

Deloitte.

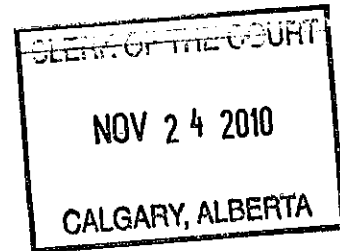


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COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE OF CALGARY



PLAINTIFFS: FIRST CALGARY SAVINGS & CREDIT UNION
LTD.

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

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

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

DOCUMENT: **TENTH REPORT OF THE COURT APPOINTED RECEIVER OF
PERERA SHAWNEE LTD. AND PERERA DEVELOPMENT
CORPORATION, DATED NOVEMBER 24, 2010**

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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**").
2. The Receivership Order was the result of an application by First Calgary Savings & Credit Union ("**First Calgary**"), a secured creditor of Perera. Perera is a condominium real estate developer which has assets that consist of a three phase condominium real estate project located at 30 Shawnee Hill SW, Calgary, Alberta (the "**Project**").
3. There are 70 units in Phase One of the Project, which are included in Condominium Plan No. 0915321:
 - (a) 22 of the units had been sold and conveyed by PSL to persons prior to the issuance of the Receivership Order;
 - (b) 2 of the units, including "**Unit 802**", have been sold and conveyed to persons by the Receiver;
 - (c) 37 of the units (the "**37 Units**") are owned by PSL and are subject to purchase and sale contracts. Closing dates for 34 of the 37 Units have been set. In the case of 20 of the 37 Units (the "**20 Units**"), closing dates have been set for December 6-10, 2010; and

- (d) 9 of the units have been listed for sale by the Receiver for some time through CondoSource Inc. as previously reported (the “**Unsold Units**”).

NOTICE TO READER

4. This report constitutes the Tenth Report of the Court Appointed Receiver (the “**Tenth Receiver’s Report**” or this “**Report**”).

PURPOSE OF REPORT

5. The purpose of this Report is to obtain:
- (a) an order vacating the PSL Closing Process Order that was granted by the Honourable Justice Stevens on August 13, 2010 (the “**PSL Closing Process Order**”) and instead obtain 20 vesting orders to provide for the closing of the 20 Units (the “**20 Vesting Orders**”); and
 - (b) amendments to the Closing Process Order granted in the Receivership Proceedings on October 27, 2010 (the “**Closing Process Order**”), which would establish an efficient and cost-effective closing process for the closing of any purchase contracts that the Receiver has entered into or may enter into with any persons for the purchase of units in Phase One (the “**Amended and Restated Closing Process Order**”).

CLOSING PROCESS ORDERS AND VESTING ORDERS – 20 UNITS

6. On August 13, 2010 the Honourable Justice Stevens granted the PSL Closing Process Order in order to effect the closing of purchase contracts between PSL and various purchasers related to certain units including the 20 Units. An additional closing process order, the Closing Process Order (defined above), was granted in order to effect the

closing of any purchase contracts that the Receiver then had or may enter into with any persons for the purchase of units in Condominium Plan No. 0915321. The PSL Closing Process Order and the Closing Process Order each provided for the Court to issue a vesting order in a specific form.

7. In connection with the sale of Unit 802, a vesting order was granted on October 27, 2010 (the "**Unit 802 Vesting Order**"), which was submitted to the South Alberta Land Titles Office (the "**LTO**"). The Unit 802 Vesting Order was the first vesting order obtained in the receivership that was submitted to the LTO.
8. On November 3, 2010 the Receiver issued closing notices to purchasers of the 20 Units setting a closing date for the purchase of the 20 Units ranging between December 6 to December 10, 2010.
9. Also on November 3, 2010 the LTO sent a notice to the Receiver's conveyancing counsel in respect of the Unit 802 Vesting Order (the "**LTO Notice**"). The LTO Notice required certain amendments to be made to the Unit 802 Vesting Order to clarify the directions to the LTO contained in the Unit 802 Vesting Order. Accordingly, an Amended and Restated Unit 802 Vesting Order was granted by the Court and entered on November 5, 2010 (the "**Amended and Restated Unit 802 Vesting Order**"). The Amended and Restated Unit 802 Vesting Order was submitted to the LTO and the Receiver was informed by its conveyancing counsel on November 10, 2010 that the Amended and Restated Unit 802 Vesting Order was registered by the LTO.
10. The forms of the vesting order referred to in both the PSL Closing Process Order and the Closing Process Order are similar to the original Unit 802 Vesting Order. Accordingly, changes are required in order to make them similar in form to the Amended and Restated Unit 802 Vesting Order to facilitate their registration by the LTO.
11. Since the closing dates in respect of the 20 Units are approaching on December 6-10, 2010, the Receiver is requesting that the PSL Closing Process Order be vacated and, instead, the 20 Vesting Orders be granted. The Receiver is also requesting amendments to the Closing Process Order so that the form of order referred to in the Amended and

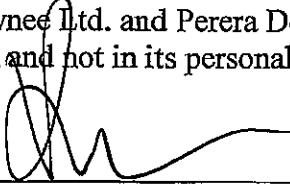
Restated Closing Process Order will be accepted by the LTO to provide for the closing of future sales of units in Phase One by the Receiver.

CONCLUSION

12. The Receiver respectfully requests that the Court grant the relief set out in the Receiver's Application, dated November 24, 2010.

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

Per: _____


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