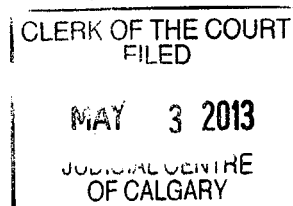


Deloitte.



Clerk's stamp:

COURT FILE NUMBER: 1001-03215

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE OF CALGARY

PLAINTIFES: 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: **FORTY-EIGHTH REPORT OF THE COURT APPOINTED RECEIVER AND MANAGER OF PERERA SHAWNEE LTD. AND PERERA DEVELOPMENT CORPORATION, DATED MAY 3, 2013.**

OSLER, HOSKIN & HARCOURT LLP

Barristers & Solicitors

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INTRODUCTION

1. On March 3, 2010, Deloitte & Touche Inc. was appointed by the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**"), as receiver and manager (the "**Receiver**"), without security, of all the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof of Perera Shawnee Ltd. ("**PSL**") and Perera Development Corporation ("**PDC**") (PSL and PDC are collectively referred to as "**Perera**" or "**PSL**") (the "**Receivership Order**") in Action No. 1001-03215. The Receivership Order was amended and restated on January 31, 2011.
2. Perera is a condominium real estate developer which has assets that consist of a three phase condominium real estate project located at 30 Shawnee Hill SW, Calgary, Alberta (the "**Project**").
3. There are 70 units in Phase One of the Project, 51 of which have been sold and conveyed to purchasers, the remainder of which are being marketed for sale. Several units in Phase One of the Project were subject to pre-receivership purchase contracts (the "**Presale Units**") with various purchasers (the "**Presale Purchasers**").
4. Pursuant to their respective purchase contracts, the Presale Purchasers paid deposits (the "**Deposits**") which were held in trust by McLeod and Company LLP ("**MC LLP**") on behalf of PSL. On or about September 28, 2007, a portion of these Deposits were released to PSL.
5. In November 2010, the Receiver obtained amended and restated vesting orders for Presale Units that authorized the Receiver to take steps necessary to close as many

Presale Unit purchase contracts as possible. Most of these purchase contracts did not close. Paragraph 19(c) of the amended and restated vesting orders provided that if the Presale Purchasers did not close on their respective purchase contracts, MC LLP shall hold the Deposits and shall not disburse the Deposits unless an Order allowing for such disbursement is issued by the Court. MC LLP is currently holding deposits in relation to 11 Presale Units.

6. The Receiver has entered into eight settlement agreements with eight Presale Purchasers to terminate each Presale Purchaser's purchase contract. Seven of the eight Presale Purchasers have deposits currently held in trust by MC LLP, and the seven settlement agreements detail the division of the Presale Purchaser's Deposit (the "**Settlement Agreements**"). Upon the Court's approval of the Settlement Agreements, MC LLP will be holding Deposits for only four Presale Purchasers.

NOTICE TO READER

7. This report constitutes the Forty-Eighth Report of the Court Appointed Receiver and Manager (the "**Report**"). The Report discloses the existence, but not the particulars of eight settlement agreements and the Receiver's application for an order to disburse the remaining Deposits without further Court approval once additional settlement agreements have been executed, provided certain conditions are met. The particulars of the eight settlement agreements have been disclosed in confidential receiver's reports. The confidential receiver's reports are organized as follows:

- (a) The Confidential Forty-Ninth Receiver's Report relates to the AGAM Settlement Agreement;

- (b) The Confidential Fiftieth Receiver's Report relates to the Morris Settlement Agreement;
 - (c) The Confidential Fifty-First Receiver's Report relates to the U. Mehta Settlement Agreement;
 - (d) The Confidential Fifty-Second Receiver's Report relates to the H. Mehta Settlement Agreement;
 - (e) The Confidential Fifty-Third Receiver's Report relates to the Jinah Settlement Agreement;
 - (f) The Confidential Fifty-Fourth Receiver's Report relates to the Henzler Settlement Agreement;
 - (g) The Confidential Fifty-Fifth Receiver's Report relates to the Soo Settlement Agreement;
 - (h) The Confidential Fifty-Sixth Receiver's Report relates to the Spring Settlement Agreement; and
 - (i) The Confidential Fifty-Seventh Receiver's Report relates to the Deposit Settlement Approval Process Order
- (collectively, the "**Confidential Receiver's Reports**").

PURPOSE OF REPORT

8. The purpose of this Report is to:
- (a) disclose to the Court the existence, but not the particulars of the eight settlement agreements entered into in relation to purchase contracts between the Receiver and eight Presale Purchasers; and

- (b) seek the Court's approval to enter into the eight settlement agreements and allow the disbursement of the Deposits.

THE AGAM SETTLEMENT AGREEMENT (UNIT 7)

9. One of the Presale Units, "**Unit 7**", was the subject of a purchase and sale contract dated April 2, 2009 (the "**AGAM Purchase Contract**") between PSL and AGAM Consulting Inc. ("**AGAM**").
10. Pursuant to the AGAM Purchase Contract, on or about April 2, 2009, AGAM paid a deposit totaling \$26,995 (the "**AGAM Deposit**"), which was held in trust by MC LLP on behalf of PSL. Currently \$26,995 of the AGAM Deposit remains held in trust by MC LLP. No portion of the AGAM Deposit is now, or has ever been, in the possession or control of the Receiver.
11. On November 29, 2010, an amended and restated vesting order in respect of Unit 7 (the "**AGAM Vesting Order**") was granted by the Honourable Madam Justice Strekaf that, among other things, provided for the Receiver to convey Unit 7 to AGAM free and clear of all encumbrances (other than permitted encumbrances) on the closing date of December 10, 2010, or such other date as agreed, in accordance with the AGAM Purchase Contract. Paragraph 19(c) of the AGAM Vesting Order provided that if the transaction did not close on the closing date, MC LLP shall hold the AGAM Deposit and shall not disburse the AGAM Deposit unless, on notice to AGAM, an order allowing for disbursement of the AGAM Deposit is issued by the Court.
12. The AGAM Purchase Contract did not close on the December 10, 2010 closing date, following which the Receiver began to market Unit 7 for sale. On July 15, 2012 the

Receiver entered into a purchase and sale contract for the sale of Unit 7, and this sale closed on August 31, 2012.

13. The Receiver claims that the AGAM Purchase Contract ought to have closed. On December 14, 2011, the Receiver commenced proceedings against AGAM in Court File No. 1101-17036 regarding AGAM's failure to close the AGAM Purchase Contract.
14. To avoid further litigation, AGAM and the Receiver have agreed to mutually terminate the AGAM Purchase Contract and divide the AGAM Deposit upon the terms and conditions of a confidential settlement agreement dated April 22, 2013 (the "**AGAM Settlement Agreement**") attached as Schedule "1" to the Confidential Forty-Ninth Report of the Receiver dated May 3, 2013 (the "**Confidential Forty-Ninth Report**").
15. Completion of the AGAM Settlement Agreement is subject to a Court Order that:
 - (a) seals on the Court file the Confidential Forty-Ninth Report of the Receiver;
 - (b) approves the AGAM Settlement Agreement; and
 - (c) directs the AGAM Deposit to be paid in accordance with the Direction to Pay, attached as Schedule "A" to the AGAM Settlement Agreement, when such Direction to Pay is executed by AGAM and the Receiver.

THE MORRIS SETTLEMENT AGREEMENT (UNIT 44)

16. One of the Presale Units, "**Unit 44**", was the subject of a purchase and sale contract dated May 26, 2007 (the "**Morris Purchase Contract**") between PSL and David Morris and Patricia Morris ("**Morris**").

17. Pursuant to the Morris Purchase Contract, on or about May 26, 2007 and July 10, 2007, Morris paid two deposits totaling \$52,690 (the “**Full Morris Deposit**”), which was held in trust by MC LLP on behalf of PSL. On or about September 28, 2007, MC LLP released \$30,000 of the Full Morris Deposit to PSL. Of the Full Morris Deposit, \$22,690 remains held in trust by MC LLP (the “**Remaining Morris Deposit**”). No portion of the Full Morris Deposit is now, or has ever been, in the possession or control of the Receiver.
18. On November 9, 2010, an amended and restated vesting order in respect of Unit 44 (the “**Morris Vesting Order**”) was granted by the Honourable Madam Justice Kent that, among other things, provided for the Receiver to convey Unit 44 to Morris free and clear of all encumbrances (other than permitted encumbrances) on the closing date of November 17, 2010, or such other date as agreed, in accordance with the Morris Purchase Contract. Paragraph 19(c) of the Morris Vesting Order provided that if the transaction did not close on the closing date, MC LLP shall hold the Remaining Morris Deposit and shall not disburse the Remaining Morris Deposit unless, on notice to Morris, an order allowing for disbursement of the Remaining Morris Deposit is issued by the Court.
19. The Morris Purchase Contract did not close on the November 17, 2010 closing date, following which the Receiver began to market Unit 44 for sale. On August 4, 2011 the Receiver entered into a purchase and sale contract for the sale of Unit 44, and this sale closed on August 31, 2011.
20. The Receiver claims that the Morris Purchase Contract ought to have closed. On December 16, 2011 the Receiver commenced proceedings against Morris in Court File No. 1101-17182 regarding Morris’ failure to close the Morris Purchase Contract.

21. To avoid further litigation, Morris and the Receiver have agreed to mutually terminate the Morris Purchase Contract and divide the Remaining Morris Deposit upon the terms and conditions of a confidential settlement agreement dated December 20, 2012 (the “**Morris Settlement Agreement**”) attached as Schedule “1” to the Confidential Fiftieth Report of the Receiver dated May 3, 2013 (the “**Fiftieth Report**”).
22. Pursuant to the Morris Settlement Agreement, *inter alia*:
 - (a) Morris agrees to keep the terms of the Morris Settlement Agreement confidential;
 - (b) The Receiver is at liberty to apply for an order sealing any report that describes the Morris Settlement Agreement; and
 - (c) Morris and the Receiver consent to a direction to pay to release the Remaining Morris Deposit on the terms described in the Morris Settlement Agreement.

THE U. MEHTA SETTLEMENT AGREEMENT (UNIT 53)

23. One of the Presale Units, “**Unit 53**”, was the subject of a purchase and sale contract dated May 24, 2007 (the “**U. Mehta Purchase Contract**”) between PSL and Usha Mehta (“**U. Mehta**”).
24. Pursuant to the U. Mehta Purchase Contract, on or about May 24, 2007, U. Mehta paid a deposit totaling \$37,200 (the “**Full U. Mehta Deposit**”), which was held in trust by MC LLP on behalf of PSL. On or about September 28, 2007, MC LLP released \$30,000 of the Full U. Mehta Deposit to PSL. Of the Full U. Mehta Deposit, \$7,200 remains held in trust by MC LLP (the “**Remaining U. Mehta Deposit**”). No portion of the Full U. Mehta Deposit is now, or has ever been, in the possession or control of the Receiver.

25. On November 29, 2010, a vesting order in respect of Unit 53 (the “**U. Mehta Vesting Order**”) was granted by the Honourable Madam Justice Streckf that, among other things, provided for the Receiver to convey Unit 53 to U. Mehta free and clear of all encumbrances (other than permitted encumbrances) on the closing date of December 10, 2010, or such other date as agreed, in accordance with the U. Mehta Purchase Contract. Paragraph 19(c) of the U. Mehta Vesting Order provided that if the transaction did not close on the closing date, MC LLP shall hold the Remaining U. Mehta Deposit and shall not disburse the Remaining U. Mehta Deposit unless, on notice to U. Mehta, an order allowing for disbursement of the Remaining U. Mehta Deposit is issued by the Court.
26. The U. Mehta Purchase Contract did not close on the December 10, 2010 closing date, following which the Receiver began to market Unit 53 for sale. On July 29, 2011 the Receiver entered into a purchase and sale contract for the sale of Unit 53, and this sale closed on October 1, 2011.
27. The Receiver claims that the U. Mehta Purchase Contract ought to have closed. On December 16, 2011, the Receiver commenced proceedings against U. Mehta in Court File No. 1101-17188 regarding U. Mehta’s failure to close the U. Mehta Purchase Contract.
28. To avoid further litigation, U. Mehta and the Receiver have agreed to mutually terminate the U. Mehta Purchase Contract and divide the Remaining U. Mehta Deposit upon the terms and conditions of a confidential settlement agreement dated April 12, 2013 (the “**U. Mehta Settlement Agreement**”) attached as Schedule “1” to the Confidential Fifty-First Report of the Receiver dated May 3, 2013 (the “**Confidential Fifty-First Report**”).
29. Pursuant to the U. Mehta Settlement Agreement, *inter alia*:

- (a) U. Mehta agrees to keep the terms of the U. Mehta Settlement Agreement confidential;
- (b) The Receiver is at liberty to apply for an order sealing any report that describes the U. Mehta Settlement Agreement; and
- (c) U. Mehta and the Receiver consent to a direction to pay to release the Remaining U. Mehta Deposit on the terms described in the U. Mehta Settlement Agreement.

THE H. MEHTA SETTLEMENT AGREEMENT (UNIT 54)

- 30. One of the Presale Units, "**Unit 54** ", was the subject of a purchase and sale contract dated May 31, 2007 (the "**H. Mehta Purchase Contract**") between PSL and Hemanshu Mehta ("**H. Mehta**").
- 31. Pursuant to the H. Mehta Purchase Contract, on or about May 31, 2007, H. Mehta paid a deposit totalling \$25,193 (the "**H. Mehta Deposit**"), which was held in trust by MC LLP on behalf of PSL. On or about September 28, 2007, MC LLP released \$25,193 of the H. Mehta Deposit to PSL. No portion of the H. Mehta Deposit is now, or has ever been, in the possession or control of the Receiver. No funds relating to Unit 54 remain held in trust by MC LLP.
- 32. On November 29, 2010, an amended and restated vesting order in respect of Unit 54 (the "**H. Mehta Vesting Order**") was granted by the Honourable Madam Justice Streckaf that, among other things, provided for the Receiver to convey Unit 54 to H. Mehta free and clear of all encumbrances (other than permitted encumbrances) on the closing date of December 10, 2010, or such other date as agreed, in accordance with the H. Mehta Purchase Contract. Paragraph 19(c) of the H. Mehta Vesting Order provided that if the

transaction did not close on the closing date, MC LLP shall hold the Remaining H. Mehta Deposit and shall not disburse the Remaining H. Mehta Deposit unless, on notice to H. Mehta, an order allowing for disbursement of the Remaining H. Mehta Deposit is issued by the Court.

33. H. Mehta did not close on the December 10, 2010 closing date, following which the Receiver began to market Unit 54 for sale. On December 5, 2012 the Receiver entered into a purchase and sale contract for the sale of Unit 54 , and this sale closed on January 17, 2013.
34. H. Mehta and the Receiver have agreed to mutually terminate the H. Mehta Purchase Contract upon the terms and conditions of a confidential settlement agreement dated April 12, 2013 (the "**H. Mehta Settlement Agreement**") attached as Schedule "1" to the Confidential Fifty-Second Report of the Receiver dated May 3, 2013 (the "**Confidential Fifty-Second Report**").

THE JINAH SETTLEMENT AGREEMENT (UNIT 26)

35. One of the Presale Units, "**Unit 26**", was the subject of a purchase and sale contract dated May 25, 2007 (the "**Jinah Purchase Contract**") between PSL and Rahim Jinah and Naushad Mohamed ("**Jinah**").
36. Pursuant to the Jinah Purchase Contract, on or about May 25, 2007 and June 30, 2007, Jinah paid two deposits totalling \$33,290 (the "**Full Jinah Deposit**"), which was held in trust by MC LLP on behalf of PSL. On or about September 28, 2007, MC LLP released \$30,000 of the Deposit to PSL. Of the Full Jinah Deposit, \$3,290 remains held in trust by

MC LLP (the “**Remaining Jinah Deposit**”). No portion of the Full Jinah Deposit is now, or has ever been, in the possession or control of the Receiver.

37. On November 9, 2010, an amended and restated vesting order in respect of Unit 26 (the “**Jinah Vesting Order**”) was granted by the Honourable Madam Justice Kent that, among other things, provided for the Receiver to convey Unit 26 to Jinah free and clear of all encumbrances (other than permitted encumbrances) on the closing date of November 15, 2010, or such other date as agreed, in accordance with the Jinah Purchase Contract. Paragraph 19(c) of the Jinah Vesting Order provided that if the transaction did not close on the closing date, MC LLP shall hold the Remaining Jinah Deposit and shall not disburse the Remaining Jinah Deposit unless, on notice to Jinah, an order allowing for disbursement of the Remaining Jinah Deposit is issued by the Court.
38. The Jinah Purchase Contract did not close on the November 15, 2010 closing date, following which the Receiver began to market Unit 26 for sale. Unit 26 currently remains available for sale.
39. The Receiver claims that the Jinah Purchase Contract ought to have closed. On December 15, 2011 the Receiver commenced proceedings against Jinah in Court File No. 1101-17112 regarding Jinah’s failure to close the Jinah Purchase Contract.
40. To avoid further litigation, Jinah and the Receiver have agreed to mutually terminate the Jinah Purchase Contract and divide the Remaining Jinah Deposit upon the terms and conditions of a confidential settlement agreement dated April 12, 2013 (the “**Jinah Settlement Agreement**”) attached as Schedule “1” to the Confidential Fifty-Third Report of the Receiver dated May 3, 2013 (the “**Confidential Fifty-Third Report**”).

41. Pursuant to the Jinah Settlement Agreement, *inter alia*:
 - (a) Jinah agrees to keep the terms of the Jinah Settlement Agreement confidential;
 - (b) The Receiver is at liberty to apply for an order sealing any report that describes the Jinah Settlement Agreement; and
 - (c) Jinah and the Receiver consent to a direction to pay to release the Remaining Jinah Deposit on the terms described in the Jinah Settlement Agreement.

THE HENZLER SETTLEMENT AGREEMENT (UNIT 70)

42. One of the Presale Units, “**Unit 70**”, was the subject of a purchase and sale contract dated October 8, 2007 (the “**Henzler Purchase Contract**”) between PSL and Frank Henzler (“**Henzler**”).
43. Pursuant to the Henzler Purchase Contract, on or about October 8, 2007, Henzler paid a deposit totalling \$45,495 (the “**Henzler Deposit**”), which was held in trust by MC LLP on behalf of PSL. The Henzler Deposit is not now, nor has it ever been, in the possession or control of the Receiver. Currently, \$45,495 of the Henzler Deposit remains held in trust by MC LLP.
44. On November 29, 2010, a vesting order in respect of Unit 70 (the “**Henzler Vesting Order**”) was granted by the Honourable Madam Justice Streckaf that, among other things, provided for the Receiver to convey Unit 70 to Henzler free and clear of all encumbrances (other than permitted encumbrances) on the closing date of December 6, 2010, or such other date as agreed, in accordance with the Henzler Purchase Contract. Paragraph 19(c) of the Henzler Vesting Order provided that if the transaction did not

close on the closing date, MC LLP shall hold the Henzler Deposit and shall not disburse the Henzler Deposit unless, on notice to Henzler, an order allowing for disbursement of the Henzler Deposit is issued by the Court.

45. The Henzler Purchase Contract did not close on the December 6, 2010 closing date, following which the Receiver began to market Unit 70 for sale. On April 1, 2011 the Receiver entered into a purchase and sale contract for the sale of Unit 70, and this sale closed on July 1, 2011.
46. The Receiver claims that the Henzler Purchase Contract ought to have closed. On December 14, 2011, the Receiver commenced proceedings against Henzler in Court File No. 1101-17038 regarding Henzler's failure to close the Henzler Purchase Contract.
47. To avoid further litigation, Henzler and the Receiver have agreed to mutually terminate the Henzler Purchase Contract and divide the Remaining Henzler Deposit upon the terms and conditions of a confidential settlement agreement dated March 18, 2013 (the "**Henzler Settlement Agreement**") attached as Schedule "1" to the Confidential Fifty-Fourth Report of the Receiver dated May 3, 2013 (the "**Confidential Fifty-Fourth Report**").
48. Pursuant to the Henzler Settlement Agreement, *inter alia*:
 - (a) Henzler agrees to keep the terms of the Henzler Settlement Agreement confidential;
 - (b) The Receiver is at liberty to apply for an order sealing any report that describes the Henzler Settlement Agreement; and

- (c) Henzler and the Receiver consent to a direction to pay to release the Henzler Deposit on the terms described in the Henzler Settlement Agreement.

THE SOO SETTLEMENT AGREEMENT (UNIT 29)

49. One of the Presale Units, “**Unit 29**”, was the subject of a purchase and sale contract dated May 25, 2007 (the “**Soo Purchase Contract**”) between PSL and Philip Soo (“**Soo**”).
50. Pursuant to the Soo Purchase Contract, on or about May 25, 2007, Soo paid a deposit totalling \$34,867 (the “**Full Soo Deposit**”), which was held in trust by MC LLP on behalf of PSL. On or about September 28, 2007, MC LLP released \$30,000 of the Deposit to PSL. Of the Full Soo Deposit, \$4,897 remains held in trust by MC LLP (the “**Remaining Soo Deposit**”). No portion of the Full Soo Deposit is now, or has ever been, in the possession or control of the Receiver.
51. On November 29, 2010, a vesting order in respect of Unit 29 (the “**Soo Vesting Order**”) was granted by the Honourable Madam Justice Strekaf that, among other things, provided for the Receiver to convey Unit 29 to Soo free and clear of all encumbrances (other than permitted encumbrances) on the closing date of December 7, 2010, or such other date as agreed, in accordance with the Soo Purchase Contract. Paragraph 19(c) of the Soo Vesting Order provided that if the transaction did not close on the closing date, MC LLP shall hold the Remaining Soo Deposit and shall not disburse the Remaining Soo Deposit unless, on notice to Soo, an order allowing for disbursement of the Remaining Soo Deposit is issued by the Court.
52. The Soo Purchase Contract did not close on the closing date December 7, 2010, following which the Receiver began to market Unit 29 for sale. On March 18, 2012 the

Receiver entered into a purchase and sale contract for the sale of Unit 29, and this sale closed on May 4, 2012.

53. The Receiver claims that the Soo Purchase Contract ought to have closed. On December 11, 2011, the Receiver commenced proceedings against Soo in Court File No. 1101-17037 regarding Soo's failure to close the Soo Purchase Contract.
54. To avoid further litigation, Soo and the Receiver have agreed to mutually terminate the Soo Purchase Contract and divide the Remaining Soo Deposit upon the terms and conditions of a confidential settlement agreement dated March 25, 2013 (the "**Soo Settlement Agreement**") attached as Schedule "1" to the Confidential Fifty-Fifth Report of the Receiver dated May 3, 2013 (the "**Confidential Fifty-Fifth Report**").
55. Pursuant to the Soo Settlement Agreement, *inter alia*:
 - (a) Soo agrees to keep the terms of the Soo Settlement Agreement confidential;
 - (b) The Receiver is at liberty to apply for an order sealing any report that describes the Soo Settlement Agreement; and
 - (c) Soo and the Receiver consent to a direction to pay to release the Soo Deposit on the terms described in the Henzler Settlement Agreement.

THE SPRING SETTLEMENT AGREEMENT (UNIT 42)

56. One of the Presale Units, "**Unit 42**", was the subject of a purchase and sale contract dated May 29, 2007 (the "**Spring Purchase Contract**") between PSL and Spring Advertising Ltd. ("**Spring**"). Pursuant to the Spring Purchase Contract, on or about May 28, 2007 and July 17, 2007, Spring paid two deposit totalling \$33,790 (the "**Full Spring**

Deposit”), which was held in trust by MC LLP on behalf of PSL. On or about September 28, 2007, MC LLP released \$30,000 of the Full Spring Deposit to PSL. Of the Full Spring Deposit, \$3,790 remains held in trust by MC LLP (the “**Remaining Spring Deposit**”). No portion of the Full Spring Deposit is now, or has ever been, in the possession or control of the Receiver.

57. On November 9, 2010, an amended and restated vesting order (the “**Spring Vesting Order**”) for Unit 42 was granted by the Honourable Madam Justice Kent that, among other things, provided for the Receiver to convey Unit 42 to Spring free and clear of all encumbrances (other than permitted encumbrances) on the closing date of November 16, 2010, or such other date as agreed, in accordance with the Spring Purchase Contract. Paragraph 19(c) of the Spring Vesting Order provided that if the transaction did not close on the closing date, MC LLP shall hold the Remaining Spring Deposit and shall not disburse the Remaining Spring Deposit unless, on notice to Spring, an order allowing for disbursement of the Remaining Spring Deposit is issued by the Court.
58. The Spring Purchase Contract did not close on the closing date November 16, 2010, following which the Receiver began to market Unit 42 for sale. On March 18, 2012 the Receiver entered into a purchase and sale contract for the sale of Unit 42, and this sale closed on May 4, 2012.
59. The Receiver claims that the Spring Purchase Contract ought to have closed. On December 11, 2011, the Receiver commenced proceedings against Spring in Court File No. 1101-17184 regarding Spring’s failure to close the Spring Purchase Contract.
60. To avoid further litigation, Spring and the Receiver have agreed to mutually terminate the Spring Purchase Contract and divide the Remaining Spring Deposit upon the terms and

conditions of a confidential settlement agreement dated March 11, 2013 (the “**Spring Settlement Agreement**”) attached as Schedule “1” to the Confidential Fifty-Sixth Report of the Receiver dated May 3, 2013 (the “**Confidential Fifty-Sixth Report**”).

61. Pursuant to the Spring Settlement Agreement, *inter alia*:
- (a) Spring agrees to keep the terms of the Spring Settlement Agreement confidential;
 - (b) The Receiver is at liberty to apply for an order sealing any report that describes the Spring Settlement Agreement; and
 - (c) Spring and the Receiver consent to a direction to pay to release the Spring Deposit on the terms described in the Henzler Settlement Agreement.

THE DEPOSIT SETTLEMENT APPROVAL PROCESS ORDER

62. Upon the Court’s approval of the Settlement Agreements described above, MC LLP will be holding Deposits for only four Presale Purchasers (the “**Remaining Presale Purchasers**”). The Receiver is seeking the Deposit Settlement Approval Process Order to disburse the remaining Deposits without further Court approval once settlement agreements with the Remaining Presale Purchasers have been executed provided those settlement agreements satisfy the conditions found in Schedule “1” to the Confidential Fifty-Seventh Receiver’s Report (the “**Settlement Conditions**”). Further details of the Deposit Settlement Approval Process Order are found in the Confidential Fifty-Seventh Report of the Receiver, dated May 3, 2013.

SEALING ORDER

63. The Receiver recommends that a Court Order be granted sealing the Confidential Receiver's Reports to avoid any negative impact that could result from the dissemination of information concerning the Settlement Agreements or the Settlement Conditions. Publication of the information in the Settlement Agreements or the Settlement Conditions may prejudice the Receiver's position vis-à-vis other Presale Purchasers by undermining the Receiver's efforts to enter into additional settlement agreements with the Remaining Presale Purchasers. The Receiver is not aware of any suitable alternative measures to protect the information contained in the Confidential Receiver's Reports from being disseminated for the reasons discussed above and for the reasons discussed in the Confidential Receiver's Reports.

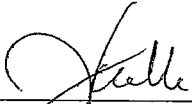
CONCLUSION

64. The Receiver respectfully requests that the Court grant the relief set out in the Application by Deloitte & Touche Inc.

DELOITTE & TOUCHE INC.,

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

Per: _____


Jeff Keeble, CA • CIRP, CBV
Senior Vice President