This work is not included in the incomplete construction list associated with Highbury Tower 1, and is most likely related to the on-site construction/development by Statesman.
2. After reviewing Highbury construction drawings, personnel from Statesman toured the Highbury Tower 1 site on January 5, 2017 and have identified additional incomplete construction items, including:
  - Parkade Level P1:** removal of sliding gate and wall; installation of fire rated steel door and frame for sprinkler/water valve room; install vehicle protection for sprinkler room; install curb stops for parking stalls.
  - Parkade Level P2:** removal of ceiling drywall in emergency generator room and construction of fuel fill station; new exhaust fan room requires dampner on duct (to prevent sprinkler freezing); electrical work is incomplete in new exhaust fan room; add card reader from Townhouse level to parkade (mandoor); drywall above parking stall 11 to be fire rated; install curb stops for parking stalls; addition of fob activated swing gate to separate Tower 1 parkade from Statesman.
  - Townhouse Level T1:** placard numbering for 12 townhomes (interior & exterior); water-proofing of fire alarm control panel room from sprinklers outside; fire caulking required in numerous areas; card reader for dog wash room door; paint floor in sprinkler pump room and add waterproofing; installation of electrical power and meters for Townhomes 14621, 14623, 14625; common area construction for Townhomes 14621, 14623 and 14625 (north end).
  - Townhouse Level T2:** add membrane to mop sink in Janitor Room; paint floor and install rubber baseboard. Install roll-up door and curb (for bins) in Garbage Room.

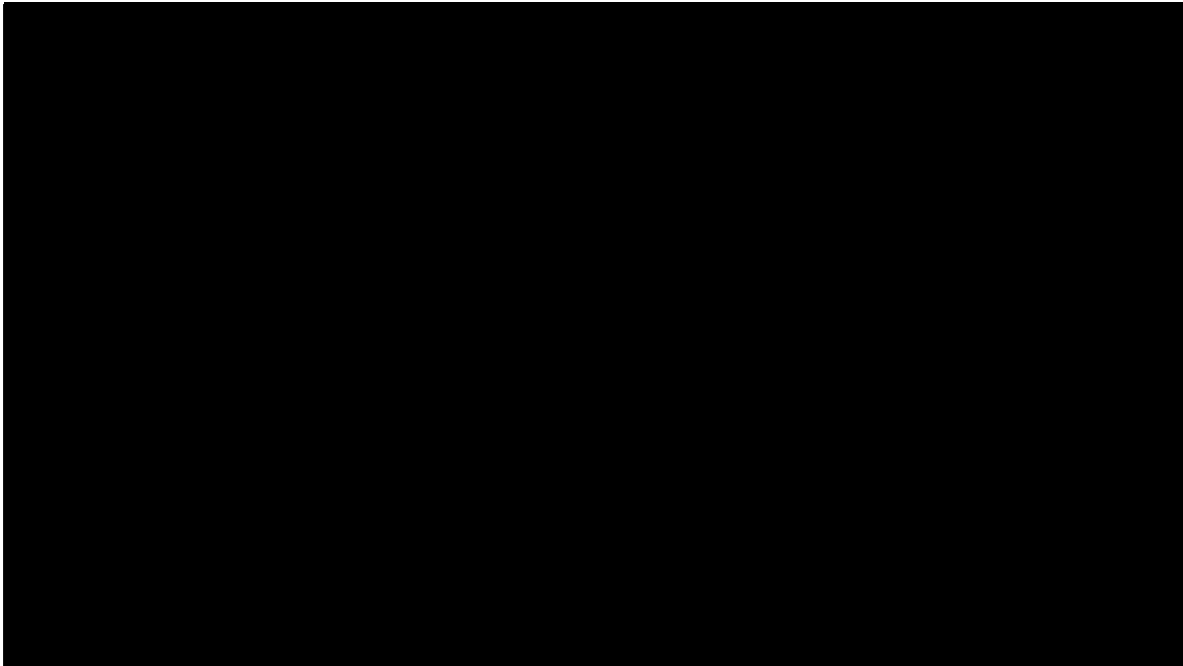
**West Lobby Level M:** Add mailbox for Townhome 14625 and rekey all mailboxes.

**Stairwells:** card readers missing on several man doors; sprinklers missing.

**Safety:** wheelchair ramp required for egress to courtyard; missing fire extinguishers in locker rooms; add glass to fire extinguisher boxes; add fire caulking where needed, install heaters in locker rooms; wire all access card readers to emergency power circuit.

3. Financial Responsibility Related to Unfinished Statesman Townhomes: As shown in the above list of incomplete construction items (Townhouse Level T1), Statesman does not want to take financial responsibility for the completion of common areas related to Townhomes 14621, 14623, 14625. This includes installation of demising walls, electric power & meters, HVAC, sprinklers, exterior windows and doors, etc. The Board did not include these costs in their proposed settlement amount with the Receiver.

Given the above new developments, the Board cannot accept the amount and terms proposed in your original letter dated December 7, 2016. At this time, the Board proposes the following options to resolve this issue to arrive at a final settlement:



The Board looks forward to your response and the final resolution of this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Michelussi".

Tom Michelussi  
President, Highbury CC 0915321



**Appendix B**  
**Letter from the City of Calgary dated March 9, 2017**



**March 9, 2017**

Our File: **2007-033**

Your File:

Perera Shawnee Ltd.  
425 - 78 Avenue S.W.  
Calgary, Alberta T2V5K5

Dear Mr. D. Perera:

**Re: Shawnessy, Phase 01 Final Acceptance Certificate**

---

We are forwarding the approved Final Acceptance Certificate for the SIDEWALKS, CURBS AND GUTTERS (ONSITE AND OFFSITE) in the above noted subdivision. As a result of no undeveloped lots, no amount will be withheld from the performance security as it relates to the lot development.

Please retain for your files.

Yours truly,

Mauro Ficaccio, C.E.T.

Coordinator, Subdivision Development  
Calgary Approvals Coordination  
T 403.268.6739 | F 403.268.3636 | Mail code #8032  
Floor #5, Calgary Municipal Building, 800 Macleod Tr. S.E.

MF/sm

cc: H. Collado - Hilco Projects Inc.  
Cannex Contracting 2000 Inc. - Contractor  
R. Arndt - Roads #4003  
W. Chow - Compaction Technician #71  
R. Seera - Traffic Engineering #4009  
B. Biensch - Roads Maintenance #4010  
K. Macleod - Transportation, Roads #4005  
File

**FINAL ACCEPTANCE CERTIFICATE**

SUBDIVISION: SHAWNESSY

PHASE: 1

DEVELOPER: DELOITTE - RECEIVER.

AGREEMENT No: 2007-033

UTILITY: SIDEWALKS, CURBS AND GUTTERS

CONTRACTOR: CANNEX CONTRACTING 2000 INC.

BOUNDARY OF AREA: See map attached

MAINTENANCE EXPIRY DATE: SEPTEMBER 30, 2010


**CONSULTING ENGINEER'S CERTIFICATE**

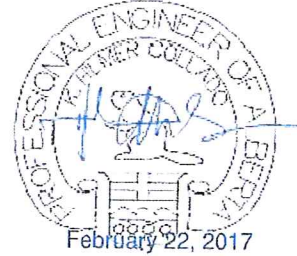
I, Hilmer Collado of the firm of Hilco Projects Inc.

Consulting Engineers, hereby certify that as of the above date the said utility meets all the requirements for acceptance as specified by the Development Agreement, and I hereby recommend this utility for final acceptance by the City of Calgary.

Signature of Consulting Engineer's Inspector

Signature of Consulting Engineer's Inspector

PERMIT TO PRACTICE HILCO PROJECTS INC.
Signature: 
Date: February 22, 2017
PERMIT NUMBER: P07866
The Association of Professional Engineers, Geologists and Geophysicists of Alberta



P. Eng.

Signature of Consulting Engineer

Approved on MAR 09 2017  
Date

Manager, Urban Development or Designate

Rejected on \_\_\_\_\_  
Date

Manager, Urban Development or Designate

Cause for rejection \_\_\_\_\_

I HEREBY CERTIFY THAT THE TERMS LISTED AS REASONS FOR REJECTION HAVE NOW BEEN CORRECTED.

Approved on: \_\_\_\_\_  
Date

Consulting Engineer

Approved on \_\_\_\_\_  
Date

Manager, Urban Development or Designate



## Medeiros, Steven

---

**From:** Arndt, Robert  
**Sent:** Tuesday, February 21, 2017 11:08 AM  
**To:** 'Hilmer Collado'  
**Cc:** Medeiros, Steven; Belvedere, Shannon; Ficaccio, Mauro  
**Subject:** RE: Shawnessy Phase 1 (Deloitte - DA2007-033)

Hello Hilmer,

I will be able to meet with you tomorrow, Wednesday February 22, on site to sign the FAC for this Development Agreement. How would 1:30 fit your schedule? If that does not work for you, I am available all week.

Please keep in mind that I will be notifying Calgary Approvals to hold back \$50,000.00 to ensure the driveway Crossing is Replaced.

Once the work is complete the remainder of the funds can be released. Please note that the driveway crossing cannot be constructed nor the funds released until all building construction is complete.

Respectfully

**Robert Arndt R.E.T.**  
Roads Subdivision Officer  
T 403-268-5029 | C 403-828-1538 | Email [robert.arndt@calgary.ca](mailto:robert.arndt@calgary.ca)

---

**From:** Hilmer Collado [<mailto:hcollado@shaw.ca>]  
**Sent:** Wednesday, February 15, 2017 10:52 AM  
**To:** Arndt, Robert  
**Subject:** Shawnessy Phase 1 (Deloitte - DA2007-033)

Hi Rob,

I am just following up on the FAC Sidewalks for Shawnessy Phase 1 (Deloitte, DA2007-033) per my vm to you yesterday.

From the FAC Checklist for Sidewalks, Curbs and Gutters, there is an item pertaining to a Joint Inspection Certificate (from Water Resources).

Could you please let me know. Are we submitting the FAC to you? The last FAC we submitted was in 2012 and so we just wanted to confirm as we are not sure if the same contact from 2012 (David Berge, Development and Building Approvals) applies to this FAC submission.

Thank you,

Hilmer Collado, P.Eng.

**HILCO Projects Inc.**

Calgary, AB

T 403.606.0218

E [hcollado@shaw.ca](mailto:hcollado@shaw.ca)

**Medeiros, Steven**

---

**From:** Arndt, Robert [Robert.Arndt@calgary.ca]  
**Sent:** Wednesday, February 15, 2017 11:07 AM  
**To:** 'Hilmer Collado'  
**Cc:** Berge, David T.; Belvedere, Shannon  
**Subject:** RE: Shawnessy Phase 1 (Deloitte - DA2007-033)

Hello Hilmer.

I am just following up on the driveway crossing issue. As soon as I have that decided I will schedule a meeting with you on site. Should be no problem if the warm weather keeps up , we just need a quick look at the crossing.

You will be providing the Field FAC as per usual, with the Water Services Clearance for Sidewalks. You do not need a material compliance or surface compaction letter as they do not apply. We will sign these off in the field and you will submit to David Berg for processing. Please let me know if you need any other assistance or need clarification on what you need to provide

Respectfully,

**Robert Arndt R.E.T.**  
Roads Subdivision Officer  
T 403-268-5029 | C 403-828-1538 | Email [robert.arndt@calgary.ca](mailto:robert.arndt@calgary.ca)

**From:** Hilmer Collado [<mailto:hcollado@shaw.ca>]  
**Sent:** Wednesday, February 15, 2017 10:52 AM  
**To:** Arndt, Robert  
**Subject:** Shawnessy Phase 1 (Deloitte - DA2007-033)

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From the FAC Checklist for Sidewalks, Curbs and Gutters, there is an item pertaining to a Joint Inspection Certificate (from Water Resources).

Could you please let me know. Are we submitting the FAC to you? The last FAC we submitted was in 2012 and so we just wanted to confirm as we are not sure if the same contact from 2012 (David Berge, Development and Building Approvals) applies to this FAC submission.

Thank you,

Hilmer Collado, P.Eng.

HILCO Projects Inc.

Calgary, AB

T 403.606.0218

E [hcollado@shaw.ca](mailto:hcollado@shaw.ca)

NOTICE -

This communication is intended ONLY for the use of the person or entity named above and may contain information that is confidential or legally privileged. If you are not the intended recipient named above or a person responsible for delivering messages or communications to the intended recipient, YOU ARE HEREBY NOTIFIED that any use, distribution, or copying of this communication or any of the information contained in it is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and then destroy or delete this communication, or return it to us by mail if requested by us. The City of Calgary thanks you for your attention and co-operation.



TRANSPORTATION - ROADS

Field Final Acceptance Certificate

Subdivision: Shawnessy Phase 1  
Dev. Agree. #: 2007-033  
Developer: Deloitte - Receiver  
Consulting Eng.: Hilco Projects Inc.  
Utility: Sidewalks, Curbs and Gutters  
Contractor: Cannex Contracting 2000 Inc.  
Date Maintenance Completed: September 30, 2010

Essential :

- Water Resources clearances shall be attached prior to Roads approval.
- Material compliance approval letter to be submitted to Urban Development with certificate.
- Top lift Bonding required for Major Roads or Roads paved after September 15. YES \_\_\_ NO
- Undeveloped lots and damaged Sidewalks or C&G subject to \$500.00 deposit per lot. YES  NO \_\_\_

Legal Description: LOT \_\_\_\_\_ & BLOCK \_\_\_\_\_

↓  
\$50000 letter  
of credit to  
be retained.

City of Calgary Roads Inspector:

Signed: [Signature]  
Printed: RENEE ST. MARCO  
Date: FEB 22, 2017

Consultant:

Signed: [Signature]  
Printed: Hilmer Collado  
Date: Feb. 22, 2017

- Notes: 1. Original Copy to Roads Inspector with copy to consulting engineer or two original copies.  
2. Attach copy of 8 1/2 x 11" surface improvement cover sheet and Legal Lot Plan





THE CITY OF  
**CALGARY**  
WATER RESOURCES

FINAL ACCEPTANCE INSPECTION APPROVAL SHEET FOR  
SIDEWALK, CURB & GUTTER  
WATER RESOURCES

Subdivision:

Shawnessy Ph 1 (Perera) 2007-033

Following our field inspection of: (1) Jan 6, 2012 we confirm the following:

(2) \_\_\_\_\_

(3) \_\_\_\_\_

FIELD APPROVAL

Infrastructure is complete and in order for release of the Final Acceptance Certificate.

Signed: [Signature]  
Water Resources Inspector

Date: Jan 6, 2012

Signed: [Signature]  
Consulting Engineer

Date: Jan 6, 2012

## Appendix C

### Email comments from Urban One on the Additional Items raised in the Counter-Offer from the Condominium Corporation No. 0915321 dated January 19, 2017

We offer our comments to the Strata's January 19 letter to the Receiver, with reference to their numbered paragraphs, as follows:

#### 1. New Incomplete Items Noted by Strata:

Our Architectural Drawing set, Poon McKenzie drawings dated Mar. 4, 2008 and approved by City of Calgary for Building Permit Apr. 17, 2008, reference parking only on lowest P4 level and second lowest P3 / T1 level. We are interpreting from these new comments of incomplete work that the P4 level has now been renamed as "P1" and the P3 / T1 level has now been renamed as "P2". Deloitte should confirm whether this is the case; it may have been done for purpose of consistency with the adjacent Statesman development for example as to providing a common nomenclature for emergency responders.

- Parkade "P1" [previously P4], removal of sliding gate and wall:
  - i. We have on the list Estimate ID #40, remove and relocate the sliding security gate, for which Strata had previously commented "delete item from list" at it was taken that no action was required. We are not aware as to whether the Receiver has any obligation to provide a new gate in P3 / T1, while leaving this potentially redundant gate in P4 in place.
  - ii. If notwithstanding this, Strata has to remove this gate and make good the surrounding concrete finishes from the prior fastening, allow \$1,500. We have not added this item to the incomplete work list, pending your direction.
- Parkade "P1" [previously P4], installation of steel door, frame, and vehicle protection for sprinkler / water valve room:
  - i. The Architectural drawings for example A21-P4-01, show for this room in the SE corner of P4 level, only cross-hatched yellow caution paint. No bollards or other physical vehicle protection barrier are shown. The wall of this room is noted as only chainlink fence, wall type P12. To add steel framing members bolted from floor to ceiling and put a new metal door and solid transom between that steel framing, it would cost approximately \$1,700. Since the original drawings met Code for purpose of Building Permit approval, the reason for the new requirement would need to be clarified before we proceed to create an Estimate on this item.
- Parkade "P1" [previously P4], installation of wheel stops for parking stalls:
  - i. We see wheel stops only on Poon McKenzie drawing A21-P4-01, and only 4 of them. If required to be provided by the Receiver, allow \$150 each for these, for a total of **\$600**.
- Parkade "P2" [previously P3 / T1], removal of ceiling drywall at emergency generator room:
  - i. In Estimate ID #77, we have already carried "demolish and remove drywall bulkhead". We understand that the temporary purpose of the bulkhead was to block cold drafts from outside, arriving at the incomplete interface (missing expansion joints etc.) to the Statesman parkade.
- Parkade "P2" [previously P3 / T1], construction of fuel fill station:
  - i. In Estimate ID #76, we have carried a total of \$1,892 for the items providing for remote filling and remote indication of fill level. Most of the fuel fill / vent pipe (shown to us by Statesman and required to strap signal wiring right onto it) already exists and we have included the rest of the requirements for remote fill station.
- Parkade "P2" [previously P3 / T1], Exhaust Fan Room requires damper on duct to prevent sprinkler from freezing and has incomplete Electrical work:
  - i. On our set of the provided Architectural Drawings, for example A20-P3-00, this room does not exist. However, we understand from site review that this room is located at the SE corner of the P3 / T1 level; it is the room for which a new louver was installed through the south wall which changed the required configuration of an outdoor planter. There is a parkade make-up air unit in this room, which is required to be tested and balanced as per our Estimate #74. We understood that the need for this room may have been in relation to the temporary condition (interim to Statesman completion) rather than the permanent condition (after Statesman completion) as air flow within the overall parkade may be affected by the tie-in to the new Statesman parkade. We have not been issued

- Mechanical Drawings of the project to date, so we are unable to comment on a damper on a duct at this time. If a motorized louver (to allow normally closed position) is required to be retrofit in place of the existing non-motorized louver to the outside air, add **\$3,500**. Additional direction will be needed on this item, before it can get an Estimate in our list.
- Parkade “P2” [previously P3 / T1], add card reader from townhouse level to parkade mandoor:
    - i. The location for this should be clarified. We understand the south exit from the corridor east of the P3 / T1 parking to be intended as emergency exit only and not re-entry, in which case a card reader is not required. The Receiver previously settled with the Strata regarding security cameras. Refer also to Estimate ID #8 in relation to this item. We have not been advised whether the Security settlement also related to card readers.
  - Parkade “P2” [previously P3 / T1], fire rating to drywall over parking stall 11:
    - i. Our set of the provided Architectural Drawings does not show the stall numbering, so we can't tell where this is. To fire rate non-rated drywall in a retrofit, by applying Type X gypsum board over it with additional support fastening, taping, filling, and surface paint, add \$8.00/face SF. A parking stall is nominally 10.5' wide x 22' long. To add fire rated drywall over an entire parking stall would cost up to \$1,850. We need more background information on where this item is and why it needs to be done before being able to finalize an Estimate for it.
  - Parkade “P2” [previously P3 / T1], installation of wheel stops for parking stalls:
    - i. No wheel stops are shown on Poon McKenzie drawings of the P3 / T1 level. Wheel stops are not required by Code and many projects are completed without them. Our opinion is that the Receiver is not obligated to provide wheel stops in P3 level at this time; this is a “wish list” item only.
  - Parkade “P2” [previously P3 / T1], addition of fob activated “swing” gate as separation from Statesman:
    - i. We have carried Kantech Enterphone at the future parkade entry as per Estimate ID #73. We understood that to be the primary security measure for vehicles entering the Highbury Perera Parkade versus vehicles entering the Statesman Parkade, at the shared new entry ramp to both parkades. We understand that any further gate would be to separate guest vehicles from resident vehicles.
    - ii. We have on the list Estimate ID #40, remove and relocate the sliding security gate, for which Strata had previously commented “delete item from list” at it was taken that no action was required. We are not aware as to whether the Receiver has any obligation to provide a new gate in P3 / T1, while leaving this potentially redundant gate in P4 in place. To install a gate relocated from P4 (aside from removal cost within P4) along with new configuration of side framing, allow **\$4,000**.
    - iii. We note also that the existing insulated roll-up gate at the temporary access into P4 from outside, gets removed on behalf of the Receiver and provided to the Strata in our Estimate ID #18. Notwithstanding that a new gate may not be required to be insulated type, or that a new gate may be preferred see-through for an interior application, this existing gate once removed is effectively to be available to be supplied “for free” to a new location for reinstallation.
  - Townhomes T1, placard numbering for 12 townhomes:
    - i. We have included 16 total including 12 exterior and 4 interior, as per our Estimate ID #16.
  - Townhomes T1, waterproofing of fire alarm control panel from sprinklers outside:
    - i. This item appears to relate to the (originally temporary) lower lobby of the project. We do not typically hear of a need to waterproof a fire alarm annunciator panel from nearby sprinklers. The annunciator panel typically has a lockable glass and metal door / cover. This requirement should be clarified. A gumlip flashing could be retrofit across the top of an annunciator panel location for about **\$100** and it would be functional but not aesthetic. This item would require more direction as to why and how it is needed, before a proper Estimate could be prepared.
  - Townhomes T1, fire caulking required in numerous areas:
    - i. We have allowed firestopping of one hole below electrical panel box in Estimate ID #31.
    - ii. We have allowed future firestopping at piping penetrations for missed fire department connection outside West / Upper Lobby, in Estimate ID #75.
    - iii. We have allowed for patching of two 9” diameter holes in Emergency Generator Room, in Estimate ID #76.

- iv. Any other areas would have to be specifically identified before an Estimate can reasonably be allocated.
- Townhomes T1, card reader for dog wash room door:
  - i. We have not been advised whether the Security settlement also related to card readers.
  - ii. If new card readers are required to be retrofit at locations originally constructed without them, allow \$600 for new card reader, \$300 for new wiring to card reader (possibly to EM power), \$1,000 for retrofit of existing door frame to one with an electric strike, and \$100 for miscellaneous, total **\$2,000** per location. However, we do not understand why this would become the Receiver's responsibility at this point in time.
- Townhomes T1, paint / waterproofing floor in sprinkler pump room.
- Townhomes T1, installation of electrical power for TH 14621, 14623, and 14625:
  - i. Electrical rough-in and finish wiring based on 2 townhome suites is included in our overall allowance in Estimate ID #33.
- Townhomes T1, installation of electrical meters:
  - i. Supply and installation of meters is ENMAX scope.
- Townhomes T2, add membrane to mop sink in Janitor Room:
  - i. We are not previously aware of this item.
  - ii. Some mop sinks have a fiberglass base and others are constructed with concrete curb and sloped topping slab. Typically they would have a membrane if constructed with concrete, however replacing such membrane ever 5-10 years may be considered a maintenance task as it gets worn out by impact and abrasion.
  - iii. If Receiver is required to add this item, allow **\$300** including preparation and installation.
- Townhomes T2, paint floor and install rubber baseboard:
  - i. We have allowed for this work in our Estimates ID #25, 26, and 27.
- Townhomes T2, install roll-up door and curb for bins in Garbage Room:
  - i. There is an elevation step problem in the existing floor as constructed. We have allowed in Estimate ID #28 for grinding the concrete floor to eliminate the transition.
  - ii. If this new item of concern is referring to anything different, then it needs to be clarified.
- West / Upper Lobby, add mailbox for Townhome 14625 and rekey all mailboxes:
  - i. The former sales centre / Statesman office area was to have been demised into 2 townhome units not 3. This work is not necessary if there are still to be only 2 townhome units. Creating 3<sup>rd</sup> townhome unit by alternate demising of the area would appear to be an optional upgrade not an obligation of the Receiver.
- Stairwells, card readers missing on several man doors:
  - i. We have not been advised whether the Security settlement also related to card readers.
  - ii. If new card readers are required to be retrofit at locations originally constructed without them, allow \$600 for new card reader, \$300 for new wiring to card reader (possibly to EM power), \$1,000 for retrofit of existing door frame to one with an electric strike, and \$100 for miscellaneous, total **\$2,000** per location. However, we do not understand why this would become the Receiver's responsibility at this point in time.
- Stairwells, sprinklers missing:
  - i. We are unable to comment on this item other than that the Sprinkler Engineer signed off on the completed Sprinkler System prior to the original Occupancy of the project. We do not have Sprinkler Drawings of the project and would need that and a site review to assess this item. Missing sprinklers is generally a pretty major item to occur and have nobody notice it for nearly 7 years, as such we expect that this item must be very minor if having any substance.
- Safety, wheelchair ramp for egress to courtyard:
  - i. In our Estimate ID #36 we have allowed for a new stairway at this area but not a ramp wall on the west / match line side of this ramp. I personally missed the curved wall in plan view as it was physically hidden underneath the thick phasing line, for example on drawing A10-00-01.
  - ii. In our Estimate ID #71 we have allowed for a new Pisa stone wall on the east side of this ramp, \$1,402.56. Approximately \$500 of this scope can be deleted based on the grade transition along the ramp; the Pisa stone wall base need not be deeply buried relative to the sloping ramp surface elevation.
  - iii. In our Estimate ID #36 we have allowed for paver surface including at the ramp top surface.

- iv. To add sandblasted concrete curved ramp wall right along the match line, add \$2,700 for formwork, \$500 for concrete material, and \$600 for reinforcing, total \$3,800.
  - v. Designed ramp slope of 6.6% is over the City of Calgary Access Design Standards' suggested slope limit of 1:20 or 5%. The existing ramp design needs redesign to increase the length of the ramp. Handrails may be needed on both sides and the ramp is currently 29' long. Provisionally allow for 65 LF of handrails at \$40/LF or \$2,600. Handrails on west (concrete ramp wall) side can fasten to the top of the curved concrete wall. Handrails on east (Pisa stone wall) side cannot fasten to top of Pisa stone and will then require alternate anchorage onto concrete paving strip or localized concrete blocks at the elevation of the paver surface of the ramp.
  - vi. The landing at the top of the ramp may require redesign in order to be at least 1500 mm long x 950 mm wide (currently the landing is shown curved off at its northwest corner for aesthetic reasons).
  - vii. Net budget adjustment to flesh out work scope at this ramp is **\$5,900**. However, as noted this ramp appears to required redesign before construction.
  - **Safety: missing fire extinguishers in locker rooms:**
    - i. Fire extinguishers would be provided in base building scope only where there is a cabinet. If there is no cabinet in the locker rooms, then provision of fire extinguishers there (and replacement of any if stolen) is a Strata responsibility.
  - **Safety: add glass to fire extinguisher boxes:**
    - i. We have allowed for supply and install of 22 missing cabinet door glass panes in Estimate ID #78.
  - **Safety: add fire caulking where needed:**
    - i. We have allowed firestopping of one hole below electrical panel box in Estimate ID #31.
    - ii. We have allowed future firestopping at piping penetrations for missed fire department connection outside West / Upper Lobby, in Estimate ID #75.
    - iii. We have allowed for patching of two 9" diameter holes in Emergency Generator Room, in Estimate ID #76.
    - iv. Any other areas would have to be specifically identified before an Estimate can reasonably be allocated.
  - **Safety, install heaters in locker rooms:**
    - i. We are not sure why this is currently brought up as being a "safety" issue.
    - ii. Locker rooms are not always heated as sometimes they receive ambient heat from adjacent areas and they may only have ventilation or air transfer grilles.
    - iii. We do not have Mechanical drawings of the project in order to be able to comment further on this item.
  - **Safety, wire all access card readers to emergency power circuit:**
    - i. This item may be a design issue rather than an incomplete work issue; obviously if not currently connected to emergency power, then these are currently connected to house power, notwithstanding that the emergency generator exists and functions.
    - ii. This may be possible to accomplish within the electrical room and electrical closets but only if all of the power leads to these have "home run wiring" back to a common location. This configuration is not necessarily likely.
    - iii. We have not been advised whether the Security settlement also related to card readers.
2. Common areas related to townhomes 14621, 14623, and 14625:

Note: we were previously advised that the townhome areas originally used for Sales office and later for Statesman's project office would be made into 2 townhome units not 3 of them. These were to have had addresses 14600 and 14601 Shawnee Gate. We have allowed a blanket allowance of \$100/SF for interior fit-out of these areas after construction of the suite to suite and suite to corridor demising walls by Statesman. If 3 suites instead of 2 suites are required, then there are more kitchens and more bathrooms than for 2 suites. Instead of a total of \$162,857.96 the allowance would need to be approximately \$60,000 higher to achieve this. It would appear to be an optional upgrade and not a Receiver responsibility, to create 3 suites instead of 2 suites at this area – unless this is something that the Receiver has specifically agreed to during the past several months.

- Demising walls:
    - i. We have allowed for these as per our Estimate ID #32B, \$8,712.20. At the meeting we attended at Deloitte, it was agreed that Statesman would be responsible for the construction of these demising walls.
    - ii. We allowed the corridor finishes as per our Estimate ID #32A, \$7,696.20. At the meeting we attended at Deloitte, it was agreed that the Receiver would be responsible for these finishes.
  - Electric power:
    - i. Electrical rough-in and finish wiring based on 2 townhome suites is included in our overall allowance in Estimate ID #33.
  - Meters:
    - i. Supply and installation of meters is ENMAX scope.
  - HVAC:
    - i. HVAC rough-in and finishes based on 2 townhome suites is included in our overall allowance in Estimate ID #33.
  - Sprinklers:
    - i. Sprinkler system changes based on 2 townhome suites is included in our overall allowance in Estimate ID #33.
  - Exterior windows and doors:
    - i. As relating to window wall, we had carried \$2,924.71 in our Estimate ID #22 for this work, but based on Quest Windows. They subsequently refused involvement in the project. There was an existing window on site which if still there could be refurbished by automotive body shop methods and reused for this purpose, likely staying within that Estimate. However, if a new window wall unit is required and must be supplied by other than Quest Windows, firstly the estimate should be increased by a further \$1,500 and secondly the replacement window wall segment may not aesthetically match the existing window wall of the project in terms of its mullion profiles (which are typically proprietary to each Window Wall Trade Contractor).  
Note: as the above items are covered by our prior listed Estimates, we do not understand the Strata's comment "The Board did not include these costs in their proposed settlement amount with the Receiver."
3. [Strata letter item 4.1] An additional amount of \$175,000 is not warranted by the new items. Our estimate of the figures shown above in bold, not all of which are obligated to be performed by the Receiver, totals to **\$23,450**. Between \$10,000 and \$25,000 for these items should be allowed but additional clarifications will have to be determined as noted individually for these items before that can be done (many of the new items require scope of work direction before a new Estimate can be accurately prepared and incorporated in our overall repairs budget). For some of the new items, we would be able to comment further after conducting an additional site visit (subject to our below comment about the Strata's item 4.2). Overall however, the value of any incremental work newly identified in the Strata's January 19 letter as being required, could have reasonably been covered collectively within our original overall 5% Scope Contingency of approximately \$39,300.
4. [Strata letter item 4.2] We reassert that our review on behalf of the parties has been objective as this has been our intent, in addition to thoroughness. We have by our estimates typically suggested economical approaches to conducting the incomplete work and deficiency repairs. Strata may be seeking a new participant more specifically favourable to the Strata's position (an "Engineering firm acceptable to the Board"). We suggest that involving a new participant would delay the settlement process by several additional months, due to any new party needing to get up to speed on everything and having to reassess everything. If Urban One are to further review any new items on site to investigate new scope, in particular given that the Strata is not in favour of our continued involvement at this time, we will need specific mandate from the Receiver to do so, including physical access permission in writing. If that is desired, a site visit could be done on January 27. Otherwise, the Receiver can use the above assessment to further guide its efforts toward final settlement with the Strata.



5. [Strata letter item 4.3] The timeline of completing all items by August 1, 2018 appears readily feasible (maybe they actually mean 2017?). Any independent inspector / consultant brought on board to “review and inspect all construction” would first need to identify any concerns with the proposed repair approaches, most of which have been proposed based on experience in the absence of drawings and details for the repair items specifically. In this case, the Receiver should require that the consultant if having any concerns / objections to a particular repair approach proposed as per our Estimates, would need to therefore provide a replacement approach up front as well as their rationale on why they feel they need their approach instead. Inspection would only be based on mutually agreed approaches; no work would be questioned as to method in the first instance while it is already in the process of being performed. This principle should apply the same regardless of who will be performing the work; wasted work needs to be prevented in the interest of cost and time.

Jeff Keeble, CA, CIRP, CBV  
Sr. Vice President  
Deloitte Restructuring Inc.  
Suite 700, 850 – 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 0R8

**Re: Highbury Tower: Incomplete Construction Issues**

Jan. 19, 2017

The Highbury Condominium Corporation No. 0915321 (the Board) thanks you for your correspondence and offer of settlement dated December 7, 2016.

The Board appreciates this offer/proposal and considers this as a big step towards the final resolution of this matter.

Further to your letter dated Dec. 7, 2016, several new developments and information have come to light that require inclusion to this discussion and final resolution. Specifically, these new developments include:

1. According to your email dated December 24, 2016: the City of Calgary holdback (of \$271,200) is associated with sidewalk, curb and gutter construction which the City Inspector deems to be ready for inspection. Also included is money related to the repair of a damaged driveway crossing. This work is not included in the incomplete construction list associated with Highbury Tower 1, and is most likely related to the on-site construction/development by Statesman.
2. After reviewing Highbury construction drawings, personnel from Statesman toured the Highbury Tower 1 site on January 5, 2017 and have identified additional incomplete construction items, including:
  - Parkade Level P1:** removal of sliding gate and wall; installation of fire rated steel door and frame for sprinkler/water valve room; install vehicle protection for sprinkler room; install curb stops for parking stalls.
  - Parkade Level P2:** removal of ceiling drywall in emergency generator room and construction of fuel fill station; new exhaust fan room requires dampner on duct (to prevent sprinkler freezing); electrical work is incomplete in new exhaust fan room; add card reader from Townhouse level to parkade (mandoor); drywall above parking stall 11 to be fire rated; install curb stops for parking stalls; addition of fob activated swing gate to separate Tower 1 parkade from Statesman.
  - Townhouse Level T1:** placard numbering for 12 townhomes (interior & exterior); water-proofing of fire alarm control panel room from sprinklers outside; fire caulking required in numerous areas; card reader for dog wash room door; paint floor in sprinkler pump room and add waterproofing; installation of electrical power and meters for Townhomes 14621, 14623, 14625; common area construction for Townhomes 14621, 14623 and 14625 (north end).
  - Townhouse Level T2:** add membrane to mop sink in Janitor Room; paint floor and install rubber baseboard. Install roll-up door and curb (for bins) in Garbage Room.

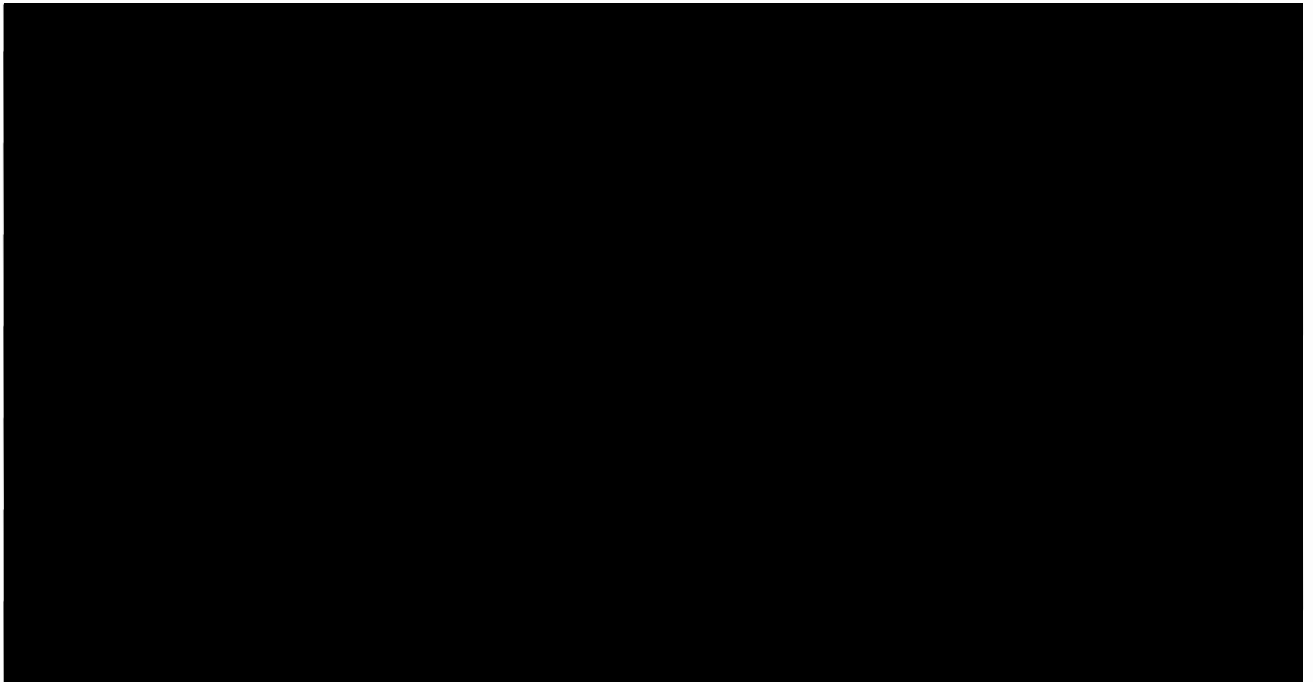
**West Lobby Level M:** Add mailbox for Townhome 14625 and rekey all mailboxes.

**Stairwells:** card readers missing on several man doors; sprinklers missing.

**Safety:** wheelchair ramp required for egress to courtyard; missing fire extinguishers in locker rooms; add glass to fire extinguisher boxes; add fire caulking where needed, install heaters in locker rooms; wire all access card readers to emergency power circuit.

3. Financial Responsibility Related to Unfinished Statesman Townhomes: As shown in the above list of incomplete construction items (Townhouse Level T1), Statesman does not want to take financial responsibility for the completion of common areas related to Townhomes 14621, 14623, 14625. This includes installation of demising walls, electric power & meters, HVAC, sprinklers, exterior windows and doors, etc. The Board did not include these costs in their proposed settlement amount with the Receiver.

Given the above new developments, the Board cannot accept the amount and terms proposed in your original letter dated December 7, 2016. At this time, the Board proposes the following options to resolve this issue to arrive at a final settlement:



The Board looks forward to your response and the final resolution of this matter.

Sincerely,

Handwritten signature of Tom Michelussi in blue ink.

Tom Michelussi  
President, Highbury CC 0915321

# APPENDIX "N"

Jeff Keeble, CA, CIRP, CBV  
Sr. Vice President  
Deloitte Restructuring Inc.  
Suite 700, 850 – 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 0R8

**Re: Highbury Tower: Incomplete Construction Issues**

April 28, 2017

The Highbury Condominium Corporation No. 0915321 (the Board) thanks you for your correspondence and offer of settlement dated April 7, 2017.

The Board has discussed this matter in detail and has made a decision. Four out of five Highbury Board members voted to not accept the settlement amount of [REDACTED]

Given the additional scope of work related to the unfinished Statesman suites plus the low cost estimates provided for many of the incomplete items identified, the Board feels the financial risk to current Highbury Owners to be unacceptable. Based on current cost of repairs at our building, the Board feels that even a settlement offer of [REDACTED] would still expose our Owners to a special assessment fee (for cost over-runs). However, the acceptance of [REDACTED] would result in an unreasonable special assessment amount being paid by each suite owner in the building.

As such, the Board requests that Deloitte take responsibility for all work related to incomplete construction items and that Deloitte start making arrangements to start the management and construction of the incomplete construction items as identified (and agreed to by both parties) on the list prepared by Urban One (dated May 19, 2016). Co-ordination with the Statesman construction activities will also be required.

The Board will hire (at its expense) a consultant to review/inspect construction practices to ensure all work is completed to good construction practices and meets all applicable building and safety codes. Any deficient items will be reported to the Board and to Deloitte for rectification.

The Board looks forward to seeing our project completed.

Sincerely,



Tom Michelussi  
President, Highbury CC 0915321

# APPENDIX "O"

November 3, 2017

By email: [kris.cameron@icloud.com](mailto:kris.cameron@icloud.com)

Condominium Corporation No. 0915321  
c/o Kris Cameron, President

Dear Mr. Cameron:

**Re: Highbury Tower, Phase I – Drive lane wall deficiency issue**

As you are aware, Deloitte Restructuring Inc. (the “Receiver”) was appointed by the Court of Queen’s Bench of Alberta as Receiver and Manager of all the current and future assets, undertakings, and properties of Perera Shawnee Ltd. and Perera Development Corporation (together, “Perera”) on March 3, 2010 (the “Receivership”).

On September 20, 2017, a conference call was held between representatives of Urban One Builders Alberta Inc. (“Urban One”), the constructive professionals hired by the Receiver, Entuitive, the consulting engineers hired by Condominium Corporation No. 0915321 (the “Condo Corp.”), and the Receiver. During the call, Urban One advised that:

1. An issue was identified on September 12, 2017 by Maidment Surveyors (“Maidment”) who had been engaged by The Statesman Group of Companies (“Statesman”) to perform surveying services;
2. During the performance of its surveying operations, Maidment discovered that an area on the northwest exterior of the Highbury Tower comprised of a retaining wall, manhole, sidewalk, curb and gutter, among other things (collectively, the “Drive Lane Wall”) was not located in accordance with the registered Development Plan;
3. Upon further investigation, Urban One determined that not only was the Drive Lane Wall in an incorrect location, there was no evidence that it had been built according to a structural design or reviewed or approved by an engineer and, in fact, was failing as a result of ground settling; and
4. Urban One intended to request a review by the City of Calgary (the City”) and an independent third party to confirm Maidment’s findings.

We attach a photograph of the Drive Lane Wall for your reference.

Shortly after the conference call, both the City and the independent third party hired by the Receiver, Tronnes Surveyors (“Tronnes”), attended at the Highbury Tower to inspect the Drive Lane Wall. Both confirmed following their respective inspections that the Drive Lane Wall was not located in accordance with the registered Development Plan.

Urban One has also undertaken a further investigation of the Drive Lane Wall in relation to the safety issues posed both by the lack of a structural design or engineering approval and the failing of the Drive Lane Wall as a result of ground settling. In Urban One's view, the Drive Lane Wall may pose a safety issue to anyone who may access the area by vehicle or on foot. In order to ascertain the extent and urgency of the safety issue, Urban One has engaged Global Engineering and Testing Ltd. ("Global Engineering") to perform soil testing in the Drive Lane Wall area. Urban One expects to have the results of Global Engineering's soil testing in the near future.

As the Receiver has discussed numerous times over the past month with Entuitive, until the Drive Lane Wall is rectified the Receiver cannot complete the majority of the incomplete items it was in the process of completing at the Highbury Tower. It also impedes Statesman from completing further work on the traffic circle. In order to avoid further delay and the current safety risk posed by the Drive Lane Wall, it is urgent that the Drive Lane Wall be repaired immediately.

Rectification of the Drive Lane Wall is the sole responsibility of the Condo Corp. The Drive Land Wall is a deficiency as it was defective work completed by Perera prior to the commencement of the Receivership. The Alberta Court of Queen's Bench has already determined that the Receiver is not liable for deficient work completed by Perera prior to the Receivership. As Justice Macleod noted in *First Calgary Savings & Credit Union Ltd. v Perera Shawnee Ltd.*, 2013 ABQB 613 ("*First Calgary*"), imposing liability on the Receiver for Perera's deficient work would "cause an unfair and disproportionate injury upon the Receiver and, ultimately, First Calgary. It would jeopardize a legitimate security position." His Lordship further noted that the imposition of such liability on the Receiver would "in effect, a super-priority creditor over all secured creditors."

Further, pursuant to section 37 of the *Condominium Property Act*, RSA 2000, c C-22 (the "*CPA*"), the Condo Corp. has a legal obligation to, "to keep in a state of good and serviceable repair and properly maintain the real and personal property of the corporation and the common property." Both pursuant to the *CPA* and Justice Macleod's decision in *First Calgary*, liability for the Drive Lane Wall falls squarely on the shoulders of the Condo Corp.

The Receiver and Urban One have notified Entuitive on multiple occasions over the past month of the critical and urgent nature of the required repairs to the Drive Lane Wall and the responsibility of the Condo Corp. for same. Entuitive has advised the Receiver that the Condo Corp. refuses to pay any amount or assume any liability for the cost of repairing the Drive Lane Wall.

We write to advise that based on the Condo Corp.'s ongoing refusal to pay the costs of rectifying the Drive Lane Wall (as communicated to the Receiver by Entuitive), the Receiver is proceeding under protest to complete all required remedial work on the Drive Lane Wall in order to:

1. ensure that the contractors and sub-contractors which have been retained by the Receiver (and all other individuals assessing the Drive Land Wall) are protected from the current safety risk posed by the Drive Lane Wall; and
2. avoid further delay (including the associated costs of such delay) in completion of incomplete items the Receiver was in the process of completing at the Highbury Tower.

**The Receiver reserves the right to hold the Condo Corp. liable for and may consider a claim for reimbursement of all costs the Receiver incurs in rectifying the Drive Lane Wall.**



Should you have any questions or require further information, please contact the undersigned or Cassie Poon at 403-267-1817 or [caspoon@deloitte.ca](mailto:caspoon@deloitte.ca).

Yours truly,

**DELOITTE RESTRUCTURING INC.**

In its capacity as Receiver and Manger of  
Perera Shawnee Ltd. and Perera Development  
Corporation and not in its personal capacity.



Jeff Keeble, CPA, CA, CIRP, LIT, CBV  
Senior Vice-President

Enclosure

cc: Entuitive  
[Brian.shedden@entuitive.com](mailto:Brian.shedden@entuitive.com); [alex.chay@entuitive.com](mailto:alex.chay@entuitive.com)

# APPENDIX "P"

SCOTT VENTURO RUDAKOFF LLP  
L A W Y E R S

November 7, 2017

**VIA EMAIL**

John M. McDougall  
Direct Line: 403.231.8206  
Email: j.mcdougall@svrlawyers.com  
Assistant: Linda Stevens  
Direct Line: 403.231.8211  
Email: l.stevens@svrlawyers.com

**Our File: 59476.130**

Deloitte Restructuring Inc.  
700, 850 – 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 0R8

**Attention: Jeff Keeble and Cassie Poon**

Dear Sir and Madam:

**Re: Drive Lane Wall Deficiency  
Highbury Towers**

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Your November 2, 2017 correspondence has been referred to me for reply. We confirm that this office acts on behalf of Condominium Corporation No. 0915321.

We acknowledge that issues with respect to the sidewalk and property line on the drive lane wall were allegedly identified by Urban One in September/October 2017. However, we are advised by Entuitive Engineering that no structural engineering investigation, assessment or report has been provided evidencing that the entire retaining wall was structurally unsound or unsafe. Indeed, our information to date is that the issue was with the sidewalk alone and could have been remediated with minor repairs. Further, the issue of the property line (if indeed proven to have been improper) could have been dealt with by moving the property line, rather than moving the wall to achieve the same purpose.

With respect to the decision of Justice Hawco (not MacLeod), your assessment of same is misleading. The passage you quote is in the decision, however, so is the following passage:

"[13] The Condo Corporation argues that any work involving the common property and the resultant cost of remedying any problem ought not to be borne by all of the unit holders. Rather, such work should be paid for by the party who caused the problem, which would be Perera.

[14] The Receiver takes exception to what that would be. It agrees that it will be responsible for the cost of completing the unfinished work, that is, work which is required to complete the project in the manner in which it was designed, once it is determined just what that is. It further agrees, I believe, that it will pay for the cost of carrying out any repair to the common property that is determined to

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be deficient, once again in accordance with the original plans. At this point in time the Receiver does take exception to what that work might be. It certainly does not agree with the consultant's report. I would therefore propose that an independent party, whom I would suspect would either be an engineer or architect, be retained to determine what does constitute either a deficiency or which work should have been completed by the developer pursuant to the original construction plans.".

[Emphasis added]

The remainder of the case deals with the Condominium's ability to levy disproportionate amounts of condominium fees. Accordingly, we dispute that the ratio of the Hawco decision applies to the issue of the drive lane wall deficiency issue.

In summary, we acknowledge the Receiver's remedial work of alleged deficiencies under protest.

Yours truly,

SCOTT VENTURO RUDAKOFF LLP

**JOHN M. MCDUGALL**

JMM/lis

November 22, 2017

**Via email: [j.mcdougall@svrlawyers.com](mailto:j.mcdougall@svrlawyers.com)**

Scott Venturo Rudakoff LLP  
1500, 222 3 Avenue SW  
Calgary, Alberta T2P 0B4

Dear Mr. John M. McDougall,

**Subject: Highbury Tower, Phase I – Drive lane wall deficiency issue**

We are in receipt of your letter dated November 7, 2017 (the "November 7th Letter") in regards to the drive lane wall deficiency issue in which you allege, among other things, that:

1. No structural engineering investigation, assessment or report has been provided evidencing that the entire retaining wall was structurally unsound or unsafe;
2. The side walk could have been remediated with minor repairs; and
3. The property line should be moved rather than the drive lane wall.

The Condo Corp. has missed the fundamental point that since the drive lane wall is intended to support vehicular loading, the requirement is to show that it has been built to defined engineering standards. It has not. The drive lane wall has been constructed without any structural design and has not received any required approvals or certifications by a qualified engineer. The structure has visibly settled, slumping eastward away from the drive lane sidewalk. In addition, when the wall was removed, the Receiver understands that there was insufficient rebar and the wall was sitting on a non-compacted gravel bed. Further, since the drive lane wall was built approximately one meter west of its correct location, as verified by the City and two other engineering companies, it has created a bottleneck in the drive lane where width is required to pass Manor Village's electrical transformers. It is highly concerning that the Condo Corp. would, in the face of Urban One advising and providing proof of the foregoing, insist that no safety issue exists and only minor repairs are required. The consequence of this position is to put both the residents of the condominium and anyone accessing the condominium property, including emergency personnel, at risk. This result is unacceptable to the Receiver.

In regards to point #3 above, Urban One canvassed with the City of Calgary the possibility of moving the existing property line to accommodate the incorrectly located drive lane wall. The Receiver understands that the City of Calgary would not approve a revision to the existing property line to accommodate the structure. Further, even if the City of Calgary approved a revision to the property line (which it did not), the safety issues discussed above would continue to exist and require remediation.

In regards to your interpretation of Justice Hawco's decision in *First Calgary Savings & Credit Union Ltd. v Perera Shawnee Ltd.*, 2013 ABQB 613, the Receiver refers you to the Sixty-Sixth Report of the Receiver, dated September 16, 2013 in which the Receiver's agreement to complete specified work (as noted by Justice Hawco) is defined. Such agreement does not include remediating deficient work completed pre-receivership. As Justice Hawco notes at paragraph 26 of his decision, the remedies of the Condo Corp. for deficient work completed pre-receivership were two-fold – it could have made a claim against Perera for alleged defective work and, if successful, could have filed a claim in bankruptcy or it could have made a claim against the new home warranty program. Justice Hawco refused to permit the Condo Corp. to hold the Receiver liable for deficient work completed pre-receivership as such a holding would jeopardize the legitimate security position of First Calgary and reverse the statutorily-defined priority scheme – a result not permitted under the *Bankruptcy and Insolvency Act*.

The Condo Corp.'s current refusal to pay the costs of remediating the drive lane wall is an unlawful attempt to foist upon the Receiver the cost of remedying deficiencies that predate the receivership, contrary to what Justice Hawco has already decided. The Receiver is not liable for deficient work completed pre-receivership.

As always, the Receiver welcomes a discussion with you and the Condo Corp. and hopes that all issues related to the drive lane wall can be amicably resolved. If the Condo Cop. is interested in discussing resolution of this issue with the Receiver, please do not hesitate to contact the undersigned or Cassie Poon at 403-267-1817.

Yours truly,

**DELOITTE RESTRUCTURING INC.**

In its capacity as Receiver and Manager of  
Perera Shawnee Ltd. and Perera Development  
Corporation and not in its personal capacity.



Jeff Keeble, CPA, CA, CIRP, LIT, CBV  
Senior Vice-President  
Deloitte Restructuring Inc.

# APPENDIX "Q"

## WITHOUT PREJUDICE

April 18, 2018

By email: [kris.cameron@icloud.com](mailto:kris.cameron@icloud.com)

Condominium Corporation No. 0915321  
c/o Kris Cameron, President

Dear Mr. Cameron:

### **Re: Highbury Tower, Phase I – Outstanding items**

The Receiver is writing in follow up to the meeting held on February 28, 2018 with representatives from the Condo Board, Entuitive, Simco, Urban One and the Receiver (the "Representatives"). The purpose of the meeting was for the Receiver to provide a construction update, discuss the remaining scope of work and foster cooperation between all stakeholders.

During the meeting, the Receiver highlighted 16 items (see Appendix "A") identified in the Completion Status Log which were assessed as "No Action Required". The Representatives agreed at the meeting that four (4) of the 16 items were either complete or outside of the Receiver's scope. At the conclusion of the meeting, the Condo Board instructed Entuitive to conduct a site visit and review the remaining 12 items.

On March 2, 2018, Entuitive and Urban One held a site visit to review the remaining 12 "No Action Required" items. Entuitive summarized its findings in its Site Review Report #15 where an additional five (5) items were identified as being complete/no further action, four (4) items required feedback from the Condo Board or further investigation, and three (3) items Entuitive recommended to be completed by the Receiver.

On March 22, 2018, the Condo Board addressed the four (4) items (which required feedback or further investigation). The Condo Board indicated its preference for additional work to be performed by the Receiver on the four items.

The Receiver is not responsible for the cost of completing work at the Highbury Tower to remedy normal wear and tear or provide upgrades to the design contained within the original construction drawings. The determination of whether an item falls into one of these categories is based on whether such item was contained within the original construction drawings.

After a review of the "No Action Required" items in relation to the original construction drawings, the Receiver is of the view that all 16 items identified in the Completion Status Log are either complete (as discussed further above) or are items for which the Receiver is not responsible (normal wear and tear or upgrades). A further discussion of each item is provided below.



1. Item 30 – Storage/Dog Wash area

Item 30 refers to a room located on T1 of the Highbury Tower which was previously identified as a dog wash facility requiring running water. While Urban One tested and confirmed that there was running water available in the room as of January 2016, a review of the original plans and drawings do not include design for a dog wash facility in the room. As such, the Receiver's position is that there is no further work required to address this item.

2. Item 41 – Elevator key fob readers

Item 41 refers to the installation of key fob readers in the Highbury Tower elevators. Urban One has confirmed that key fob readers have already been installed in the tower elevators and the Receiver's position is that no further work is required.

3. Item 53 – Completion provisions

Item 53 is a general item referring to the completion of the project in accordance with the approved plans and conditions. As this is a general observation related to the works being undertaken by the Receiver, the Receiver does not believe there are any specific actions required for this item.

4. Item 77 – Parkade P3 drywall bulkhead

Item 77 refers to the removal of a drywall bulkhead for permanent ventilation of the parkade. Urban One and Entuitive have both confirmed that the area is well vented. The only action item is to install signage for parkade clearance purposes.

5. Item 81 – Parkade P3 mechanical louver

Item 81 refers to the installation of a motorized louver in the parkade exhaust fan room. Urban One and Entuitive have both confirmed that a motorized damper has already been installed in the fan room, as such the Receiver's position is that there is no further work required.

6. Item 82 – Parkade P3 card reader

Item 82 refers to the installation of a card reader to the Parkade man door on level P3 of the Parkade. Urban One's review of the original plans and drawings for the property do not detail a card reader to be installed at this location, therefore the Receiver's position is that no action is required.

7. Item 86 – East entry fire panel waterproofing

Item 86 refers to the waterproofing of the fire alarm control panel at the East Lobby entrance to protect it from any water sprayed by nearby fire sprinklers. Urban One and Entuitive's inspections have noted that the panel is currently enclosed with a plastic cover and does not require any further waterproofing, accordingly, no further work is required in relation to this item.

8. Item 88 – Dog wash room card reader

Item 88 refers to the room located on T1 of the Highbury Tower which was previously identified as a dog wash facility, and the installation of a card reader for tenants to access the room. We understand that at present a key is required to enter the room, however, a review of the original plans and drawings for the property do not include a card reader to be installed for this room. As such the Receiver's position is that there is no further work required.

9. Item 90 – Townhome electrical meters

Item 90 refers to the installation of additional electrical meters in the main electrical room (P308) for the former sales suites once they are converted into townhomes. The Receiver notes that the installation of electrical meters can only be done by ENMAX, therefore this item is outside of the Receiver's scope and no further action is required.

10. Item 91 – Janitor room membrane

Item 91 refers to the installation of a membrane to the mop sink located in the Janitor's room located on P2. We note that the Condo Board has indicated its preference that a membrane is installed at this location, however, Urban One's review of the original plans and drawings for the property does not include design for a janitor room. The Receiver's position is that the janitor room or the sink membrane is not identified in the original plans and there is no obligation for the Receiver to perform this work.

11. Item 93 – Re-key mailboxes

Item 93 refers to the re-keying of mailboxes in sequential order. The Condo Board has advised that this item is not critical and the costs to complete outweigh the benefits. Accordingly, no further action is required.

12. Item 94 – Stairwell man door card readers

Item 94 refers to the installation of card readers on several man doors throughout the building stairwells. Urban One has prepared a schedule of doors without card readers and provided it to Entuitive, however, a review of the original plans and drawings for the property do not include card readers at those locations. We note that the Condo Board has requested that door alarms be installed at certain emergency egress locations, however, the Receiver does not accept this proposal without appropriate reimbursement from the Condo Board. In the absence of such agreement, the Receiver's position is that there is no further work required in addressing this item.

13. Item 95 – Stairwell sprinklers

Item 95 refers to the installation of fire sprinklers in several locations through stairwells in the tower. It has been noted that the building has been inspected several times by the City and fire department and this issue has not been previously raised. Urban One has also noted that the NFPA code requires that sprinklers be installed at the top and bottom of stairs which has occurred throughout the tower. The Receiver's position is that as the building was inspected by the City and occupancy granted and the stairwell complies with the NFPA code, no further action is required.

14. Item 97 – P2 locker room fire extinguishers

Item 97 refers to missing fire extinguishers in the P2 locker rooms. As both Urban One and Entuitive have confirmed that fire extinguishers are installed, the Receiver has noted this item as complete.

15. Item 98 – P2 locker room heaters

Item 98 refers to the lack of space heaters in the P2 locker rooms. Entuitive has noted that the room is not below comfort level during a recent inspection. Urban One has also noted that the original plans and drawings for the property do not include a space heater in the locker room. The Receiver's position is that no further action is required.

16. Item 99 – Wire access card readers to emergency circuit

Item 99 refers to the wiring of all access card readers into the emergency power circuit. Urban One has noted that this is not a code requirement and the original plans and drawings do not include plans to wire the card readers in this way. As such, the Receiver's position is that no action is required.

The Receiver considers the above items to be complete and will not be taking any further steps with regards to them. If the condo corporation disagrees with this position, please provide a response on or before May 18, 2018.

April 18, 2018  
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Should you have any questions regarding the above items or require further information, please contact Cassie Poon at 403-267-1817 or [caspoon@deloitte.ca](mailto:caspoon@deloitte.ca).

Yours truly,

**DELOITTE RESTRUCTURING INC.**

In its capacity as Receiver and Manger of  
Perera Shawnee Ltd. and Perera Development  
Corporation and not in its personal capacity.

Jeff Keeble, CPA, CA, CIRP, LIT, CBV  
Senior Vice-President

**No Action Required Item Schedule**  
**Perera Shawnee Ltd. - In Receivership**  
**March 26, 2018**

Item	Zone	Level	Location	Sub- location	Description
30	Townhomes	T1 / P3	Interior	Storage / Dog Wash Area	Level T1, Dog wash facility has no running water and is unfinished. Running water tested active as of Jan. 15/16 by Urban One.
41	Tower		Interior		Elevator FOB readers need to be completed. Readers are installed but not operational. Strata comment: "Installed by HB Bd: Actual cost". Urban One interprets that no further action is required.
53	All	All	All		The development shall be completed in its entirety in accordance with the approved plans and conditions. There is no provision for revisions. Item is too vague to be actionable / quantifiable. No allowances will be carried.
77	Parkade	T1 / P3	Parkade	Near south wall	Remove large drywall bulkhead for permanent ventilation of parkade (LVL P3 ventilation has been substantially blocked by improvised drywall bulkhead).
81	Parkade	T1 / P3	Parkade	Exhaust Fan Room	Provide motorized louver in place of existing non-motorized louver on MUA unit.
82	Parkade	T1 / P3	Parkade	South exit from corridor east of P3 / T1 parking	Add card reader from townhouse level to parkade mandoor. This item may not be required
86	Townhomes	T1 / P3	East Entry Lobby	Annunciator panel	Waterproofing of fire alarm control panel from sprinklers. This item would require more direction as to why and how it is needed, before a proper Estimate could be prepared. For now this item is interpreted as no action required.
88	Townhomes	T1 / P3	Back of house corridor	Dog Wash Room	Card reader to Dog Wash Room door. This item may not be required
90	Townhomes	T1 / P3	Main Electrical Room P308		Installation of electrical meters for townhomes. This item may relate also to Estimate #33, renovation of former sales areas into townhomes. Installation of electrical meters is ENMAX scope of work and cannot be done by others.
91	Townhomes	T2 / P2	Janitor Room	Mop Sink	Add membrane to mop sink in Janitor Room. This item would cost about \$300 including preparation and installation, however we do not expect the Receiver will have obligation to involve in it.
93	West	L1 / M / P1	West Main Lobby	mailbox area	Add mailbox for Townhome 14625 and re-key all mailboxes. This item may not be required
94	Townhomes	T1 to L1	Stairwells		Card readers missing on several stairwell man doors. This item may not be required
95	Townhomes	T1 to L1	Stairwells		Sprinklers missing in stairwells. Missing sprinklers is generally a pretty major item to occur and have nobody notice it for nearly 7 years, as such we expect that this item must be very minor if having any substance.
97	Townhomes	T2 / P2	Locker Rooms		Missing fire extinguishers in locker rooms. If there is no cabinet in the locker rooms, then provision of fire extinguishers there (and replacement of any if stolen) is a Strata responsibility.
98	Townhomes	T2 / P2	Locker Rooms		Add heaters in locker rooms. Provided these Unit Heaters exist, checking their operation / controls would be a maintenance item, not a responsibility of the Receiver.
99	Townhomes	T1 to L1	Hallways	Man doors	Wire all access card readers to emergency power circuit. Connection of card readers to emergency power is not a Code requirement. We have not been advised whether the prior Security settlement between the Strata and the Receiver also related to any card readers.

# APPENDIX "R"

# ENTUITIVE

May 9, 2018

Kristopher Cameron  
Board President  
Condominium Corporation no. 0915321  
10 Shawnee Hill SW  
Calgary, AB T2Y 0E1

Re: The Highbury  
Response Letter- "Re: Highbury Tower, Phase 1 – Outstanding Items"  
Project No: C017-0333

Dear Mr. Cameron:

We have reviewed the "Without Prejudice" letter provided by Deloitte "Re: Highbury Tower, Phase I – Outstanding Items" dated April 18, 2018. We provide our responses to each item outlined in their letter below.

1. *Item 30- Storage/ Dog Wash Area- "Level T1 Dog wash facility has no running water and is unfinished".*  
Urban One confirms that the water supply has been tested (Jan 15, 2016). Deloitte now identifies this area as "no further work required" as the room now has running water, however the room remains unfinished. As per the mutually agreed upon Incomplete Work Assessment dated May 19, 2016, Item 30 indicates that the room is unfinished and should be completed by the receiver, therefore we are of the opinion that the interior finishes are to be completed. Although the drawings do not specifically call out the intent of the room, it is reasonable to assume that agreements were made during construction to provide a dog washing facility within the room and therefore should be completed as such.
2. *Item 41- Elevator Key Fob Readers- "Elevator key fob readers need to be completed. Readers are installed but not operational. Strata comment 'Installed by HB Bd: Actual Cost'."*  
Urban One confirms that the FOB readers are in place and functional. We agree that this item can be closed out.
3. *Item 53- Completion Provisions- "The development shall be completed in its entirety in accordance with the approved plans and conditions. There is no provision for revisions."*  
We agree that this is a general item referring to the completion of the project and no specific work is required to close out this item. We find the closing of this item acceptable.
4. *Item 77- Parkade P3 drywall bulkhead- "Upon finalizing landscaping above, large drywall bulkhead to be removed to facilitate permanent ventilation of the parkade"*  
We have reviewed this item and find the bulkhead necessary and it provides the minimum height restrictions within the parkade. We find the closing of this item acceptable.

5. *Item 81- Parkade P3 Mechanical Louver- "Provide motorized louver in place of non-existing motorized louver on MUA unit."*  
We have reviewed this item and confirm that a motorized louver is provided, therefore it is acceptable to close out this item.
6. *Item 82- Parkade P3 Card Reader "Add card reader from townhouse level to parkade man door."*  
We confirm that the card reader is not indicated on the electrical plans, however as per the mutually agreed upon Incomplete Work Assessment dated May 19, 2016, it is our opinion that the card reader be installed and covered by the Receiver.
7. *Item 86- East Entry Fire Panel Waterproofing- "Waterproofing of the fire alarm control panel is required to protect from sprinklers."*  
We have reviewed this item and confirm that the alarm panel appears sufficiently protected from the risk of moisture damage from the sprinklers. We agree that it is acceptable to close out this item.
8. *Item 88- Dog Wash Card Reader- "Card reader to Dog Wash Room door."*  
We confirm that the card reader is not indicated on the electrical plans, however as per the mutually agreed upon Incomplete Work Assessment dated May 19, 2016, it is our opinion that the card reader be installed and covered by the Receiver.
9. *Item 90- Townhome Electrical Meters- "Installation of electrical meters for townhomes. This item may also relate to Estimate #33, renovation of former sales areas into townhomes. Installation of electrical meters is ENMAX scope of work and cannot be done by others."*  
We understand that this work must be completed by Enmax, however we disagree that the costs should be borne by the Corporation. This is incomplete work that is required for the conversion of the show suite to a townhome unit and should be covered by the Receiver.
10. *Item 91- Janitor Room Membrane- "Add membrane to mop sink in Janitor Room. This item would cost about \$300 including preparation and installation, however we do not expect the Receiver will have obligation to involve in it".*  
We have reviewed the drawings and agree that this item is not included in the drawings. The Board has confirmed that they would like the membrane installed in order to prolong the life of the concrete sink. Urban One to complete and send an invoice to the Corporation for payment of the additional work.
11. *Item 93- Re-key Mailboxes- "Add mailbox for townhome 14625 and re-key all mailboxes".*  
The Board has confirmed via correspondence "Re: The Highbury- Board responses required for outstanding line items" dated March 22, 2018, that the mailbox is to be added to one of the vacant mailboxes, rather than re-sequencing and re-keying all mailboxes. Once the mailbox has been added, this item can be closed.

12. *Item 94- Stairwell man door card readers- "Card readers missing on several stairwell man doors".*  
Urban One completed a schedule of card readers at the stairwell and emergency exit doors and confirmed that the only missing card readers on site are at the emergency doors. These card readers are indicated on the electrical drawings; however, the Board would like to install door alarms rather than card readers and has asked Deloitte if they would accept such a compromise. Deloitte indicated that these card readers are not called for on the drawings and they will not be covering the costs for installation. This is incorrect as Urban One and Entuitive have confirmed that these card readers exist on the drawings. Deloitte to confirm if the door alarms may be installed in lieu of the card readers.
13. *Item 95- Stairwell Sprinklers- "Sprinklers missing in stairwells."*  
Deloitte indicates that the building has been inspected several times and fire department and that the NFPA code is being met throughout the building. We have not received or reviewed any documentation regarding the approval of the fire safety of the building therefore we suggest that Urban One coordinate a site visit with a City codes officer and specifically review the stairwells and provide a formal letter approving the sprinkler layout.
14. *Item 97- P2 Locker room fire extinguishers- "Missing fire extinguishers in locker rooms."*  
We have reviewed this item on site and have confirmed that fire extinguishers exist within the storage/locker rooms. We find the closing of this item acceptable.
15. *Item 98- P2 locker room heaters- "Add heaters in locker rooms".*  
The mechanical drawings call for a unit heater in the main storage locker room (Drawing 1/MT1-3.04), however during our review we did not note that the room was below a normal comfort level with the exterior temperature recorded at -8°C. Deloitte indicates that Urban One has reported that the unit heater is not indicated on the drawings and is therefore not required. It is our opinion that during extreme cold exterior temperatures, the interior temperature of this room could fall below normal comfort level and cause issues for any water pipes running through the area. It is our opinion that the unit heater be installed as per the drawings in order to control the temperature within the space, as there is no other means of heating the room other than from the heat loss from adjacent rooms.
16. *Item 99- Wire access card readers to emergency circuit- "Wire all access card readers to emergency power circuit."*  
Urban One and Deloitte indicate that it is not a code requirement for the card readers to be wired this way. As per the correspondence from Robert De Deugd of RT Electric, "Re: The Highbury- Unit 14625 Meter and card readers" dated March 8, 2018, he reports that the FOBs may work during a power outage, however the door strikes will not activate as their power source will be non-functioning. Once the emergency generator is activated, there is an approximate 5-minute delay to re-distribute power to the building. This means that the doors will remain locked until the generator has re-distributed power to the building. We do not see this as a safety issue as occupants will still be able to exit the building in the event of a power outage, and only not be able to access the building during the time period where the generator is re-distributing power. We find the closing of this item acceptable.



17. **New line item- Item 201-** *The membrane at the two east facing penthouses is exposed at the soffits. This area is to be covered to prevent weather exposure and UV degradation.*  
Entuitive and Urban One reviewed these areas from grade due to a lack of unit access at the time of our review. We discussed that Urban One is to send Entuitive photos of the areas or provide access for our review in order to gain a better understanding of the condition of the areas. These areas are incomplete and must be added to the incomplete work assessment list.

We trust this is the information that you require at this time. We would recommend that subsequent to the review of the Board, that this response be forwarded to Deloitte for action. Should you have any questions or concerns, please do not hesitate to contact the undersigned.

Sincerely,  
Entuitive

Prepared By:



Nicole Wilson, AT, LEED® Green Associate  
Building Envelope Specialist  
Nicole.Wilson@entuitive.com  
C: 403.605.5710

Reviewed By:



Brian Shedden, BSSO  
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# APPENDIX "S"

**No Action Required Item Schedule**  
**Perera Shawnee Ltd. - In Receivership**  
**March 26, 2018**

Item	Zone	Level	Location	Sub- location	Description	Urban One	Entuitive	Condo Board	Receiver	Entuitive - May 9 2018
30	Townhomes	T1 / P3	Interior	Storage / Dog Wash Area	Level T1, Dog wash facility has no running water and is unfinished. Running water tested active as of Jan. 15/16 by Urban One.	Per original drawings, dog was no included in design. MD reviewed and determined room is finished and water active, area is dirty because Board has not cleaned	Identified as an item to remain on list for completion		No action required	Request to finish
41	Tower		Interior		Elevator FOB readers need to be completed. Readers are installed but not operational. Strata comment: "Installed by HB Bd: Actual cost". Urban One interprets that no further action is required.	Already installed			Complete	Close out
53	All	All	All		The development shall be completed in its entirety in accordance with the approved plans and conditions. There is no provision for revisions. Item is too vague to be actionable / quantifiable. No allowances will be carried.		Has not been addressed further			Close out
77	Parkade	T1 / P3	Parkade	Near south wall	Remove large drywall bulkhead for permanent ventilation of parkade (LVL P3 ventilation has been substantially blocked by improvised drywall bulkhead).	Does not need to be removed, install signage for clearance	Completed		Complete	Close out
81	Parkade	T1 / P3	Parkade	Exhaust Fan Room	Provide motorized louver in place of existing non-motorized louver on MUA unit.	MUA motorized damper already installed	Completed		Complete	Close out
82	Parkade	T1 / P3	Parkade	South exit from corridor east of P3 / T1 parking	Add card reader from townhouse level to parkade mandoor. This item may not be required	Per original drawings, no card reader required	Board to confirm	Prefer to have card reader installed	No action required	Install card reader
86	Townhomes	T1 / P3	East Entry Lobby	Annunciator panel	Waterproofing of fire alarm control panel from sprinklers. This item would require more direction as to why and how it is needed, before a proper Estimate could be prepared. For now this item is interpreted as no action required.	Panel already enclosed	Completed		Complete	Close out
88	Townhomes	T1 / P3	Back of house corridor	Dog Wash Room	Card reader to Dog Wash Room door. This item may not be required	Per original drawings, no card reader required	Board to confirm	Prefer to have card reader installed	No action required	Install card reader
90	Townhomes	T1 / P3	Main Electrical Room P308		Installation of electrical meters for townhomes. This item may relate also to Estimate #33, renovation of former sales areas into townhomes. Installation of electrical meters is ENMAX scope of work and cannot be done by others.	Outside of Receiver's scope	No comments		No action required	Enmax scope, costs borne by Receiver
91	Townhomes	T2 / P2	Janitor Room	Mop Sink	Add membrane to mop sink in Janitor Room. This item would cost about \$300 including preparation and installation, however we do not expect the Receiver will have obligation to involve in it.	Per original drawings, no design for janitor room	Recommendation that membrane be installed in sink	Prefer to have membrane installed	No action required	Urban One to install membrane at Corporation's cost
93	West	L1 / M / P1	West Main Lobby	mailbox area	Add mailbox for Townhome 14625 and re-key all mailboxes. This item may not be required	77 mailboxes out of 70 units, no action required	Board to confirm	No action required	Complete	Add additional mailboxes
94	Townhomes	T1 to L1	Stairwells		Card readers missing on several stairwell man doors. This item may not be required	Per original drawings, no card reader required	Recommendation to not install	Waive FOB installation in lieu of door alarms	No action required	Install door alarms
95	Townhomes	T1 to L1	Stairwells		Sprinklers missing in stairwells. Missing sprinklers is generally a pretty major item to occur and have nobody notice it for nearly 7 years, as such we expect that this item must be very minor if having any substance.	Unable to find fire sprinkler design, however, area was approved by City Inspector. NFPA code requires sprinklers at top and bottom of stairs only which is already installed	Recommendation to install		No action required	Specifically review stairwells with City codes officer
97	Townhomes	T2 / P2	Locker Rooms		Missing fire extinguishers in locker rooms. If there is no cabinet in the locker rooms, then provision of fire extinguishers there (and replacement of any if stolen) is a Strata responsibility.	Fire extinguishers already in place	Completed		Complete	Close out
98	Townhomes	T2 / P2	Locker Rooms		Add heaters in locker rooms. Provided these Unit Heaters exist, checking their operation / controls would be a maintenance item, not a responsibility of the Receiver.	Per original drawings, no requirement for heaters	Further investigation required		No action required	Add heaters
99	Townhomes	T1 to L1	Hallways	Man doors	Wire all access card readers to emergency power circuit. Connection of card readers to emergency power is not a Code requirement. We have not been advised whether the prior Security settlement between the Strata and the Receiver also related to any card readers.	Per original drawings, no card reader required			No action required	Close out
201					New item added by Entuitive/Board re membrane at two east facing penthouses					

# APPENDIX "T"



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**WITHOUT PREJUDICE**

May 18, 2018

By email: [kris.cameron@icloud.com](mailto:kris.cameron@icloud.com)

Condominium Corporation No. 0915321  
c/o Kris Cameron, President

Dear Mr. Cameron:

**Re: Highbury Tower, Phase I – Response to Entuitive’s letter dated May 9, 2018**

The Receiver is in receipt of the letter from Entuitive dated May 9, 2018 (the “Entuitive Letter”) that forms the Condo Corp.’s response to the Receiver’s letter dated April 18, 2018.

The Receiver does not agree with any of the points raised in the Entuitive Letter and specifically that any of the 16 “No Action Required” items included in the Incomplete Work and Deficiency Review were ever “mutually agreed upon” as being the responsibility of the Receiver. This is why these specific items were highlighted as “No Action Required” and discussed as part of the February 28, 2018 Condo Corp. meeting and were further reviewed by Urban One. Urban One will also not be completing Item 91 on behalf of the Condo Corp. as requested.

The Receiver also disagrees with the new item included as “New line item – item 201” in the Entuitive Letter. The Receiver provided the Condo Corp. and its advisors with multiple opportunities since 2016 to raise any other incomplete items as part of several meetings and exchanges of the Incomplete Work and Deficiency Review completed by Urban One. This issue has never been raised until now, at a time where construction work at the Highbury is nearing completion. Expanding the Incomplete Work Assessment with additional items that were not previously identified at this late juncture is not an option and the Receiver will not be addressing this item.

Urban One had previously confirmed in its email dated March 5, 2018 (attached) that item 94 is not called for in the original drawings. Urban One also confirmed in its email dated March 8, 2018 (attached) that item 98, which relates to heaters in the P2 locker room are not included in drawings MTI-3.05 and MTI-3.06. As such, items 94 and 98 will not be addressed by the Receiver.

It should be noted that items 90 and 93 relate to Statesman’s townhome units and any associated costs with respect to the electrical meters and mailboxes will be borne by them.

The Receiver has taken all steps to communicate, co-ordinate and complete the agreed upon work with the Condo Corp. and has also worked closely with Entuitive to ensure work was completed to

May 18, 2018  
Page 2

their satisfaction. The Receiver has also incurred significant costs dealing with the deficient drive lane wall issue which is rightfully the responsibility of the Condo Corp. The Receiver will not be responsible to provide upgrades to the design included within the original construction drawings.

If you have any questions or require further information, please advise.

Yours truly,

**DELOITTE RESTRUCTURING INC.**

In its capacity as Receiver and Manger of  
Perera Shawnee Ltd. and Perera Development  
Corporation and not in its personal capacity.



Jeff Keeble, CPA, CA, CIRP, LIT, CBV  
Senior Vice-President

**From:** Mark Dingman  
**To:** [Nicole Wilson \(nicole.wilson@entuitive.com\)](mailto:nicole.wilson@entuitive.com); [Brian Shedden <brian.shedden@entuitive.com>](mailto:brian.shedden@entuitive.com)  
([brian.shedden@entuitive.com](mailto:brian.shedden@entuitive.com)); [Kristopher Cameron \(kris.cameron@icloud.com\)](mailto:kris.cameron@icloud.com); [kathy@simcomgt.com](mailto:kathy@simcomgt.com); [Poon, Cassie \(CA - Alberta\)](mailto:Poon.Cassie@alberta.ca); [Alliband, Luke \(CA - Alberta\)](mailto:Alliband.Luke@alberta.ca); [Keeble, Jeff \(CA - British Columbia\)](mailto:Keeble.Jeff@bc.ca); [Phillip Little \(phillipj134@outlook.com\)](mailto:phillipj134@outlook.com)  
**Cc:** [Brent Olund](mailto:Brent.Olund@alberta.ca)  
**Subject:** Highbury - Card Reader Assessment  
**Date:** Monday, March 5, 2018 8:11:18 PM  
**Attachments:** [image003.png](#)  
[20180305 Highbury-Card Readers Assessment.pdf](#)

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Hi ALL,

Following up on the various card reader items discussed at the Feb 28<sup>th</sup> meeting. I went through the entire Highbury building today and mapped out where card/fob readers are currently installed. I also reviewed the original Highbury design dwgs to see where card/fob readers were intended to be placed. The attached file is a spreadsheet outlining a full assessment on card/fob reader requirements based on original dwgs. The items requiring stakeholder discussion are in the '**Action Item?**' column—if "**TBD**" is listed in this column (only 4 are listed) then a card/fob reader may possibly be required.

Let's review the attached list next opportunity so I can start planning for installations if required.

Thx...MD

**Mark Dingman gsc**  
Senior Project Manager

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Level	Location	Card/Fob Reader in place?	Called for on Original Dwgs?	Action Item?	Notes
9 (Mechanical)	Stairwell interior south door	No	No	None	ref: Sheet E4-T1-09-00; stair to LVL 9 is not accessible from main stairwell; door at LVL 9 requires key for access
9 (Mechanical)	Stairwell interior north door	No	No	None	ref: Sheet E4-T1-09-00; stair to LVL 9 is not accessible from main stairwell; door at LVL 9 requires key for access
8 (Penthouse)	Stairwell interior south door	Yes	No	None	ref: Sheet E4-T1-08-00
8 (Penthouse)	Stairwell interior north door	Yes	No	None	ref: Sheet E4-T1-08-00
7	Stairwell interior south door	Yes	N/A	None	No dwgs available
7	Stairwell interior north door	Yes	N/A	None	No dwgs available
6	Stairwell interior south door	No	N/A	None	<b>Crossover Floor:</b> stairwell doors must remain unlocked (ie. no card reader allowed here)
6	Stairwell interior north door	No	N/A	None	<b>Crossover Floor:</b> stairwell doors must remain unlocked (ie. no card reader allowed here)
5	Stairwell interior south door	No	N/A	TBD	No dwgs available; referencing LVL 8 dwg it is unlikely original dwgs called for card/fob readers at any of the tower levels
5	Stairwell interior north door	No	N/A	TBD	No dwgs available; referencing LVL 8 dwg it is unlikely original dwgs called for card/fob readers at any of the tower levels
4	Stairwell interior south door	Yes	N/A	None	No dwgs available
4	Stairwell interior north door	Yes	N/A	None	No dwgs available
3	Stairwell interior south door	No	N/A	None	<b>Crossover Floor:</b> stairwell doors must remain unlocked (ie. no card reader allowed here)
3	Stairwell interior north door	No	N/A	None	<b>Crossover Floor:</b> stairwell doors must remain unlocked (ie. no card reader allowed here)
2	Stairwell interior south door	Yes	N/A	None	No dwgs available
2	Stairwell interior north door	Yes	N/A	None	No dwgs available
Main	Stairwell interior south door	No	No	None	ref: Sheet E4-T1-01-00; stairwell doors must remain unlocked at Main Level as is main egress route
Main	Stairwell interior north door	No	No	None	ref: Sheet E4-T1-01-00; stairwell doors must remain unlocked at Main Level as is main egress route
Main	West vestibule	Yes	Yes	None	ref: Sheet E4-T1-01-00
T2	Stairwell interior south door	No	No	None	ref: Sheet E3-P2-01
T2	Stairwell interior north door	No	No	None	ref: Sheet E3-P2-01
T2	South Back-of-House door to stairwell up	Yes	Yes	None	ref: Sheet E3-P2-01
T2	South Back-of-House door to Elevator Lobby	Yes	No	None	ref: Sheet E3-P2-01
T2	South Back-of-House door to Janitor Rm & Locker Rm vestibule	Yes	No	None	ref: Sheet E3-P2-01
T2	South Back-of-House door to North Back-of-House corridor	Yes	No	None	ref: Sheet E3-P2-01
T2	Elevator Lobby door to Waste Rm vestibule	No	No	None	ref: Sheet E3-P2-01
T2	Janitor Rm	No	No	None	ref: Sheet E3-P2-01
T2	South Locker Rm	No	No	None	ref: Sheet E3-P2-01
T2	North Locker Rm	No	No	None	ref: Sheet E3-P2-01
T2	Exterior of north back-of-house emergency egress door	No	Yes	TBD	ref: Sheet E3-P2-01; "Emergency Exit Only" sign in place on door (next to Waste Rm); does Board want fob access from exterior at this door?
T2	Exterior of south back-of-house emergency egress door	No	No	None	ref: Sheet E3-P2-01; "Emergency Exit Only" sign in place on door; egress to Parkade roof landscaped area
T1	Stairwell interior south door	No	No	None	ref: Sheet E3-P3-01
T1	Stairwell interior north door	No	No	None	ref: Sheet E3-P3-01
T1	Door to access south townhouse corridor	Yes	No	None	ref: Sheet E3-P3-01
T1	Door to access north townhouse corridor	Yes	No	None	ref: Sheet E3-P3-01
T1	South townhouse corridor door to access Parkade	No	No	None	ref: Sheet E3-P3-01; door to Parkade requires key for access
T1	Exterior of townhouse south corridor south egress door	No	Yes	TBD	ref: Sheet E3-P3-01; wiring is stubbed out from exterior brick; confirm if fob access from exterior is wanted here
T1	Elevator Lobby door to access Parkade	No	No	None	ref: Sheet E3-P3-01; door to Parkade requires key for access
T1	Elevator Lobby door to access north townhouse corridor	Yes	No	None	ref: Sheet E3-P3-01
T1	Dog Wash Rm	No	No	None	ref: Sheet E3-P3-01
T1	Locker Rm	No	No	None	ref: Sheet E3-P3-01
T1	East entrance vestibule storefront doors to access elevator lobby	Yes	Yes	None	ref: Sheet E3-P3-01
P4	Stairwell interior south door	No	No	None	ref: Sheet E3-P4-01
P4	Stairwell interior north door	No	No	None	ref: Sheet E3-P4-01
P4	Elevator Lobby south door to access Parkade	No	No	None	ref: Sheet E3-P4-01; door to Parkade requires key for access
P4	Elevator Lobby north door to access Parkade	Yes	No	None	ref: Sheet E3-P4-01
P4	Exterior of Parkade north access door	Yes	Yes	None	ref: Sheet E3-P4-01
P4	Temp access door at Visitor Parking sliding security gate	Yes	Yes	None	ref: Sheet E3-P4-01
Elev Cab 1	Elevator interior card/fob reader	Yes	Yes	None	ref: Sheet E3-P3-01
Elev Cab 2	Elevator interior card/fob reader	Yes	Yes	None	ref: Sheet E3-P3-01



**From:** Mark Dingman  
**To:** [Nicole Wilson](#); [Verna Penner](#); [Kristopher Cameron \(kris.cameron@icloud.com\)](mailto:kris.cameron@icloud.com); [Poon, Cassie \(CA - Alberta\)](#); [Brian Shedden](#)  
**Subject:** RE: Highbury - Entuitive Site Review Report #15  
**Date:** Thursday, March 8, 2018 5:51:06 PM  
**Attachments:** [image002.png](#)  
[2018-03-02 C017-0333 SRR 015 Site Review Report NO 015.pdf](#)  
[20180301 Highbury-Paint spec-F122 TDS.pdf](#)

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Hi ALL,

Following up on items from attached Entuitive Report #15.

**Item #15.3.1:**

--Line Item 30 Dog Wash Rm: review of Sheets A21-P3-01 and A21-P3-02 (LVL T1 plan; stamped April 17, 2008 by City); basic storage/locker rm is called out at what is now the Dog Wash Rm space.  
--Line Item 82: assessment of original design dwgs shows that no card reader is required at Townhouse Level access door to Parkade. Ref my March 5<sup>th</sup> email re card reader assessment of bldg.  
--Line Item 88: assessment of original design dwgs shows that no card reader is required at Dog Wash Rm location. Ref my March 5<sup>th</sup> email re card reader assessment of bldg.  
--Line Item 91: review of Sheet A21-P2-01 (LVL T2 plan; stamped April 17, 2008 by City); there does not appear to be a Janitors Rm or mop sink called out.  
--Line Item 93: Need final addressing plan (issued from City) from Highbury Board or SIMCO so we can assess this townhouse #14625 item and also the new address plaques that are required.  
--Line Item 98: review of Sheets MTI-3.05 & MTI-3.06 (LVL T1 Mech plan; dated March 2008 but *mis*-stamped March 28, 2018 by City); there does not appear to be any heaters called out for Locker Rm spaces.

**Item #15.3.2:** Clarification: if existing floor tile supply were still available onsite (as noted per original deficiency list notes) then cost of tile flooring vs painted floor/rubber base would be close to the same. Recommend installing painted floor with rubber base at Level T2 Elevator Lobby to match all other flooring on T2—better for long-term maintenance. [See attached floor paint spec](#) (2 coats to be applied).

**Item #15.3.3:** Level T2 floor painting work moved out one more week (I was awaiting one more Trade quote) to week of March 12-16 pending Trade availability and permission (I will send email on this) from SIMCO / Board to block-off Level T2 for a couple days. If my Painting Trade is available and we have permission to block-off this area then we will do this painting week March 12-16.

**Item #15.3.4:** Regarding west main entrance exterior work we have surveyor coming to site March 13<sup>th</sup> to shoot in survey pins to mark out the work area for the Trades. We will hoard/heat that area beginning March 13<sup>th</sup> then will excavate thawed soils so we can begin footings' construction. Work at this west exterior will take approximately 3 weeks from surveying to finishing new steps and concrete topping slab. Regarding emergency egress at this Main LVL, the two main core stairwell doors are the de facto emergency egress points at this level until the west vestibule is completed (that exterior storefront door is locked-out because the west exterior is still a construction zone).

Thx...MD

**Mark Dingman** gsc  
Senior Project Manager



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**From:** Nicole Wilson [mailto:nicole.wilson@entuitive.com]  
**Sent:** Thursday, March 08, 2018 8:34 AM  
**To:** Verna Penner; Kristopher Cameron (kris.cameron@icloud.com); Mark Dingman; caspoon@deloitte.ca  
**Cc:** Brian Shedden  
**Subject:** Highbury - Entuitive Site Review Report #15

Hi All,

Please see our site review report no. 15 attached above from last weeks site visit.

Please contact me with any questions or concerns.

Regards,

**Nicole Wilson** Dipl. Arch. Tech., LEED® Green Associate  
Building Envelope Specialist  
M. +1.403.605.5710  
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