

**Deloitte**

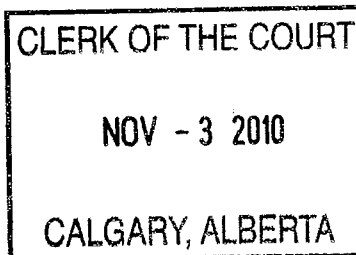


Clerk's stamp:

COURT FILE NUMBER: 1001-03215

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE OF CALGARY



PLAINTIFFS: FIRST CALGARY SAVINGS & CREDIT UNION LTD.

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

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

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

DOCUMENT: **SEVENTH REPORT OF THE COURT APPOINTED RECEIVER OF PERERA SHAWNEE LTD. AND PERERA DEVELOPMENT CORPORATION, DATED NOVEMBER 3, 2010**

**OSLER, HOSKIN & HARCOURT LLP**

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SCHEDULE 1	Copy of the Unit 804 Purchase Contract – Redacted
SCHEDULE 2	Copy of the Unit 801 Purchase Contract – Redacted
SCHEDULE 3	Copy of the Unit 802 Purchase Contract – Redacted

## 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 Proceedings**").
2. The Receivership Order was the result of an application by First Calgary Savings & Credit Union ("**First Calgary**"), a secured creditor of Perera. Perera is a condominium real estate developer which has assets that consist of a three phase condominium real estate project located at 30 Shawnee Hill SW, Calgary, Alberta (the "**Project**").
3. Don L. Perera is the President of Perera and he and Shiranie M. Perera are guarantors of the loans from First Calgary (the "**Guarantors**").
4. On September 3, 2010, Perera Shawnee Ltd., Don L. Perera and Shiranie M. Perera filed a counterclaim in these proceedings against First Calgary and Deloitte & Touche LLP, alleging, among other things, breach of contract. The Defendants also made an application for particulars that was adjourned *sine die*, on the understanding that it will be heard in the near future. That application, as well as other applications, are currently scheduled to be heard on December 20, 2010. The other applications (1) for advice and directions as to whether counsel for Don L. Perera and Shiranie M. Perera can act for Perera in the Receivership Proceedings and, if so, whether leave is required to file the Statement of Defence and Counterclaim that was already filed on Perera's behalf and (2)

to amend the pleadings filed on behalf of the Defendants. The position of the Receiver with respect to the filing of the counterclaim was set out in the correspondence attached as **Schedule "1"** to the Third Report of the Court Appointed Receiver dated October 7, 2010 (the "**Third Receiver's Report**").

5. There are 70 units in Phase One of the Project, 23 of which have been sold (the "**Sold Units**"), 15 of which are subject to purchase contracts and Vesting Orders (the "**15 Units**"), 22 of which are subject to purchase contracts and Closing Process Orders (the "**22 Units**") and 10 of which are unsold (the "**Unsold Units**"). The 15 Units and the 22 Units are collectively referred to as the "**37 Units**").
6. One of the Unsold Units, "**Unit 804**", is the subject of a purchase and sale contract. A hearing was held in Court on Tuesday, October 12, 2010 wherein the Receiver requested, among other things, a vesting order allowing for the sale of Unit 804. On Friday, October 22, 2010, Madam Justice Kent granted an Adjournment Order (the "**Adjournment Order**") that, among other things, vacated the vesting order in respect of Unit 804 and adjourned the application for same to Friday, October 29, 2010. The Adjournment Order also required that the Receiver disclose to prospective purchasers the existence of lawsuits (the "**Lawsuits**") commenced against Condominium Corporation No. 091532 (the "**Condominium Corporation**"), in the manner specified.
7. Furthermore, one of the 37 Units, specifically "**Unit 801**", has recently become the subject of a purchase and sales contract.
8. The Receiver expects to enter into an agreement with the Alberta New Home Warranty Program ("**ANHWP**") that ensures and clarifies warranty coverage for the Unsold Units and the 37 Units (the "**ANHWP Agreement**").

## **NOTICE TO READER**

9. This report constitutes the Seventh Report of the Court Appointed Receiver (the "Report").
10. Jeff Poole, counsel to the Guarantors, has previously raised concerns with respect to the Receiver filing evidence in the Receivership Proceedings in the form of a receiver's report rather than in an affidavit. For the purposes of the Applications (defined in the last paragraph of this Report), Mr. Poole has indicated that he does not object to evidence being filed in the form of a receiver's report; however, this is without prejudice to the Guarantors' right to raise the issue at a future date.

## **PURPOSE OF REPORT**

11. The purpose of this Report is to disclose to the Court the following:
  - (a) The steps undertaken by the Receiver to disclose the Lawsuits to the prospective purchasers of units in the Project;
  - (b) The impact of the above item on the pending closure of the sales of Unit 804 and Unit 801 and the corresponding vesting orders that have been requested by the Receiver;
  - (c) The existence but not the particulars of the termination agreement entered into between the Receiver and the Initial Buyer (defined below) of Unit 801; and
  - (d) The ANHWP Agreement.

## LAWSUITS

12. The Receiver is advised that plaintiffs' counsel in each of the Lawsuits have received instructions to discontinue the Lawsuits as against the Condominium Corporation and that draft forms of the partial discontinuances for the Lawsuits (the "Discontinuances") have been circulated. The Discontinuance by the plaintiff Great Shades Ltd. is without prejudice to whatever *in rem* property and lien rights Great Shades Ltd. may have against the common property and the individual units. Great Shades Ltd. will partially discontinue against the interest in the common property with respect to the Sold Units.
13. Jeff Poole, who is counsel to Don Perera, including in Don Perera's capacity as director of the Condominium Corporation, will act as counsel to the Condominium Corporation only for the limited purpose of consenting to the Discontinuances.

## SALE OF UNIT 804

14. As previously noted, 59 of the 70 available units were presold at the date of the receivership. The remaining Unsold Units were listed for sale with CondoSource Inc., a local real estate agency that was retained to sell the units. One of those units, Unit 804, was the subject of a purchase and sale contract dated September 21, 2010.<sup>1</sup> However, partially as a result of the Court's direction in the Adjournment Order to disclose the Lawsuits, that purchase contract was cancelled and a new purchase contract, dated October 26, 2010, was finalized for Unit 804 (the "Unit 804 Purchase Contract") for the same purchase price.

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<sup>1</sup> A copy of this purchase contract was included in Schedule "6" to the Third Receiver's Report (with the address, purchase price and deposit information redacted) and in Schedule "2" to the Confidential Fourth Report (as herein defined) (with no redactions).

15. A copy of the Unit 804 Purchase Contract (with the purchaser's address redacted) is attached as **Schedule "1"** to this Report. The schedules to the Unit 804 Purchase Contract are the same as those to the Unit 802 Purchase Contract (as that term is defined in the Fifth Report of the Receiver) dated October 26, 2010 (the "**Fifth Receiver's Report**") and are attached as **Schedule "2"** to the Fifth Receiver's Report. An unredacted copy of the Unit 804 Purchase Contract is contained in **Schedule "1"** to the Confidential Eighth Report of the Receiver, dated November 3, 2010 (the "**Confidential Eighth Report**").
16. The closing date for Unit 804 was set as November 8, 2010 (the "**Unit 804 Closing Date**") in the Unit 804 Purchase Contract. The purchaser of Unit 804 took possession of Unit 804 on November 1, 2010, under a tenancy at will agreement, pending a vesting order being issued by the Court regarding the closing of the Unit 804 Purchase Contract.
17. The sale price for Unit 804 is, in the opinion of the Receiver, commercially reasonable. In this regard, the Receiver refers the Court to **Schedule "1A"** in the Confidential Second Report of the Receiver dated August 11, 2010 (the "**Confidential Second Report**"), Column "**F**" in **Schedule "4"** to the Confidential Fourth Report of the Receiver dated October 7, 2010 (the "**Confidential Fourth Report**"), and **Schedule "1"** to this Report that sets out the agreed sales price for Unit 804.
18. In accordance with the requirements of the Court, as set out in the Adjournment Order, the Receiver has disclosed to the purchaser the Lawsuits in paragraph 8.6 of the Unit 804 Purchase Contract and also in **Schedule "H"** to the Unit 804 Purchase Contract, which lists all claims that were filed against the Condominium Corporation as at October 14, 2010.

19. The Unit 804 Purchase Contract is subject to the satisfaction of the following conditions precedent on or before the Closing Date:

- (a) the issuance of an Order of the Court authorizing the Receiver to enter into the agreement and approve the transfer of the unit to the Purchasers free and clear of all encumbrances, other than Permitted Encumbrances (the “**Approval and Vesting Order**”);
- (b) compliance to the reasonable satisfaction of the Receiver with the requirements of the *Safety Codes Act* and regulations thereunder, including but not limited to the issuance of an occupancy permit by the City of Calgary or permission in writing to occupy the unit pursuant to the regulations under the *Safety Codes Act* (Alberta); and
- (c) the execution of a binding agreement between the Receiver and the ANHWP providing that ANHWP will provide warranty coverage in respect to the unit and the Project;

(collectively, the “**Conditions Precedent**”).

20. The Unit 804 Purchase Contract includes an additional condition precedent that the six actions set forth in **Schedule “H”** to the Unit 804 Purchase Contract are discontinued or dismissed against the Condominium Corporation.

21. The Receiver anticipates that the conditions precedent listed above will be met before the Closing Date. The City of Calgary issued an occupancy permit for Unit 804 on October 29, 2010 and the Receiver has secured ANHWP warranty coverage for Unit 804, as set out in **Schedule “2”** of the Confidential Eighth Report and **Schedule “2”** of the



Confidential Sixth Report. Finally, as discussed above, it is anticipated that the Lawsuits will be discontinued.

22. Accordingly, the Receiver seeks the Court's approval for the sale of Unit 804 as well as a vesting order in respect thereof.

#### **SALE OF UNIT 801**

23. Unit 801 is one of the 22 Units and was subject to a pre-sale purchase contract (the "**Pre-Sale Purchase Contract**") prior to the date of the Receivership Order between PSL and Debra Seymour (the "**Initial Purchaser**"). For the reasons disclosed in the Confidential Eight Report, the Receiver and the Initial Purchaser entered into a confidential agreement to terminate the Pre-Sale Purchase Contract (the "**Termination Agreement**"), which is subject to approval of the Court. The Receiver recommends approval of the Termination Agreement.
24. A new offer from a different purchaser was received in respect of Unit 801 and a new purchase contract was entered into on September 2, 2010. However, partially as a result of the Court's direction in the Adjournment Order to disclose the Lawsuits, that purchase contract was cancelled and a new purchase contract, dated October 20, 2010, was finalized for Unit 801 (the "**Unit 801 Purchase Contract**") for the same purchase price.
25. A copy of the Unit 801 Purchase Contract (with the purchaser's address redacted) is attached as **Schedule "2"** to this Report. The schedules to the Unit 801 Purchase Contract are the same as the schedules to the Unit 802 Purchase Contract, which are attached as **Schedule "2"** to the Fifth Receiver's Report. An unredacted copy of the Unit 801 Purchase Contract is contained in **Schedule "4"** of the Confidential Eighth Report.

26. The closing date for Unit 801 was set as November 5, 2010 (the “**Unit 801 Closing Date**”) in the Unit 801 Purchase Contract. The purchaser of Unit 801 took possession of Unit 801 on November 1, 2010, under a tenancy at will agreement, pending a vesting order being issued by the Court regarding the closing of the Unit 801 Purchase Contract.
27. The sale price for Unit 801 is, in the opinion of the Receiver, commercially reasonable. In this regard, the Receiver refers the Court to **Schedule “1A”** in the Confidential Second Report, Column “**F**” in **Schedule “4”** to the Confidential Fourth Report, and **Schedule “2”** to this Report that sets out the agreed sales price for Unit 801.
28. In accordance with the requirements of the Court, as set out in the Adjournment Order, the Receiver has disclosed to the purchaser the Lawsuits in paragraph 8.6 of the Unit 801 Purchase Contract and in **Schedule “H”** to the Unit 801 Purchase Contract, which lists all claims that were filed against the Condominium Corporation as at October 14, 2010.
29. The Unit 801 Purchase Contract is subject to the Conditions Precedent specified above.
30. The Receiver anticipates that the Conditions Precedent will be met before the Closing Date. The City of Calgary issued an occupancy permit for Unit 801 on October 29, 2010 and the Receiver expects to finalize an agreement with ANHWP for warranty coverage for the 37 Units, including Unit 801 and the Unsold Units, as set out below.
31. Accordingly, the Receiver seeks the Court’s approval for the sale of Unit 801 as well as a vesting order in respect thereof.

## **UNIT 802 PURCHASE CONTRACT**

32. A copy of the purchase contract, dated October 19, 2010, in respect of Unit 802 (the “**Unit 802 Purchase Contract**”), with the address, purchase price and deposit information redacted, was attached as **Schedule “2”** to the Fifth Receiver’s Report.
33. On October 29, 2010, the Court granted the Third Sealing Order, which required the Receiver to file a copy of any purchase contract for the purchase and sale of units in the Project with only the purchaser’s address redacted. In accordance with that Order, a copy of the Unit 802 Purchase Contract with only the purchaser’s address redacted is attached as **Schedule “3”** to this Report.

## **ALBERTA NEW HOME WARRANTY PROGRAM**

34. Since the date of the receivership, negotiations with ANHWP have been ongoing in order to ensure warranty coverage in respect of the 37 Units and the Unsold Units.
35. As reported in the Third Receiver’s Report, the Receiver does not believe that ANHWP is able, under the terms of the Receivership Order, to cease their offering of warranty coverage. However, at the date of the Third Receiver’s Report, ANHWP had not committed, verbally or otherwise, to continue warranty coverage for the Unsold Units or the 37 Units.
36. Given the difficulty in obtaining the assurance of continuing warranty coverage by ANHWP, the Receiver considered whether warranty coverage was ultimately necessary in order to sell the remaining Unsold Units. Furthermore, the Receiver considered whether warranty coverage was necessary for the potential closings of the 37 Units which were sold prior to the date of the receivership.

37. Based on discussions with First Calgary and other interested parties, it was determined that if the Receiver were unable to ensure warranty coverage for the sale of units, it would be detrimental to the sales of further units. Furthermore, it is generally understood that when a bank finances a mortgage, it requires proof of ANHWP warranty coverage, and if it could not be shown by the Receiver to be available, it would negatively impact the ability of potential buyers to secure a mortgage, which would also negatively impact sales of units.
38. The Receiver also considered whether it could obtain warranty coverage from another warranty provider. However, given the time requirement to have the Receiver, as current developer of the Project, go through any required membership program and have the construction of the Project reviewed by any such warranty provider, the Receiver considered that impractical given the objective of closing the sales of units in the near term.
39. Accordingly, on October 14, 2010, representatives of ANHWP and representatives of the Receiver met on a without prejudice basis to discuss terms under which ANHWP would assure warranty coverage for the units in Phase One.
40. Since that time, discussions have continued and it is expected that the ANHWP Agreement will be reached on the terms set out in **Schedule "5"** in the Confidential Eight Report, which ensures coverage for the 37 Units and the Unsold Units. The terms of the ANHWP Agreement are confidential.

## SEALING ORDER

41. The Receiver recommends that a Court Order be granted sealing this Report to avoid any negative impact that could result from the dissemination of information concerning the purchaser's address in respect of Unit 804 and Unit 801, information related to the sales price of Unit 804 and Unit 801, the Termination Agreement and the ANHWP Agreement. The purchasers' addresses are personal and confidential and dissemination of this information may raise privacy concerns. Publication of information related to the sales price of Unit 804 and Unit 801 may prejudice the marketing of the balance of the units in the Project and may undermine the efforts of the Receiver in closing the Unit 804 Purchase Contract and the Unit 801 Purchase Contract and selling any other units. Finally, publication of the information in the Termination Agreement or the ANHWP Agreement would be a breach of the terms of those agreements. The Receiver is not aware of any suitable alternative measures to protect the information contained in this Report from being disseminated for the reasons discussed above and for the reasons discussed in the Confidential Eight Report.

## CONCLUSION

The Receiver respectfully requests that the Court grant the relief set out in the Notice of Motion, dated October 7, 2010 and the Notice of Motion, dated November 3, 2010 (collectively, "**Applications**").

**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: 

\_\_\_\_\_  
Greg Stevens, CA • CIRP  
Senior Vice President

**SCHEDULE "1"**

**OFFER TO PURCHASE**

Unit Number 71

(Suite Number 804)

10 Shawnee Hill S.W. in Calgary, Alberta

OR

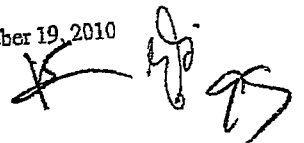
Unit Number \_\_\_\_\_

(Townhome)

146 Shawnee Gate, S.W. in Calgary, Alberta

THE PURCHASER MAY, WITHOUT INCURRING ANY LIABILITY FOR DOING SO, RESCIND THIS AGREEMENT WITHIN 10 DAYS OF ITS EXECUTION BY THE PARTIES TO IT UNLESS ALL OF THE DOCUMENTS REQUIRED TO BE DELIVERED TO THE PURCHASER UNDER SECTION 12 OF THE CONDOMINIUM PROPERTY ACT HAVE BEEN DELIVERED TO THE PURCHASER NOT LESS THAN 10 DAYS PRIOR TO THE EXECUTION OF THIS AGREEMENT BY THE PARTIES TO IT.

October 19, 2010

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DELOITTE & TOUCHE INC.,  
in its capacity as Court-appointed receiver and manager of Perera  
Shawnee Ltd. ("PSL"), and not in its personal capacity

(the "Vendor")

-and-

Elaine Semkuley and Myron Semkuley and/or nominee  
(full name for title registration purposes)

[REDACTED]  
(address) (postal code)

[REDACTED]  
(home number) (work number) (tax number)

[REDACTED]  
(e-mail address)

(the "Purchaser")

The Purchase

- .1 The Purchaser offers to purchase, from the Vendor, the Condominium Unit (as hereinafter defined) for the total price of \$ 806,500 + GST (the "Purchase Price") and more particularly described as follows:
  - (a) Unit Number 71 Part 1 of 3 (Suite Number 804), Parking Unit Number 71 Part 2 of 3, and Storage Unit Number 71 Part 3 of 3 in Condominium Plan 0915321 (the "Condominium Plan") being constructed at 10 Shawnee Hill S.W. in Calgary, Alberta (Parts 1 to 3 are hereinafter collectively referred to as the "Suite"). A copy of the Plan, which was registered at the Land Titles Office (Alberta) (the "LTO") on December 7, 2009, is included in Schedule "A" to this Offer to Purchase; and
  - (b) The shares in the common property allocated to the purchaser's Suite, excepting thereout all mines and minerals (the "Unit Factor").
- .2 The Suite and the Unit Factor are collectively hereinafter referred to the "Condominium Unit".

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1.3 This Offer to Purchase shall be open for acceptance by the Vendor until 4:30 pm \_\_\_\_\_ (the "Deadline").

1.4 In the event that the Vendor accepts this Offer to Purchase prior to the Deadline, the Purchaser shall be obligated to purchase the Condominium Unit from the Vendor in accordance with the terms and conditions set out herein.

1.5 In the event that the Vendor does not accept this Offer to Purchase prior to the Deadline, this Offer to Purchase shall be null, void and of no force or effect.

2. Payment

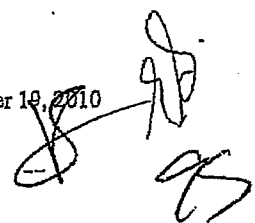
2.1 The Purchase Price is more completely described as follows:

(a) Purchase Price for the Suite (not including GST)	\$	<u>806,500</u>
(b) Additional Parking Stall Unit No. <u>133</u>	\$	<u>Included</u>
(c) Additional Storage Locker Unit No. _____	\$	_____
<b>TOTAL PURCHASE PRICE (not including GST)</b>	+	<u>806,500</u>
(d) Plus 5% GST	+	<u>40,325</u>
<b>TOTAL PURCHASE PRICE (plus GST)</b>	\$	<u>846,825</u>
(e) Less Purchaser's Deposit (as hereinafter defined)	\$	<u>25,000</u>
<b>BALANCE DUE ON CLOSING</b>	\$	<u>821,825</u>

3. Deposit

3.1 The Purchaser shall pay a deposit of \$ 25,000 (the "Purchaser's Deposit") to the Vendor upon the presentation of this Offer to Purchase to the Vendor.

3.2 The Purchaser's Deposit, will be promptly returned to the Purchaser without interest if and only if:



- (a) The Vendor does not accept this Offer to Purchase by the Deadline;
- (b) The Purchaser cancels the Agreement in writing within 10 days of receiving the documents required to be delivered to the Purchaser under section 12 and 13 of the *Condominium Property Act*, R.S.A. 2000, c. C - 22 (the "Act"); or
- (c) The Agreement is rescinded, cancelled or terminated in accordance with Articles 5.2 or 25.1.

3.3 Except as expressly outlined in this Agreement, the Purchaser's Deposit is non-refundable.

3.4 If Vendor returns the Purchaser's Deposit in accordance with the terms of this Agreement, neither the Purchaser nor the Vendor have any further recourse under this Agreement.

3.5 The Purchaser's Deposit will be held pursuant to the terms of this Agreement and section 14 of the Act.

3.6 Any interest earned upon funds held in trust pursuant to this Agreement shall accrue to the Vendor.

3.7 ~~The Purchase Price includes the items, options or extras presently installed in the Condominium Unit. It is understood and agreed that the Vendor will not make any modification or supply any other item, option or extra to the Condominium Unit.~~ *See Attached Addendum* PS

4. Closing, Conveyance and Mortgage Financing

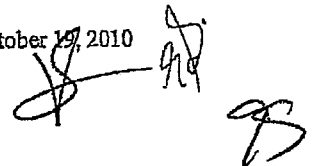
4.1 The closing date for the purchase of the Condominium Unit shall be ~~the date specified in~~ <sup>November 8, 2010</sup> a written notice from the Vendor to the Purchaser (the "Closing Date"). *THE PURCHASER SHALL BE GRANTED OCCUPANCY AND TENANCY AT WILL ON NOVEMBER 1, 2010.* PS

4.2 The Purchaser shall be provided with a minimum of 30 days written notice of the Closing Date (the "Closing Notice"). The Purchaser acknowledges and agrees that the Vendor may, in its sole discretion and for any reason, change the Closing Date to a new date other than the date specified in the Closing Notice.

*above.* PS

October 19, 2010 PS

- 4.3 Vacant possession of the Condominium Unit shall be given at 12:00 noon on the Closing Date subject to the terms hereof being complied with.
- 4.4 The Purchaser shall pay any costs associated with the registration of the Approval and Vesting Order (as defined herein) at the LTO and the Purchaser's mortgage(s) (if any) on title to the Condominium Unit.
- 4.5 The Purchaser shall pay the Purchase Price, less the Purchaser's Deposit (the "Balance of the Purchase Price") to the Vendor on the Closing Date.
- 4.6 The Purchaser covenants to take possession of the Condominium Unit on the Closing Date, provided the interior of the Suite and the common property is substantially completed even though all exterior work on the Condominium Unit, the related common property, the landscaping, the fencing, exterior lighting and garbage pads or enclosures may not at such time be fully completed and other seasonal deficiencies may be outstanding.
- 4.7 The Vendor shall allow the Purchaser to make an inspection of the Condominium Unit prior to or on the Closing Date to verify that the Condominium Unit has been substantially completed. In the event of any items being incomplete at that time, they will be listed on an inspection sheet (the "Inspection Sheet"). Except as to the items specifically listed on the Inspection Sheet, the Purchaser shall be conclusively deemed to have accepted the Condominium Unit, PROVIDED HOWEVER that such acceptance shall not in any way affect any warranty (the "Warranty") given by the Alberta New Home Warranty Program (the "Program"), subject always to the satisfaction of Article 5.1(c).
- 4.8 The Purchaser further agrees that the Vendor, its agents, employees, mortgage inspectors and municipal employees, shall have the right of entry and access to the Condominium Unit and the common property after the Closing Date in order to complete any incomplete items, inspect the Condominium Unit and make any repairs or modifications to the Condominium Unit and the common property.

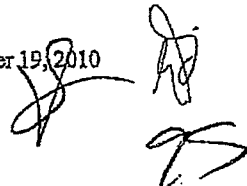
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- 4.9 The Purchaser acknowledges that the area of the Condominium Unit has been determined on the basis described on the Condominium Plan and accepts the same.
- 4.10 Prior to the Occupancy Permit (as defined herein) being issued, the Purchaser shall not enter the Suite or the common property other than the Vendor's sales office, without the Vendor's express permission. The Purchaser hereby releases the Vendor, its servants and agents from all liability or claims whatsoever for personal injury or property damage to the Purchaser or anyone accompanying, sent or invited by the Purchaser (hereinafter called a "Trespasser") resulting from their entry into the Suite or the common property without permission, whether arising from the negligence of the Vendor or otherwise. The Purchaser hereby further agrees to indemnify and hold harmless the Vendor from and against any and all actions, causes of action, suits, proceedings, fines, costs (including legal costs on a solicitor and his own client basis), expenses and damages whatsoever, arising by virtue of a Trespasser's entry into the Suite or the common property without permission and, in particular, without limiting the generality of the foregoing, agrees to reimburse the Vendor, forthwith, for any fines or penalties imposed upon the Vendor by the municipality or by any other governmental or other authority, as a consequence of the said unauthorized entry.
- 4.11 The Purchaser shall not display "For Sale" signs within its Suite or anywhere in the Condominium Unit or on the Common Property until such time that the Vendor has sold all Condominium Units within the Highbury Project. The Purchaser hereby authorizes the Vendor or the condominium corporation created pursuant to the Act (the "Corporation") to remove such signs in the event the Purchaser is in breach of this obligation. This section shall survive the transfer of title to the Condominium Unit and the closing of this transaction.

5. **Conditions Precedent**

- 5.1 The obligation of the Parties pursuant to this Agreement are subject to the satisfaction of the following conditions precedent on or before the Closing Date:
- (a) the issuance of an Order by the Court of Queen's Bench of Alberta (the "Court") authorizing the Receiver to enter into this Agreement and approving the transfer

October 19, 2010

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of the Condominium Unit to the Purchaser free and clear of all encumbrances other than Permitted Encumbrances (as defined herein) (the "Approval and Vesting Order");

(b) compliance to the reasonable satisfaction of the Vendor with the requirements of the *Safety Codes Act* and regulations thereunder, including but not limited to the issuance of an occupancy permit by the City of Calgary or permission in writing to occupy the Condominium Unit pursuant to the regulations under the *Safety Codes Act* (Alberta) (the "Occupancy Permit"); and

(c) the execution of a binding agreement between the Program and the Receiver providing that the Program will provide the Warranty to the Condominium Unit and the Highbury Project.

*d) THE SIX ACTIONS SET FORTH IN SCHEDULE "H" BE DISCONTINUED OR DISMISSED AGAINST CONDOMINIUM*

5.2 If the foregoing condition precedents have not been satisfied, complied with or waived, in whole or in part, by the Closing Date, either the Purchaser or the Vendor may rescind this Agreement by written notice to the other Party. In the event that such notice is given by either Party, this Agreement shall terminate and be null, void and of no force or effect.

6. Adjustments and Payments

6.1 The Purchase Price shall be adjusted as at the Closing Date as to prepaid and accrued expenses and other matters usually subject to adjustment which shall include, without limiting the generality of the foregoing, the following:

(a) the Condominium Unit's share of any operating and maintenance expenses and expenses for utilities such as gas, electricity, water or other utilities and insurance costs borne by the Vendor as determined by the Unit Factor of the Condominium Unit;

(b) any contributions prepaid or owing for administrative expenses (as defined in section 39 of the Act); and,

*Corporation No. 0915321*

October 19, 2010

*[Handwritten initials/signatures]*

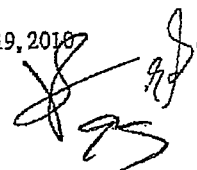
- (c) the realty taxes, school taxes and local improvement charges, including supplementary assessments, which may be levied by the taxing authority, as determined by the Unit Factor if not separately assessed.

7. Condominium Corporation

- 7.1 The Purchaser is aware that the Corporation was, by virtue of the Act, established upon registration of the Condominium Plan. The Purchaser agrees to observe and perform the terms and provisions of the Act, the By-laws and regulations of the Corporation and any management agreement entered into by the Corporation.
- 7.2 The Vendor estimates, but does not represent or warrant, that the initial amount of the monthly common expenses contribution for the Condominium Unit to be \$ 490.00, which sum is an estimate only and is subject to change by the Corporation. The said contribution comprises the Purchaser's proportionate share of the estimated monthly property and management expenses of the Highbury Project and is determined by applying the Unit Factor for the Condominium Unit to the total of such expenses. Any estimated budget which is presented to the Purchaser is for informational purposes only.
- 7.3 The Vendor will have the right to arrange for management of the Condominium Plan on fundamentally those terms and conditions as set out in the management agreement referred to in Schedule "C" and the Purchaser acknowledges that management costs for the project shall be included in common expenses.
- 7.4 The Vendor shall be maintaining and operating show units in the Highbury Project and any by-law which might restrict the Vendor in this respect, if any, is hereby waived by the Purchaser.

8. Disclosure

- 8.1 The Purchaser acknowledges that the Condominium Unit is or will be a unit in the Condominium Plan and the Purchaser further acknowledges that the Purchaser has, with

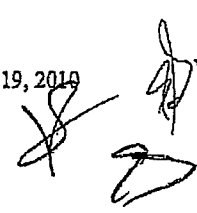


or before the submission hereof, received a copy of this Agreement and copies of the following:

- (a) **Schedule "A"**: The Condominium Plan as registered with LTO on December 7, 2009, including the Phased Development Disclosure Statement;
- (b) **Schedule "B"**: Site plan and landscaping plan being drawings showing the location of fences, roadways walkways, parking areas and landscaping;
- (c) **Schedule "C"**: Proposed Management Agreement;
- (d) **Schedule "D"**: Proposed Condominium Operating Budget and the estimated amount of the monthly contributions of each unit in the project;
- (e) **Schedule "E"**: Registered By-laws;
- (f) **Schedule "F"**: Registered Restrictive Covenant (Parking);
- (g) **Schedule "G"**: Registered Restrictive Covenant (Storage Lockers); and
- (h) **Schedule "H"**: Lawsuits Commenced Against the Condominium Corporation.

8.2 The Vendor hereby advises the Purchaser that, and the Purchaser acknowledges and agrees that:

- (a) The Vendor was appointed as receiver and manager of PSL pursuant to an Order issued by the Court on March 3, 2010 (the "Receivership Order").
- (b) At the time that the Receivership Order was issued:
  - (i) PSL was constructing a three-phase condominium development in southwestern Calgary that was commonly known as the Highbury (the "Highbury Project"); and
  - (ii) construction on the first phase of the Highbury Project ("Phase One") was substantially complete, and preliminary construction on the second phase

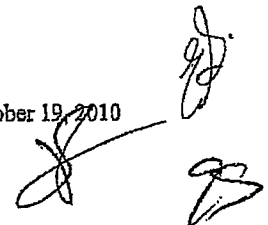
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("Phase Two") and the third phase ("Phase Three") has been commenced.

- (c) The Condominium Unit is in Phase One.
- (d) Certain information schedules were prepared by PSL and provided to persons who entered into purchase agreements with PSL for the purchase of a condominium unit in the Highbury Project prior to the issuance of the Receivership Order. The Vendor does not intend to complete or construct the Highbury Project in the manner that was originally contemplated by Perera Shawnee Ltd. and does not represent, warrant or otherwise agree to complete or construct the Highbury Project in the manner originally contemplated by Perera Shawnee Ltd. Schedule "B" attached shows the roadways, walkways, fences, parking areas and landscaping that the Vendor intends to construct or complete.
- (e) Pursuant to the Receivership Order the Vendor is at liberty and is empowered and has arranged to borrow funds not exceeding the principal amount of \$7,300,000 (or such greater amount as the Court may by further Order authorize). The Vendor has completed a budget (the "Budget") for the cost to complete the Vendor's Construction Plans (as hereinafter defined) and currently plans to:
  - (i) complete the construction of Phase One of the Highbury Project; and
  - (ii) construct Phase Two and Phase Three of the Highbury Project to grade level.(collectively, the "Vendor's Construction Plans").
- (f) The Vendor will complete the Vendor's Construction Plans, provided that the cost to complete the Vendor's Construction Plans does not exceed the Budget.
- (g) In addition, the Vendor currently plans to complete the exterior brick cladding work to comply with the *Alberta Building Code 2006* and has arranged financing for same based on a current cost estimate.

October 19, 2010

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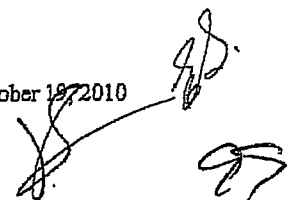
(h) The Vendor will sell Phase Two and Phase Three of the Highbury Project to a third-party (the "Transaction"), provided that a satisfactory purchase price (as determined by the Vendor in its sole discretion) is obtained for the Transaction and the Transaction is approved and authorized by the Court.

8.3 The Purchaser acknowledges and agrees that he/she is purchasing the interior and exterior finishing of the Condominium Unit and all of the common property associated with the Condominium Unit, the Plan and the Highbury Project on an "as is, where is" basis and that the Vendor makes no representations or warranties other than outlined in Schedule "B" with respect to the Condominium Unit, the Plan and the Highbury Project. The Purchaser further acknowledges and agrees that he/she has relied entirely upon his own inspection and investigation with respect to the quantity, quality, and value of the Condominium Unit, the Plan and the Highbury Project. As the Interior/ Exterior finishing of the Unit and the Building are substantially complete, no further description of the same is provided herein.

8.4 The Purchaser acknowledges and agrees that the Vendor shall be entitled to make changes and modifications to any of the Schedules that the Vendor deems are necessary or advisable, as determined by the Vendor at its sole discretion acting reasonably, at any time before or after the execution of this Agreement provided that the changes will not materially alter or affect the value, amenities, appearance or marketability of the property purchased by the Purchaser. The Purchaser acknowledges and agrees that the Vendor shall be at liberty to make such changes in any document as may be (and to the extent) required by any mortgagee providing interim or permanent financing for the Project or its mortgage insurer or by any government agency.

8.5 The Purchaser acknowledges and agrees that they are aware and have been informed by the Vendor that the manner in which the exterior bricks were erected on Phase One of the Highbury Project is currently not in compliance with the *Building Code 2006 (Alberta)* which is a regulation under the *Safety Codes Act (Alberta)*.

October 19, 2010

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8.6 The Purchaser acknowledges and agrees that they are aware and have been informed by the Vendor that lawsuits have been commenced against the Corporation in the Court, including those set out in Schedule "H".

9. Further Assurances

9.1 The Parties hereto agree to execute such further documents, conveyances and assurances as may be necessary in order to give full force and effect to the true intent and meaning of this Agreement.

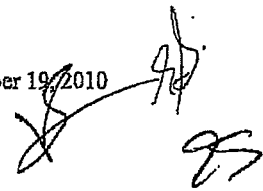
10. Entire Agreement

10.1 The Parties confirm that this Agreement and the annexed Schedules constitute the entire agreement and that there are no further or other conditions, representations, warranties, undertakings, guarantees, promises or agreements either expressed or implied either by law or custom save those mentioned in this Agreement and the annexed Schedules, and that no oral or written agreements, representations, promises or any warranty made by any person shall be binding upon the Vendor unless made in writing and signed on behalf of the Vendor by its duly authorized officers.

11. Termination and Breach

11.1 The Vendor is hereby granted the unrestricted right at its option to cancel and terminate this Agreement upon written notice to that effect to the Purchaser in the following circumstances:

- (a) the Purchaser makes an assignment of this Agreement without first obtaining the consent of the Vendor;
- (b) the Purchaser become insolvent or bankrupt;
- (c) the Purchaser fails to pay the Purchaser's Deposit or the Balance of the Purchase Price on the dates specified herein; or

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- (d) the Purchaser fails to comply with any of the terms of this Agreement or shall fail to complete or execute or deliver any document or instrument herein required or provided for.

11.2 If the Vendor cancels or terminates this Agreement in accordance with Article 11.1 or if the Purchaser attempts to cancel or terminate this Agreement other than in accordance with the terms hereof, then, without limitation or prejudice to any of the rights of the Vendor hereunder, at law, or in equity:

- (a) all amounts paid by the Purchaser to the Vendor including, without limitation, the Purchaser's Deposit and the Balance of the Purchase Price, shall be absolutely forfeited to the Vendor as liquidated damages and not as a penalty;
- (b) the Vendor shall be reimbursed by the Purchaser for the cost of paying out any lien, execution or encumbrance, the source of which is attributable to the Purchaser, or the cost of any extras, options, modifications or improvements requested by the Purchaser; and
- (c) the Vendor shall be entitled to costs on a full-indemnity, solicitor and his own client basis for any action or legal proceeding commenced by the Vendor relating to the breach of this Agreement.

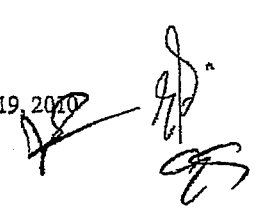
12. Unit Factor

12.1 The Unit Factor for the Suite is 53. The total unit factors have been apportioned and computed substantially on the basis of the square footage of the Suites in proportion to the total square footage of all intended suites in the Highbury Project.

12.2 Minor adjustments may have been made to the unit factors for all of the units as may be necessary to make the unit factors for all the units total 10,000 as required by law.

13. Notices

13.1 All notices required herein shall be in writing and shall be delivered by electronic mail:

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(a) to the Purchaser at the e-mail address shown on the first page of this Agreement;  
and

(b) to the Vendor at the address shown on the first page of this Agreement.

13.2 Any notices shall be deemed to be received twenty-four (24) hours after sending the e-mail.

14. Time

14.1 Time shall be of the essence in this Agreement.

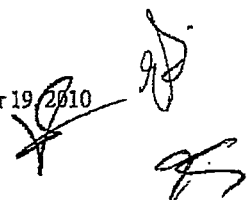
15. Purchaser Caveat Restrictions

15.1 The Purchaser acknowledges that registration of a caveat or other instrument respecting this Agreement or any secondary financing may affect construction of the Project and the Purchaser therefore covenants that he/she will not register such a caveat or instrument against the title to all or any portion of the land comprising the Condominium Unit.

16. Title, Encumbrances and By-Laws

16.1 The Condominium Unit is sold subject to the Act, as amended, and the implied easements thereunder, any City of Calgary, private or other utility right of way and any other registered or to be registered caveats, private easements, encroachment agreements, restrictive covenants, normal City of Calgary development condition charges and encumbrances and any other easements in favour of utility companies or public authorities, and any Purchaser mortgage to be registered against title and any other charges or encumbrances the source of which is attributable to the Purchaser (collectively, the "Permitted Encumbrances"). The Vendor will, after receipt and release of the full sale proceeds, cause any of its mortgage encumbrances to be discharged insofar as they are registered against title to the Condominium Unit. The Purchaser also agrees to comply with its obligations under the Restrictive Covenants identified in the Schedules to this Agreement.

October 19, 2010

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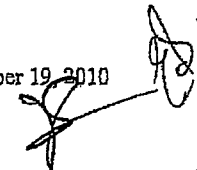
16.2 The Purchaser acknowledges that he/she is fully aware of the permitted and conditional uses of the Condominium Unit and real property within the surrounding area under the by-laws of the City of Calgary and all applicable statutes, rules and regulations of any competent authority and agrees to accept the Condominium Unit subject to the risks incidental to such uses. The Purchaser further acknowledges that he/she is acquainted with the duties and obligations of an owner of a Condominium Unit and the Purchaser understands that upon registration of the Condominium Plan, the Corporation has been created and the Purchaser will be a member of such Corporation subject to all the benefits and obligations inherent in such membership. The Purchaser agrees to be bound by the Registered By-laws annexed hereto as Schedule B.

17. **Display Units and Dwellings**

17.1 The Purchaser agrees that notwithstanding the provisions of the by-laws of the Condominium Plan, the Vendor shall have the right to maintain and use a reasonable number of suites and a portion of any common property for display and sale purposes and exhibit a sign or signs advertising the location of such display suites on or about the display suites or common property until all the Condominium Units in the project are sold and that any provisions of the by-laws which might restrict the Vendor in this respect, if any, are hereby waived by the Purchaser.

18. **Unit Damage**

18.1 The Condominium Unit shall be at the risk of the Vendor until title is conveyed to the Purchaser and in the event of substantial or total loss or damage to the Condominium Unit or the project occurring before such time by reason of fire, lightning, tempest, earthquake, flood, riot, civil commotion, insurrection or other acts of God, either the Vendor or the Purchaser may, at its option, cancel this Agreement within thirty (30) days of the date of the said loss or damage and thereupon the Purchaser shall be entitled to the return of any monies paid as deposits hereunder without interest and the Vendor shall have no further liability hereunder. All proceeds of any insurance policies in force shall belong to the Vendor, however, if neither party elects to cancel this Agreement, the Purchaser shall be entitled to an assignment of insurance proceeds in respect of the



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material loss or damage to the Condominium Unit, if any. All other remedies and claims of the Purchaser in the event of such damage are hereby waived. The Condominium Unit shall be at the risk of the Purchaser after title is conveyed to the Purchaser.

**19. Assignment Restriction and Enurement**

19.1 This Agreement shall not be assigned by the Purchaser before final closing without the prior consent of the Vendor which consent may not be arbitrarily withheld. This Agreement shall enure to the benefit of and be binding upon the heirs, executors, administrators and permitted assigns of the Parties hereto.

19.2 The Vendor will be entitled to sell and/or assign its rights, benefits and/or obligations under this Agreement without the consent of the Purchaser.

**20. Force Majeure**

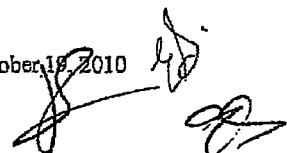
20.1 The Vendor shall not be or be deemed to be in default hereunder for any delay due to strikes, acts of God, or other force majeure or any cause whatsoever beyond the Vendor's control.

**21. Non-Merger**

21.1 All the covenants and obligations contained in this Agreement to be performed or observed by the Purchaser shall in no way merge with the transfer of the Condominium Unit hereunder and shall in all respects remain in full force and effect notwithstanding conveyance of the Condominium Unit to the Purchaser and the payment of the Purchase Price.

**22. Applicable Law**

22.1 This offer to purchase, and any contract constituted on acceptance hereof, shall be governed under and by the laws of the Province of Alberta.

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23. Headings

23.1 The headings throughout this Agreement are inserted for convenience or reference only and shall not affect the construction of or be used in the interpretation of this Agreement or any provision thereof.

24. Singular / Plural

24.1 This Agreement constituted by its acceptance by the Vendor is to be read with all changes of number or gender required by the context and where this Agreement is executed by more than one person or party as Purchaser, all covenants, conditions and agreements herein contained shall be construed and taken as against all executing Purchasers as joint and several.

25. Vendor's Right to Cancel and Terminate

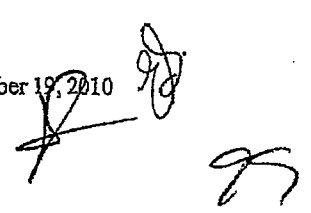
25.1 The Vendor is hereby granted the unrestricted right at its option to cancel and terminate this Agreement for any reason the Vendor deems appropriate, as determined by the Vendor in its sole discretion.

25.2 In the event that the Vendor cancels and terminates this Agreement in accordance with Article 25.1, this Agreement shall terminate and be null, void and of no force or effect.

26. Privacy Consent

26.1 By entering into this Agreement, it is necessary for the Vendor to collect personal information from you. This information includes but is not limited to:

- (a) name, address, telephone number, fax number and e-mail address;
- (b) information as required by the Canadian Government Proceeds of Crime (Money Laundering) and Terrorist Financing Act (FINTRAC), which include date of birth, occupation and proof of identity documentation.
- (c) municipal and legal descriptions for the Condominium Unit;

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- (d) the purchase agreement for the Condominium Unit including financial information, all plans, specifications, agreements, change orders, condominium disclosure documents or any other information related to the purchase of the Condominium Unit;
- (e) information about any remedial or other service work done to the Condominium Unit;
- (f) any information about a request for assistance or warranty claim about the Condominium Unit including information provided to a warranty provider;
- (g) insurance information;
- (h) information provided to or received from third party contractors, suppliers, consultants and lawyers who provide work or services to you or us with respect to the Condominium Unit; and
- (i) information from or to the Corporation for the Condominium Unit.

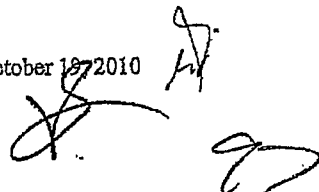
26.2 The Purchaser consents to the collection, use and disclosure of the Purchaser's personal information by the Vendor for the purposes set out above.

27. **Purchaser Acknowledgement**

27.1 The Purchaser acknowledges that the terms, provisions, conditions and limits regarding the Warranty are dependent upon any binding agreement that may be entered into between the Program and the Receiver as referred to in Article 5.1(c).

28. **Amendment**

28.1 Any amendments to this Agreement shall be made in writing, duly executed by both Parties.

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DATED at the City of Calgary, in the Province of Alberta, this 26 day of October,  
2010.

SIGNED in the presence of:

Witness

Purchaser's Signature

Additional Purchaser's Signature (if applicable)

October 19, 2010

ACCEPTANCE

The Vendor hereby accepts the Offer to Purchase.

DATED at the City of Calgary, in the Province of Alberta, this 26<sup>th</sup> day of October,  
2010.

Deloitte & Touche Inc., in its capacity as  
receiver and manager of Perera Shawnee  
Ltd., and not in its personal capacity

Per: [Signature] c/s  
Authorized Signatory

THE PURCHASER ACKNOWLEDGES RECEIPT OF A FULLY EXECUTED COPY OF  
THE WITHIN AGREEMENT INCLUDING ALL SCHEDULES AND ACKNOWLEDGES  
THAT THE PURCHASER HAS READ AND UNDERSTANDS THE TERMS, PROVISIONS,  
CONDITIONS AND LIMITS THAT ARE SPECIFIED IN ALL SCHEDULES AND ALL  
DOCUMENTS REFERRED TO HEREIN WHICH PERTAIN TO THE PROJECT AND THIS  
AGREEMENT.

26<sup>th</sup> DAY OF Oct 2010.

SIGNED in the presence of:

[Signature]  
Witness

[Signature]  
Purchaser's Signature

[Signature]  
Additional Purchaser's Signature (if applicable)

October 19, 2010



**HIGHBURY**  
TOWER RESIDENCES AT FISH CREEK

**ADDENDUM - FINISHING OPTIONS**

Offer to Purchase and Agreement of Purchase and Sale  
Addendum / Amendment

October 26, 2010 *ES.*  
Date September 7, 2010 *99*

Re: Highbury  
10 Shawnee Hill, SW,  
Calgary, Alberta

Further to the Offer to Purchase and Agreement of Purchase and Sale (the "Purchase Agreement") dated September 7, 2010, made between Deloitte & Touche Inc. in its capacity as Court-appointed receiver and manager of Perera Shawnee Ltd. (PSL) as Vendor, and Elaine and Myron Semkuley, as Purchaser, with respect to a unit, identified as Unit 71 Suite 804 10 Shawnee Hill, S.W., Calgary, Alberta in the Purchase Agreement, constructed or to be constructed on the above noted property, the undersigned agree as follows:

It is understood that the Purchaser will be meeting with a representative of the Vendor to finalize finishes to be installed in the Unit. The Vendor agrees to provide the following custom finishes for this penthouse unit.

1. 2nd Bedroom closet doors to be mirrored slides in 2 panels
2. window coverings throughout to be Hunter Douglas Duette Dualite.

This Addendum forms a part of and is subject to the terms and conditions set out in the Purchase Agreement. The Purchase Agreement, as amended by this Addendum, remains in full force and effect, and all terms and conditions in the Purchase Agreement remain the same, except to the extent expressly amended by this Addendum.

*[Signature]*  
WITNESS

*[Signature]*  
WITNESS

*[Signature: E. Semkuley]*  
PURCHASER

*[Signature: M. Semkuley]*  
PURCHASER

DELOITTE & TOUCHE INC AS RECEIVING MANAGER OF Perera Shawnee Ltd. AND NOT IN ITS PERSONAL CAPACITY *[Signature]*

Per: *[Signature]*  
Authorized Signatory

**SCHEDULE "2"**

OFFER TO PURCHASE

Unit Number 68

(Suite Number 801)

10 Shawnee Hill S.W. in Calgary, Alberta

OR

Unit Number \_\_\_\_\_

(Townhome)

146 Shawnee Gate, S.W. in Calgary, Alberta

**THE PURCHASER MAY, WITHOUT INCURRING ANY LIABILITY FOR DOING SO, RESCIND THIS AGREEMENT WITHIN 10 DAYS OF ITS EXECUTION BY THE PARTIES TO IT UNLESS ALL OF THE DOCUMENTS REQUIRED TO BE DELIVERED TO THE PURCHASER UNDER SECTION 12 OF THE CONDOMINIUM PROPERTY ACT HAVE BEEN DELIVERED TO THE PURCHASER NOT LESS THAN 10 DAYS PRIOR TO THE EXECUTION OF THIS AGREEMENT BY THE PARTIES TO IT.**

*MS*      *MS*      *MS*

DELOITTE & TOUCHE INC.,  
in its capacity as Court-appointed receiver and manager of Perera  
Shawnee Ltd. ("PSL"), and not in its personal capacity

(the "Vendor")

-and-

Waldemar and Maria Greier  
(full name for title registration purposes)

[REDACTED]  
(address) (postal code)

[REDACTED]  
(home number) (work number) (fax number)

[REDACTED]  
(e-mail address)

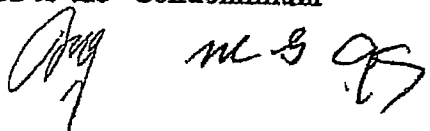
(the "Purchaser")

**The Purchase**

The Purchaser offers to purchase, from the Vendor, the Condominium Unit (as hereinafter defined) for the total price of \$ 760,000 + GST (the "Purchase Price") and more particularly described as follows:

- (a) Unit Number 68 Part 1 of 2 (Suite Number 801), Parking Unit Number 68 Part 2 of 2, and Storage Unit Number 68 Part 2 of 2 in Condominium Plan 0915321 (the "Condominium Plan") being constructed at 10 Shawnee Hill S.W. in Calgary, Alberta (Parts 1 & 2 are hereinafter collectively referred to as the "Suite"). A copy of the Plan, which was registered at the Land Titles Office (Alberta) (the "LTO") on December 7, 2009, is included in Schedule "A" to this Offer to Purchase; and
- (b) The shares in the common property allocated to the purchaser's Suite, excepting thereout all mines and minerals (the "Unit Factor").

The Suite and the Unit Factor are collectively hereinafter referred to the "Condominium Unit".



1.3 This Offer to Purchase shall be open for acceptance by the Vendor until 4:30 pm Oct 19<sup>th</sup> 2010 (the "Deadline").

1.4 In the event that the Vendor accepts this Offer to Purchase prior to the Deadline, the Purchaser shall be obligated to purchase the Condominium Unit from the Vendor in accordance with the terms and conditions set out herein.

1.5 In the event that the Vendor does not accept this Offer to Purchase prior to the Deadline, this Offer to Purchase shall be null, void and of no force or effect.

**2. Payment**

2.1 The Purchase Price is more completely described as follows:

(a) Purchase Price for the Suite (not including GST) \$ 760,000.

(b) Additional Parking Stall Unit No. 132 \$ Included

(c) Additional Storage Locker Unit No. \_\_\_\_\_ \$ N/A.

**TOTAL PURCHASE PRICE (not including GST)** + 760,000.

(d) Plus 5% GST + 38,000

**TOTAL PURCHASE PRICE (plus GST)** \$ 798,000.

(e) Less Purchaser's Deposit (as hereinafter defined) \$ 75,000.

**BALANCE DUE ON CLOSING** \$ 723,000.

**3. Deposit**

3.1 The Purchaser shall pay a deposit of \$ 75,000 (the "Purchaser's Deposit") to the Vendor upon the presentation of this Offer to Purchase to the Vendor.

3.2 The Purchaser's Deposit, will be promptly returned to the Purchaser without interest if and only if:

*[Handwritten signatures: MB and QS]*



- (a) The Vendor does not accept this Offer to Purchase by the Deadline;
- (b) The Purchaser cancels the Agreement in writing within 10 days of receiving the documents required to be delivered to the Purchaser under section 12 and 13 of the *Condominium Property Act*, R.S.A. 2000, c. C-22 (the "Act"); or
- (c) The Agreement is rescinded, cancelled or terminated in accordance with Articles 5.2 or 25.1.

3.3 Except as expressly outlined in this Agreement, the Purchaser's Deposit is non-refundable.

3.4 If Vendor returns the Purchaser's Deposit in accordance with the terms of this Agreement, neither the Purchaser nor the Vendor have any further recourse under this Agreement.

3.5 The Purchaser's Deposit will be held pursuant to the terms of this Agreement and section 14 of the Act.

3.6 Any interest earned upon funds held in trust pursuant to this Agreement shall accrue to the Vendor.

3.7 The Purchase Price includes the items, options or extras presently installed in the Condominium Unit. It is understood and agreed that the Vendor will not make any modification or supply any other item, option or extra to the Condominium Unit.

4. Closing, Conveyance and Mortgage Financing

4.1 The closing date for the purchase of the Condominium Unit shall be the date specified in a written notice from the Vendor to the Purchaser (the "Closing Date").

*MS GS*  
*5 Nov. 2010*  
 Buyers will have possession of the unit under "Tenancy at will" ON November 1, 2010

4.2 The Purchaser shall be provided with a minimum of 30 days written notice of the Closing Date (the "Closing Notice"). The Purchaser acknowledges and agrees that the Vendor may, in its sole discretion and for any reason, change the Closing Date to a new date other than the date specified in the Closing Notice.

*above.*



*MS GS*  
*MS GS*

October 19, 2010

- 4.9 The Purchaser acknowledges that the area of the Condominium Unit has been determined on the basis described on the Condominium Plan and accepts the same.
- 4.10 Prior to the Occupancy Permit (as defined herein) being issued, the Purchaser shall not enter the Suite or the common property other than the Vendor's sales office, without the Vendor's express permission. The Purchaser hereby releases the Vendor, its servants and agents from all liability or claims whatsoever for personal injury or property damage to the Purchaser or anyone accompanying, sent or invited by the Purchaser (hereinafter called a "Trespasser") resulting from their entry into the Suite or the common property without permission, whether arising from the negligence of the Vendor or otherwise. The Purchaser hereby further agrees to indemnify and hold harmless the Vendor from and against any and all actions, causes of action, suits, proceedings, fines, costs (including legal costs on a solicitor and his own client basis), expenses and damages whatsoever, arising by virtue of a Trespasser's entry into the Suite or the common property without permission and, in particular, without limiting the generality of the foregoing, agrees to reimburse the Vendor, forthwith, for any fines or penalties imposed upon the Vendor by the municipality or by any other governmental or other authority, as a consequence of the said unauthorized entry.
- 4.11 The Purchaser shall not display "For Sale" signs within its Suite or anywhere in the Condominium Unit or on the Common Property until such time that the Vendor has sold all Condominium Units within the Highbury Project. The Purchaser hereby authorizes the Vendor or the condominium corporation created pursuant to the Act (the "Corporation") to remove such signs in the event the Purchaser is in breach of this obligation. This section shall survive the transfer of title to the Condominium Unit and the closing of this transaction.

5. Conditions Precedent

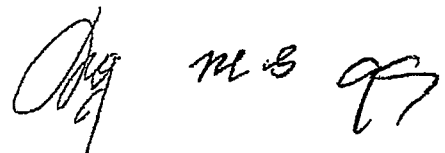
- 5.1 The obligation of the Parties pursuant to this Agreement are subject to the satisfaction of the following conditions precedent on or before the Closing Date:
- (a) the issuance of an Order by the Court of Queen's Bench of Alberta (the "Court") authorizing the Receiver to enter into this Agreement and approving the transfer

October 19, 2010



- 4.3 Vacant possession of the Condominium Unit shall be given at 12:00 noon on the Closing Date subject to the terms hereof being complied with.
- 4.4 The Purchaser shall pay any costs associated with the registration of the Approval and Vesting Order (as defined herein) at the LTO and the Purchaser's mortgage(s) (if any) on title to the Condominium Unit.
- 4.5 The Purchaser shall pay the Purchase Price, less the Purchaser's Deposit (the "Balance of the Purchase Price") to the Vendor on the Closing Date.
- 4.6 The Purchaser covenants to take possession of the Condominium Unit on the Closing Date, provided the interior of the Suite and the common property is substantially completed even though all exterior work on the Condominium Unit, the related common property, the landscaping, the fencing, exterior lighting and garbage pads or enclosures may not at such time be fully completed and other seasonal deficiencies may be outstanding.
- 4.7 The Vendor shall allow the Purchaser to make an inspection of the Condominium Unit prior to or on the Closing Date to verify that the Condominium Unit has been substantially completed. In the event of any items being incomplete at that time, they will be listed on an inspection sheet (the "Inspection Sheet"). Except as to the items specifically listed on the Inspection Sheet, the Purchaser shall be conclusively deemed to have accepted the Condominium Unit, PROVIDED HOWEVER that such acceptance shall not in any way affect any warranty (the "Warranty") given by the Alberta New Home Warranty Program (the "Program"), subject always to the satisfaction of Article 5.1(c).
- 4.8 The Purchaser further agrees that the Vendor, its agents, employees, mortgage inspectors and municipal employees, shall have the right of entry and access to the Condominium Unit and the common property after the Closing Date in order to complete any incomplete items, inspect the Condominium Unit and make any repairs or modifications to the Condominium Unit and the common property.

Handwritten signatures and initials, including a large signature on the left and the initials 'M B' followed by another signature on the right.

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of the Condominium Unit to the Purchaser free and clear of all encumbrances other than Permitted Encumbrances (as defined herein) (the "Approval and Vesting Order");

(b) compliance to the reasonable satisfaction of the Vendor with the requirements of the *Safety Codes Act* and regulations thereunder, including but not limited to the issuance of an occupancy permit by the City of Calgary or permission in writing to occupy the Condominium Unit pursuant to the regulations under the *Safety Codes Act* (Alberta) (the "Occupancy Permit"); and

(c) the execution of a binding agreement between the Program and the Receiver providing that the Program will provide the Warranty to the Condominium Unit

and the Highbury Project, and  
(d) the Vendor being satisfied in its sole discretion that the rights under any previous purchase agreement to which the Condominium Unit was subject are  
5.2 If the foregoing condition precedents have not been satisfied, complied with or waived, in whole or in part, by the Closing Date, either the Purchaser or the Vendor may rescind this Agreement by written notice to the other Party. In the event that such notice is given by either Party, this Agreement shall terminate and be null, void and of no force or effect.

6. Adjustments and Payments

6.1 The Purchase Price shall be adjusted as at the Closing Date as to prepaid and accrued expenses and other matters usually subject to adjustment which shall include, without limiting the generality of the foregoing, the following:

(a) the Condominium Unit's share of any operating and maintenance expenses and expenses for utilities such as gas, electricity, water or other utilities and insurance costs borne by the Vendor as determined by the Unit Factor of the Condominium Unit;

(b) any contributions prepaid or owing for administrative expenses (as defined in section 39 of the Act); and,

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October 19, 2010

- (c) the realty taxes, school taxes and local improvement charges, including supplementary assessments, which may be levied by the taxing authority, as determined by the Unit Factor if not separately assessed.

7. Condominium Corporation

- 7.1 The Purchaser is aware that the Corporation was, by virtue of the Act, established upon registration of the Condominium Plan. The Purchaser agrees to observe and perform the terms and provisions of the Act, the By-laws and regulations of the Corporation and any management agreement entered into by the Corporation.
- 7.2 The Vendor estimates, but does not represent or warrant, that the initial amount of the monthly common expenses contribution for the Condominium Unit to be \$ 490.00, which sum is an estimate only and is subject to change by the Corporation. The said contribution comprises the Purchaser's proportionate share of the estimated monthly property and management expenses of the Highbury Project and is determined by applying the Unit Factor for the Condominium Unit to the total of such expenses. Any estimated budget which is presented to the Purchaser is for informational purposes only.
- 7.3 The Vendor will have the right to arrange for management of the Condominium Plan on fundamentally those terms and conditions as set out in the management agreement referred to in Schedule "C" and the Purchaser acknowledges that management costs for the project shall be included in common expenses.
- 7.4 The Vendor shall be maintaining and operating show units in the Highbury Project and any by-law which might restrict the Vendor in this respect, if any, is hereby waived by the Purchaser.

8. Disclosure

- 8.1 The Purchaser acknowledges that the Condominium Unit is or will be a unit in the Condominium Plan and the Purchaser further acknowledges that the Purchaser has, with



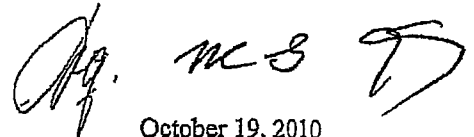
October 19, 2010

or before the submission hereof, received a copy of this Agreement and copies of the following:

- (a) **Schedule "A"**: The Condominium Plan as registered with LTO on December 7, 2009, including the Phased Development Disclosure Statement;
- (b) **Schedule "B"**: Site plan, and landscaping plan being drawings showing the location of fences, roadways walkways, parking areas and landscaping;
- (c) **Schedule "C"**: Proposed Management Agreement;
- (d) **Schedule "D"**: Proposed Condominium Operating Budget and the estimated amount of the monthly contributions of each unit in the project;
- (e) **Schedule "E"**: Registered By-laws;
- (f) **Schedule "F"**: Registered Restrictive Covenant (Parking);
- (g) **Schedule "G"**: Registered Restrictive Covenant (Storage Lockers); and
- (h) **Schedule "H"**: Lawsuits Commenced Against the Condominium Corporation.

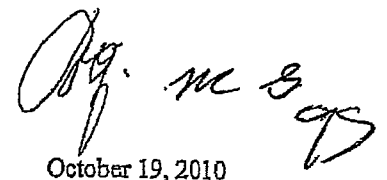
8.2 The Vendor hereby advises the Purchaser that, and the Purchaser acknowledges and agrees that:

- (a) The Vendor was appointed as receiver and manager of PSL pursuant to an Order issued by the Court on March 3, 2010 (the "**Receivership Order**").
- (b) At the time that the Receivership Order was issued:
  - (i) PSL was constructing a three-phase condominium development in southwestern Calgary that was commonly known as the Highbury (the "**Highbury Project**"); and
  - (ii) construction on the first phase of the Highbury Project ("**Phase One**") was substantially complete, and preliminary construction on the second phase

  
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("Phase Two") and the third phase ("Phase Three") has been commenced.

- (c) The Condominium Unit is in Phase One.
- (d) Certain information schedules were prepared by PSL and provided to persons who entered into purchase agreements with PSL for the purchase of a condominium unit in the Highbury Project prior to the issuance of the Receivership Order. The Vendor does not intend to complete or construct the Highbury Project in the manner that was originally contemplated by Perera Shawnee Ltd. and does not represent, warrant or otherwise agree to complete or construct the Highbury Project in the manner originally contemplated by Perera Shawnee Ltd. Schedule "B" attached shows the roadways, walkways, fences, parking areas and landscaping that the Vendor intends to construct or complete.
- (e) Pursuant to the Receivership Order the Vendor is at liberty and is empowered and has arranged to borrow funds not exceeding the principal amount of \$7,300,000 (or such greater amount as the Court may by further Order authorize). The Vendor has completed a budget (the "Budget") for the cost to complete the Vendor's Construction Plans (as hereinafter defined) and currently plans to:
  - (i) complete the construction of Phase One of the Highbury Project; and
  - (ii) construct Phase Two and Phase Three of the Highbury Project to grade level.(collectively, the "Vendor's Construction Plans").
- (f) The Vendor will complete the Vendor's Construction Plans, provided that the cost to complete the Vendor's Construction Plans does not exceed the Budget.
- (g) In addition, the Vendor currently plans to complete the exterior brick cladding work to comply with the *Alberta Building Code 2006* and has arranged financing for same based on a current cost estimate.

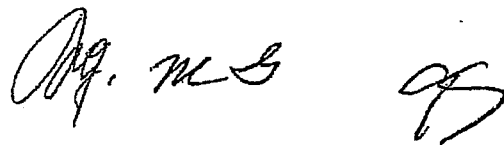
  
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(h) The Vendor will sell Phase Two and Phase Three of the Highbury Project to a third-party (the "Transaction"), provided that a satisfactory purchase price (as determined by the Vendor in its sole discretion) is obtained for the Transaction and the Transaction is approved and authorized by the Court.

8.3 The Purchaser acknowledges and agrees that he/she is purchasing the interior and exterior finishing of the Condominium Unit and all of the common property associated with the Condominium Unit, the Plan and the Highbury Project on an "as is, where is" basis and that the Vendor makes no representations or warranties other than outlined in Schedule "B" with respect to the Condominium Unit, the Plan and the Highbury Project. The Purchaser further acknowledges and agrees that he/she has relied entirely upon his own inspection and investigation with respect to the quantity, quality, and value of the Condominium Unit, the Plan and the Highbury Project. As the Interior/ Exterior finishing of the Unit and the Building are substantially complete, no further description of the same is provided herein.

8.4 The Purchaser acknowledges and agrees that the Vendor shall be entitled to make changes and modifications to any of the Schedules that the Vendor deems are necessary or advisable, as determined by the Vendor at its sole discretion acting reasonably, at any time before or after the execution of this Agreement provided that the changes will not materially alter or affect the value, amenities, appearance or marketability of the property purchased by the Purchaser. The Purchaser acknowledges and agrees that the Vendor shall be at liberty to make such changes in any document as may be (and to the extent) required by any mortgagee providing interim or permanent financing for the Project or its mortgage insurer or by any government agency.

8.5 The Purchaser acknowledges and agrees that they are aware and have been informed by the Vendor that the manner in which the exterior bricks were erected on Phase One of the Highbury Project is currently not in compliance with the *Building Code 2006 (Alberta)* which is a regulation under the *Safety Codes Act (Alberta)*.





8.6 The Purchaser acknowledges and agrees that they are aware and have been informed by the Vendor that lawsuits have been commenced against the Corporation in the Court, including those set out in Schedule "H".

9. **Further Assurances**

9.1 The Parties hereto agree to execute such further documents, conveyances and assurances as may be necessary in order to give full force and effect to the true intent and meaning of this Agreement.

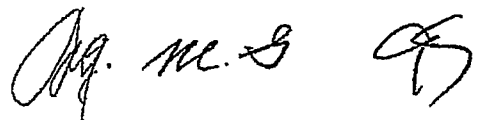
10. **Entire Agreement**

10.1 The Parties confirm that this Agreement and the annexed Schedules constitute the entire agreement and that there are no further or other conditions, representations, warranties, undertakings, guarantees, promises or agreements either expressed or implied either by law or custom save those mentioned in this Agreement and the annexed Schedules, and that no oral or written agreements, representations, promises or any warranty made by any person shall be binding upon the Vendor unless made in writing and signed on behalf of the Vendor by its duly authorized officers.

11. **Termination and Breach**

11.1 The Vendor is hereby granted the unrestricted right at its option to cancel and terminate this Agreement upon written notice to that effect to the Purchaser in the following circumstances:

- (a) the Purchaser makes an assignment of this Agreement without first obtaining the consent of the Vendor;
- (b) the Purchaser become insolvent or bankrupt;
- (c) the Purchaser fails to pay the Purchaser's Deposit or the Balance of the Purchase Price on the dates specified herein; or



- (d) the Purchaser fails to comply with any of the terms of this Agreement or shall fail to complete or execute or deliver any document or instrument herein required or provided for.

11.2 If the Vendor cancels or terminates this Agreement in accordance with Article 11.1 or if the Purchaser attempts to cancel or terminate this Agreement other than in accordance with the terms hereof, then, without limitation or prejudice to any of the rights of the Vendor hereunder, at law, or in equity:

- (a) all amounts paid by the Purchaser to the Vendor including, without limitation, the Purchaser's Deposit and the Balance of the Purchase Price, shall be absolutely forfeited to the Vendor as liquidated damages and not as a penalty;
- (b) the Vendor shall be reimbursed by the Purchaser for the cost of paying out any lien, execution or encumbrance, the source of which is attributable to the Purchaser, or the cost of any extras, options, modifications or improvements requested by the Purchaser; and
- (c) the Vendor shall be entitled to costs on a full-indemnity, solicitor and his own client basis for any action or legal proceeding commenced by the Vendor relating to the breach of this Agreement.

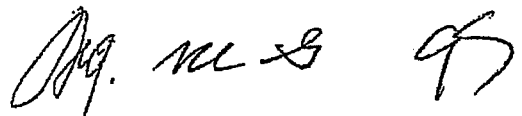
12. Unit Factor

12.1 The Unit Factor for the Suite is 53. The total unit factors have been apportioned and computed substantially on the basis of the square footage of the Suites in proportion to the total square footage of all intended suites in the Highbury Project.

12.2 Minor adjustments may have been made to the unit factors for all of the units as may be necessary to make the unit factors for all the units total 10,000 as required by law.

13. Notices

13.1 All notices required herein shall be in writing and shall be delivered by electronic mail:



(a) to the Purchaser at the e-mail address shown on the first page of this Agreement;  
and

(b) to the Vendor at the address shown on the first page of this Agreement.

13.2 Any notices shall be deemed to be received twenty-four (24) hours after sending the e-mail.

14. **Time**

14.1 Time shall be of the essence in this Agreement.

15. **Purchaser Caveat Restrictions**

15.1 The Purchaser acknowledges that registration of a caveat or other instrument respecting this Agreement or any secondary financing may affect construction of the Project and the Purchaser therefore covenants that he/she will not register such a caveat or instrument against the title to all or any portion of the land comprising the Condominium Unit.

16. **Title, Encumbrances and By-Laws**

16.1 The Condominium Unit is sold subject to the Act, as amended, and the implied easements thereunder, any City of Calgary, private or other utility right of way and any other registered or to be registered caveats, private easements, encroachment agreements, restrictive covenants, normal City of Calgary development condition charges and encumbrances and any other easements in favour of utility companies or public authorities, and any Purchaser mortgage to be registered against title and any other charges or encumbrances the source of which is attributable to the Purchaser (collectively, the "Permitted Encumbrances"). The Vendor will, after receipt and release of the full sale proceeds, cause any of its mortgage encumbrances to be discharged insofar as they are registered against title to the Condominium Unit. The Purchaser also agrees to comply with its obligations under the Restrictive Covenants identified in the Schedules to this Agreement.




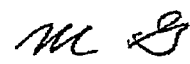

16.2 The Purchaser acknowledges that he/she is fully aware of the permitted and conditional uses of the Condominium Unit and real property within the surrounding area under the by-laws of the City of Calgary and all applicable statutes, rules and regulations of any competent authority and agrees to accept the Condominium Unit subject to the risks incidental to such uses. The Purchaser further acknowledges that he/she is acquainted with the duties and obligations of an owner of a Condominium Unit and the Purchaser understands that upon registration of the Condominium Plan, the Corporation has been created and the Purchaser will be a member of such Corporation subject to all the benefits and obligations inherent in such membership. The Purchaser agrees to be bound by the Registered By-laws annexed hereto as Schedule E.

17. Display Units and Dwellings

17.1 The Purchaser agrees that notwithstanding the provisions of the by-laws of the Condominium Plan, the Vendor shall have the right to maintain and use a reasonable number of suites and a portion of any common property for display and sale purposes and exhibit a sign or signs advertising the location of such display suites on or about the display suites or common property until all the Condominium Units in the project are sold and that any provisions of the by-laws which might restrict the Vendor in this respect, if any, are hereby waived by the Purchaser.

18. Unit Damage

18.1 The Condominium Unit shall be at the risk of the Vendor until title is conveyed to the Purchaser and in the event of substantial or total loss or damage to the Condominium Unit or the project occurring before such time by reason of fire, lightning, tempest, earthquake, flood, riot, civil commotion, insurrection or other acts of God, either the Vendor or the Purchaser may, at its option, cancel this Agreement within thirty (30) days of the date of the said loss or damage and thereupon the Purchaser shall be entitled to the return of any monies paid as deposits hereunder without interest and the Vendor shall have no further liability hereunder. All proceeds of any insurance policies in force shall belong to the Vendor, however, if neither party elects to cancel this Agreement, the Purchaser shall be entitled to an assignment of insurance proceeds in respect of the

   
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material loss or damage to the Condominium Unit, if any. All other remedies and claims of the Purchaser in the event of such damage are hereby waived. The Condominium Unit shall be at the risk of the Purchaser after title is conveyed to the Purchaser.

**19. Assignment Restriction and Enurement**

19.1 This Agreement shall not be assigned by the Purchaser before final closing without the prior consent of the Vendor which consent may not be arbitrarily withheld. This Agreement shall enure to the benefit of and be binding upon the heirs, executors, administrators and permitted assigns of the Parties hereto.

19.2 The Vendor will be entitled to sell and/or assign its rights, benefits and/or obligations under this Agreement without the consent of the Purchaser.

**20. Force Majeure**

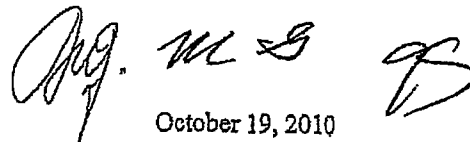
20.1 The Vendor shall not be or be deemed to be in default hereunder for any delay due to strikes, acts of God, or other force majeure or any cause whatsoever beyond the Vendor's control.

**21. Non-Merger**

21.1 All the covenants and obligations contained in this Agreement to be performed or observed by the Purchaser shall in no way merge with the transfer of the Condominium Unit hereunder and shall in all respects remain in full force and effect notwithstanding conveyance of the Condominium Unit to the Purchaser and the payment of the Purchase Price.

**22. Applicable Law**

22.1 This offer to purchase, and any contract constituted on acceptance hereof, shall be governed under and by the laws of the Province of Alberta.

  
October 19, 2010

23. Headings

23.1 The headings throughout this Agreement are inserted for convenience or reference only and shall not affect the construction of or be used in the interpretation of this Agreement or any provision thereof.

24. Singular / Plural

24.1 This Agreement constituted by its acceptance by the Vendor is to be read with all changes of number or gender required by the context and where this Agreement is executed by more than one person or party as Purchaser, all covenants, conditions and agreements herein contained shall be construed and taken as against all executing Purchasers as joint and several.

25. Vendor's Right to Cancel and Terminate


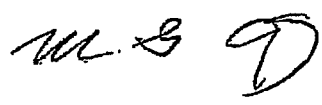
25.1 The Vendor is hereby granted the unrestricted right at its option to cancel and terminate this Agreement for any reason the Vendor deems appropriate, as determined by the Vendor in its sole discretion.

25.2 In the event that the Vendor cancels and terminates this Agreement in accordance with Article 25.1, this Agreement shall terminate and be null, void and of no force or effect.

26. Privacy Consent

26.1 By entering into this Agreement, it is necessary for the Vendor to collect personal information from you. This information includes but is not limited to:

- (a) name, address, telephone number, fax number and e-mail address;
- (b) information as required by the Canadian Government Proceeds of Crime (Money Laundering) and Terrorist Financing Act (FINTRAC), which include date of birth, occupation and proof of identity documentation.
- (c) municipal and legal descriptions for the Condominium Unit;

October 19, 2010

- (d) the purchase agreement for the Condominium Unit including financial information, all plans, specifications, agreements, change orders, condominium disclosure documents or any other information related to the purchase of the Condominium Unit;
- (e) information about any remedial or other service work done to the Condominium Unit;
- (f) any information about a request for assistance or warranty claim about the Condominium Unit including information provided to a warranty provider;
- (g) insurance information;
- (h) information provided to or received from third party contractors, suppliers, consultants and lawyers who provide work or services to you or us with respect to the Condominium Unit; and
- (i) information from or to the Corporation for the Condominium Unit.

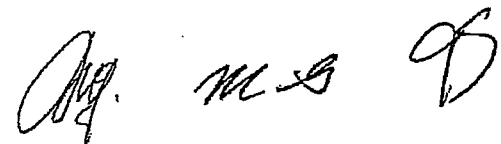
26.2 The Purchaser consents to the collection, use and disclosure of the Purchaser's personal information by the Vendor for the purposes set out above.

**27. Purchaser Acknowledgement**

27.1 The Purchaser acknowledges that the terms, provisions, conditions and limits regarding the Warranty are dependent upon any binding agreement that may be entered into between the Program and the Receiver as referred to in Article 5.1(c).

**28. Amendment**

28.1 Any amendments to this Agreement shall be made in writing, duly executed by both Parties.



October 19, 2010

DATED at the City of Calgary, in the Province of Alberta, this 20<sup>th</sup> day of OCTOBER  
2010

SIGNED in the presence of:

Witness

Purchaser's Signature

Additional Purchaser's Signature (if applicable)



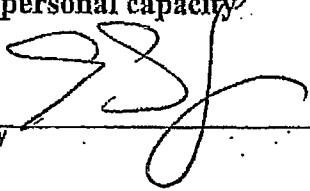
- 15 -

**ACCEPTANCE**

The Vendor hereby accepts the Offer to Purchase.

DATED at the City of Calgary, in the Province of Alberta, this 25<sup>th</sup> day of October,  
2010.

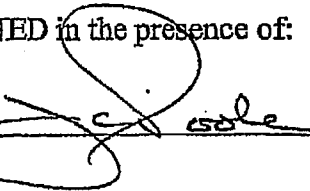
Deloitte & Touche Inc., in its capacity as  
receiver and manager of Perera Shawnee  
Ltd., and not in its personal capacity.


Per:   
Authorized Signatory c/s

THE PURCHASER ACKNOWLEDGES RECEIPT OF A FULLY EXECUTED COPY OF  
THE WITHIN AGREEMENT INCLUDING ALL SCHEDULES AND ACKNOWLEDGES  
THAT THE PURCHASER HAS READ AND UNDERSTANDS THE TERMS, PROVISIONS,  
CONDITIONS AND LIMITS THAT ARE SPECIFIED IN ALL SCHEDULES AND ALL  
DOCUMENTS REFERRED TO HEREIN WHICH PERTAIN TO THE PROJECT AND THIS  
AGREEMENT.

25<sup>th</sup> DAY OF October 20 10.

SIGNED in the presence of:

  
Witness

  
Purchaser's Signature

  
Additional Purchaser's Signature (if applicable)

October 19, 2010

**SCHEDULE "3"**

OFFER TO PURCHASE

Unit Number 69

(Suite Number 802)

10 Shawnee Hill S.W. in Calgary, Alberta

OR

Unit Number \_\_\_\_\_

(Townhome)

146 Shawnee Gate, S.W. in Calgary, Alberta

**THE PURCHASER MAY, WITHOUT INCURRING ANY LIABILITY FOR DOING SO, RESCIND THIS AGREEMENT WITHIN 10 DAYS OF ITS EXECUTION BY THE PARTIES TO IT UNLESS ALL OF THE DOCUMENTS REQUIRED TO BE DELIVERED TO THE PURCHASER UNDER SECTION 12 OF THE CONDOMINIUM PROPERTY ACT HAVE BEEN DELIVERED TO THE PURCHASER NOT LESS THAN 10 DAYS PRIOR TO THE EXECUTION OF THIS AGREEMENT BY THE PARTIES TO IT.**

DELOITTE & TOUCHE INC.,  
in its capacity as Court-appointed receiver and manager of Perera  
Shawnee Ltd. ("PSL"), and not in its personal capacity

(the "Vendor")

-and-

Waldemar and Maria Greier  
(full name for title registration purposes)

[REDACTED]  
(address)

[REDACTED]  
(postal code)

[REDACTED]  
(home number)

[REDACTED]  
(work number)

[REDACTED]  
(fax number)

[REDACTED]  
(e-mail address)

(the "Purchaser")

1. **The Purchase**

1.1 The Purchaser offers to purchase, from the Vendor, the Condominium Unit (as hereinafter defined) for the total price of \$ 880,000 (the "Purchase Price") and more particularly described as follows:

(a) Unit Number 69 Part 1 of 2 (Suite Number 802 ), Parking Unit Number 69 Part 2 of 2, and Storage Unit Number 69 Part 2 of 2 in Condominium Plan 0915321 (the "Condominium Plan") being constructed at 10 Shawnee Hill S.W. in Calgary, Alberta (Parts 1 + 2 are hereinafter collectively referred to as the "Suite"). A copy of the Plan, which was registered at the Land Titles Office (Alberta) (the "LTO") on December 7, 2009, is included in Schedule "A" to this Offer to Purchase; and

(b) The shares in the common property allocated to the purchaser's Suite, excepting thereout all mines and minerals (the "Unit Factor").

1.2 The Suite and the Unit Factor are collectively hereinafter referred to the "Condominium Unit".

1.3 This Offer to Purchase shall be open for acceptance by the Vendor until 4:30 pm \_\_\_\_\_ (the "Deadline").

1.4 In the event that the Vendor accepts this Offer to Purchase prior to the Deadline, the Purchaser shall be obligated to purchase the Condominium Unit from the Vendor in accordance with the terms and conditions set out herein.

1.5 In the event that the Vendor does not accept this Offer to Purchase prior to the Deadline, this Offer to Purchase shall be null, void and of no force or effect.

2. Payment

2.1 The Purchase Price is more completely described as follows:

(a)	Purchase Price for the Suite <sup>95</sup> ( <del>not</del> including GST)	\$ <u>880,000</u>
(b)	Additional Parking Stall Unit No. <u>130</u>	\$ <u>Included</u>
(c)	Additional Storage Locker Unit No. _____	\$ _____
	<b>TOTAL PURCHASE PRICE</b> <sup>95</sup> ( <del>not</del> including GST)	+ <u>880,000</u>
(d)	Plus 5% GST	+ <u>Included</u>
	<b>TOTAL PURCHASE PRICE (plus GST)</b>	\$ <u>880,000</u>
(e)	Less Purchaser's Deposit (as hereinafter defined)	\$ <u>88,000</u>
	<i>By way of transfer from trust on unit 1104 in phase 2</i>	
	<b>BALANCE DUE ON CLOSING</b>	\$ <u>792,000</u>

3. Deposit

3.1 The Purchaser shall pay a deposit of \$ 88,000 (the "Purchaser's Deposit") to the Vendor upon the presentation of this Offer to Purchase to the Vendor.

3.2 The Purchaser's Deposit, will be promptly returned to the Purchaser without interest if and only if:

- (a) The Vendor does not accept this Offer to Purchase by the Deadline;
- (b) The Purchaser cancels the Agreement in writing within 10 days of receiving the documents required to be delivered to the Purchaser under section 12 and 13 of the *Condominium Property Act*, R.S.A. 2000, c. C - 22 (the "Act"); or
- (c) The Agreement is rescinded, cancelled or terminated in accordance with Articles 5.2 or 25.1.

3.3 Except as expressly outlined in this Agreement, the Purchaser's Deposit is non-refundable.

3.4 If Vendor returns the Purchaser's Deposit in accordance with the terms of this Agreement, neither the Purchaser nor the Vendor have any further recourse under this Agreement.

3.5 The Purchaser's Deposit will be held pursuant to the terms of this Agreement and section 14 of the Act.

3.6 Any interest earned upon funds held in trust pursuant to this Agreement shall accrue to the Vendor.

3.7 ~~The Purchase Price includes the items, options or extras presently installed in the Condominium Unit. It is understood and agreed that the Vendor will not make any modification or supply any other item, option or extra to the Condominium Unit.~~

*MS*

See Addendum - Finishing Options

4. Closing, Conveyance and Mortgage Financing

4.1 The closing date for the purchase of the Condominium Unit shall be the ~~date specified in a written notice from the Vendor to the Purchaser~~ (the "Closing Date").

*MS*  
November 4, 2010.

*MS*

4.2 ~~The Purchaser shall be provided with a minimum of 30 days written notice of the Closing Date (the "Closing Notice").~~ The Purchaser acknowledges and agrees that the Vendor may, in its sole discretion and for any reason, change the Closing Date to a new date other than the date specified ~~in the Closing Notice.~~

*MS*

*MS* above. *MS*

- 4.3 Vacant possession of the Condominium Unit shall be given at 12:00 noon on the Closing Date subject to the terms hereof being complied with.
- 4.4 The Purchaser shall pay any costs associated with the registration of the Approval and Vesting Order (as defined herein) at the LTO and the Purchaser's mortgage(s) (if any) on title to the Condominium Unit.
- 4.5 The Purchaser shall pay the Purchase Price, less the Purchaser's Deposit (the "**Balance of the Purchase Price**") to the Vendor on the Closing Date.
- 4.6 The Purchaser covenants to take possession of the Condominium Unit on the Closing Date, provided the interior of the Suite and the common property is substantially completed even though all exterior work on the Condominium Unit, the related common property, the landscaping, the fencing, exterior lighting and garbage pads or enclosures may not at such time be fully completed and other seasonal deficiencies may be outstanding.
- 4.7 The Vendor shall allow the Purchaser to make an inspection of the Condominium Unit prior to or on the Closing Date to verify that the Condominium Unit has been substantially completed. In the event of any items being incomplete at that time, they will be listed on an inspection sheet (the "**Inspection Sheet**"). Except as to the items specifically listed on the Inspection Sheet, the Purchaser shall be conclusively deemed to have accepted the Condominium Unit, PROVIDED HOWEVER that such acceptance shall not in any way affect any warranty (the "**Warranty**") given by the Alberta New Home Warranty Program (the "**Program**"), subject always to the satisfaction of Article 5.1(c).
- 4.8 The Purchaser further agrees that the Vendor, its agents, employees, mortgage inspectors and municipal employees, shall have the right of entry and access to the Condominium Unit and the common property after the Closing Date in order to complete any incomplete items, inspect the Condominium Unit and make any repairs or modifications to the Condominium Unit and the common property.

October 19, 2010

- 4.9 The Purchaser acknowledges that the area of the Condominium Unit has been determined on the basis described on the Condominium Plan and accepts the same.
- 4.10 Prior to the Occupancy Permit (as defined herein) being issued, the Purchaser shall not enter the Suite or the common property other than the Vendor's sales office, without the Vendor's express permission. The Purchaser hereby releases the Vendor, its servants and agents from all liability or claims whatsoever for personal injury or property damage to the Purchaser or anyone accompanying, sent or invited by the Purchaser (hereinafter called a "Trespasser") resulting from their entry into the Suite or the common property without permission, whether arising from the negligence of the Vendor or otherwise. The Purchaser hereby further agrees to indemnify and hold harmless the Vendor from and against any and all actions, causes of action, suits, proceedings, fines, costs (including legal costs on a solicitor and his own client basis), expenses and damages whatsoever, arising by virtue of a Trespasser's entry into the Suite or the common property without permission and, in particular, without limiting the generality of the foregoing, agrees to reimburse the Vendor, forthwith, for any fines or penalties imposed upon the Vendor by the municipality or by any other governmental or other authority, as a consequence of the said unauthorized entry.
- 4.11 The Purchaser shall not display "For Sale" signs within its Suite or anywhere in the Condominium Unit or on the Common Property until such time that the Vendor has sold all Condominium Units within the Highbury Project. The Purchaser hereby authorizes the Vendor or the condominium corporation created pursuant to the Act (the "Corporation") to remove such signs in the event the Purchaser is in breach of this obligation. This section shall survive the transfer of title to the Condominium Unit and the closing of this transaction.

5. **Conditions Precedent**

- 5.1 The obligation of the Parties pursuant to this Agreement are subject to the satisfaction of the following conditions precedent on or before the Closing Date:
- (a) the issuance of an Order by the Court of Queen's Bench of Alberta (the "Court") authorizing the Receiver to enter into this Agreement and approving the transfer

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of the Condominium Unit to the Purchaser free and clear of all encumbrances other than Permitted Encumbrances (as defined herein) (the “Approval and Vesting Order”);

- (b) compliance to the reasonable satisfaction of the Vendor with the requirements of the *Safety Codes Act* and regulations thereunder, including but not limited to the issuance of an occupancy permit by the City of Calgary or permission in writing to occupy the Condominium Unit pursuant to the regulations under the *Safety Codes Act* (Alberta) (the “Occupancy Permit”); and
- (c) the execution of a binding agreement between the Program and the Receiver providing that the Program will provide the Warranty to the Condominium Unit and the Highbury Project.

5.2 If the foregoing condition precedents have not been satisfied, complied with or waived, in whole or in part, by the Closing Date, either the Purchaser or the Vendor may rescind this Agreement by written notice to the other Party. In the event that such notice is given by either Party, this Agreement shall terminate and be null, void and of no force or effect.

## 6. Adjustments and Payments

6.1 The Purchase Price shall be adjusted as at the Closing Date as to prepaid and accrued expenses and other matters usually subject to adjustment which shall include, without limiting the generality of the foregoing, the following:

- (a) the Condominium Unit’s share of any operating and maintenance expenses and expenses for utilities such as gas, electricity, water or other utilities and insurance costs borne by the Vendor as determined by the Unit Factor of the Condominium Unit;
- (b) any contributions prepaid or owing for administrative expenses (as defined in section 39 of the Act); and,

- (c) the realty taxes, school taxes and local improvement charges, including supplementary assessments, which may be levied by the taxing authority, as determined by the Unit Factor if not separately assessed.

**7. Condominium Corporation**

- 7.1 The Purchaser is aware that the Corporation was, by virtue of the Act, established upon registration of the Condominium Plan. The Purchaser agrees to observe and perform the terms and provisions of the Act, the By-laws and regulations of the Corporation and any management agreement entered into by the Corporation.
- 7.2 The Vendor estimates, but does not represent or warrant, that the initial amount of the monthly common expenses contribution for the Condominium Unit to be \$ 475.<sup>00</sup>, which sum is an estimate only and is subject to change by the Corporation. The said contribution comprises the Purchaser's proportionate share of the estimated monthly property and management expenses of the Highbury Project and is determined by applying the Unit Factor for the Condominium Unit to the total of such expenses. Any estimated budget which is presented to the Purchaser is for informational purposes only.
- 7.3 The Vendor will have the right to arrange for management of the Condominium Plan on fundamentally those terms and conditions as set out in the management agreement referred to in Schedule "C" and the Purchaser acknowledges that management costs for the project shall be included in common expenses.
- 7.4 The Vendor shall be maintaining and operating show units in the Highbury Project and any by-law which might restrict the Vendor in this respect, if any, is hereby waived by the Purchaser.

**8. Disclosure**

- 8.1 The Purchaser acknowledges that the Condominium Unit is or will be a unit in the Condominium Plan and the Purchaser further acknowledges that the Purchaser has, with

or before the submission hereof, received a copy of this Agreement and copies of the following:

- (a) **Schedule "A"**: The Condominium Plan as registered with LTO on December 7, 2009, including the Phased Development Disclosure Statement;
- (b) **Schedule "B"**: Site plan and landscaping plan being drawings showing the location of fences, roadways walkways, parking areas and landscaping;
- (c) **Schedule "C"**: Proposed Management Agreement;
- (d) **Schedule "D"**: Proposed Condominium Operating Budget and the estimated amount of the monthly contributions of each unit in the project;
- (e) **Schedule "E"**: Registered By-laws;
- (f) **Schedule "F"**: Registered Restrictive Covenant (Parking);
- (g) **Schedule "G"**: Registered Restrictive Covenant (Storage Lockers); and
- (h) **Schedule "H"**: Lawsuits Commenced Against the Condominium Corporation.

8.2 The Vendor hereby advises the Purchaser that, and the Purchaser acknowledges and agrees that:

- (a) The Vendor was appointed as receiver and manager of PSL pursuant to an Order issued by the Court on March 3, 2010 (the "**Receivership Order**").
- (b) At the time that the Receivership Order was issued:
  - (i) PSL was constructing a three-phase condominium development in southwestern Calgary that was commonly known as the Highbury (the "**Highbury Project**"); and
  - (ii) construction on the first phase of the Highbury Project ("**Phase One**") was substantially complete, and preliminary construction on the second phase

("Phase Two") and the third phase ("Phase Three") has been commenced.

- (c) The Condominium Unit is in Phase One.
- (d) Certain information schedules were prepared by PSL and provided to persons who entered into purchase agreements with PSL for the purchase of a condominium unit in the Highbury Project prior to the issuance of the Receivership Order. The Vendor does not intend to complete or construct the Highbury Project in the manner that was originally contemplated by Perera Shawnee Ltd. and does not represent, warrant or otherwise agree to complete or construct the Highbury Project in the manner originally contemplated by Perera Shawnee Ltd. Schedule "B" attached shows the roadways, walkways, fences, parking areas and landscaping that the Vendor intends to construct or complete.
- (e) Pursuant to the Receivership Order the Vendor is at liberty and is empowered and has arranged to borrow funds not exceeding the principal amount of \$7,300,000 (or such greater amount as the Court may by further Order authorize). The Vendor has completed a budget (the "Budget") for the cost to complete the Vendor's Construction Plans (as hereinafter defined) and currently plans to:
  - (i) complete the construction of Phase One of the Highbury Project; and
  - (ii) construct Phase Two and Phase Three of the Highbury Project to grade level.

(collectively, the "Vendor's Construction Plans").

- (f) The Vendor will complete the Vendor's Construction Plans, provided that the cost to complete the Vendor's Construction Plans does not exceed the Budget.
- (g) In addition, the Vendor currently plans to complete the exterior brick cladding work to comply with the *Alberta Building Code 2006* and has arranged financing for same based on a current cost estimate.

- (h) The Vendor will sell Phase Two and Phase Three of the Highbury Project to a third-party (the “**Transaction**”), provided that a satisfactory purchase price (as determined by the Vendor in its sole discretion) is obtained for the Transaction and the Transaction is approved and authorized by the Court.
- 8.3 The Purchaser acknowledges and agrees that he/she is purchasing the interior and exterior finishing of the Condominium Unit and all of the common property associated with the Condominium Unit, the Plan and the Highbury Project on an “as is, where is” basis and that the Vendor makes no representations or warranties other than outlined in Schedule “B” with respect to the Condominium Unit, the Plan and the Highbury Project. The Purchaser further acknowledges and agrees that he/she has relied entirely upon his own inspection and investigation with respect to the quantity, quality, and value of the Condominium Unit, the Plan and the Highbury Project. As the Interior/ Exterior finishing of the Unit and the Building are substantially complete, no further description of the same is provided herein.
- 8.4 The Purchaser acknowledges and agrees that the Vendor shall be entitled to make changes and modifications to any of the Schedules that the Vendor deems are necessary or advisable, as determined by the Vendor at its sole discretion acting reasonably, at any time before or after the execution of this Agreement provided that the changes will not materially alter or affect the value, amenities, appearance or marketability of the property purchased by the Purchaser. The Purchaser acknowledges and agrees that the Vendor shall be at liberty to make such changes in any document as may be (and to the extent) required by any mortgagee providing interim or permanent financing for the Project or its mortgage insurer or by any government agency.
- 8.5 The Purchaser acknowledges and agrees that they are aware and have been informed by the Vendor that the manner in which the exterior bricks were erected on Phase One of the Highbury Project is currently not in compliance with the *Building Code 2006 (Alberta)* which is a regulation under the *Safety Codes Act (Alberta)*.

October 19, 2010

8.6 The Purchaser acknowledges and agrees that they are aware and have been informed by the Vendor that lawsuits have been commenced against the Corporation in the Court, including those set out in Schedule "H".

**9. Further Assurances**

9.1 The Parties hereto agree to execute such further documents, conveyances and assurances as may be necessary in order to give full force and effect to the true intent and meaning of this Agreement.

**10. Entire Agreement**

10.1 The Parties confirm that this Agreement and the annexed Schedules constitute the entire agreement and that there are no further or other conditions, representations, warranties, undertakings, guarantees, promises or agreements either expressed or implied either by law or custom save those mentioned in this Agreement and the annexed Schedules, and that no oral or written agreements, representations, promises or any warranty made by any person shall be binding upon the Vendor unless made in writing and signed on behalf of the Vendor by its duly authorized officers.

**11. Termination and Breach**

11.1 The Vendor is hereby granted the unrestricted right at its option to cancel and terminate this Agreement upon written notice to that effect to the Purchaser in the following circumstances:


- (a) the Purchaser makes an assignment of this Agreement without first obtaining the consent of the Vendor;
- (b) the Purchaser become insolvent or bankrupt;
- (c) the Purchaser fails to pay the Purchaser's Deposit or the Balance of the Purchase Price on the dates specified herein; or

(d) the Purchaser fails to comply with any of the terms of this Agreement or shall fail to complete or execute or deliver any document or instrument herein required or provided for.

11.2 If the Vendor cancels or terminates this Agreement in accordance with Article 11.1 or if the Purchaser attempts to cancel or terminate this Agreement other than in accordance with the terms hereof, then, without limitation or prejudice to any of the rights of the Vendor hereunder, at law, or in equity:

- (a) all amounts paid by the Purchaser to the Vendor including, without limitation, the Purchaser's Deposit and the Balance of the Purchase Price, shall be absolutely forfeited to the Vendor as liquidated damages and not as a penalty;
- (b) the Vendor shall be reimbursed by the Purchaser for the cost of paying out any lien, execution or encumbrance, the source of which is attributable to the Purchaser, or the cost of any extras, options, modifications or improvements requested by the Purchaser; and
- (c) the Vendor shall be entitled to costs on a full-indemnity, solicitor and his own client basis for any action or legal proceeding commenced by the Vendor relating to the breach of this Agreement.

12. Unit Factor

12.1 The Unit Factor for the Suite is ~~1/307~~ <sup>48</sup> . The total unit factors have been apportioned and computed substantially on the basis of the square footage of the Suites in proportion to the total square footage of all intended suites in the Highbury Project.

12.2 Minor adjustments may have been made to the unit factors for all of the units as may be necessary to make the unit factors for all the units total 10,000 as required by law.

13. Notices

13.1 All notices required herein shall be in writing and shall be delivered by electronic mail:

(a) to the Purchaser at the e-mail address shown on the first page of this Agreement;  
and

(b) to the Vendor at the address shown on the first page of this Agreement.

13.2 Any notices shall be deemed to be received twenty-four (24) hours after sending the e-mail.

**14. Time**

14.1 Time shall be of the essence in this Agreement.

**15. Purchaser Caveat Restrictions**

15.1 The Purchaser acknowledges that registration of a caveat or other instrument respecting this Agreement or any secondary financing may affect construction of the Project and the Purchaser therefore covenants that he/she will not register such a caveat or instrument against the title to all or any portion of the land comprising the Condominium Unit.

**16. Title, Encumbrances and By-Laws**

16.1 The Condominium Unit is sold subject to the Act, as amended, and the implied easements thereunder, any City of Calgary, private or other utility right of way and any other registered or to be registered caveats, private easements, encroachment agreements, restrictive covenants, normal City of Calgary development condition charges and encumbrances and any other easements in favour of utility companies or public authorities, and any Purchaser mortgage to be registered against title and any other charges or encumbrances the source of which is attributable to the Purchaser (collectively, the "Permitted Encumbrances"). The Vendor will, after receipt and release of the full sale proceeds, cause any of its mortgage encumbrances to be discharged insofar as they are registered against title to the Condominium Unit. The Purchaser also agrees to comply with its obligations under the Restrictive Covenants identified in the Schedules to this Agreement.

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16.2 The Purchaser acknowledges that he/she is fully aware of the permitted and conditional uses of the Condominium Unit and real property within the surrounding area under the by-laws of the City of Calgary and all applicable statutes, rules and regulations of any competent authority and agrees to accept the Condominium Unit subject to the risks incidental to such uses. The Purchaser further acknowledges that he/she is acquainted with the duties and obligations of an owner of a Condominium Unit and the Purchaser understands that upon registration of the Condominium Plan, the Corporation has been created and the Purchaser will be a member of such Corporation subject to all the benefits and obligations inherent in such membership. The Purchaser agrees to be bound by the Registered By-laws annexed hereto as Schedule E.

**17. Display Units and Dwellings**

17.1 The Purchaser agrees that notwithstanding the provisions of the by-laws of the Condominium Plan, the Vendor shall have the right to maintain and use a reasonable number of suites and a portion of any common property for display and sale purposes and exhibit a sign or signs advertising the location of such display suites on or about the display suites or common property until all the Condominium Units in the project are sold and that any provisions of the by-laws which might restrict the Vendor in this respect, if any, are hereby waived by the Purchaser.

**18. Unit Damage**

18.1 The Condominium Unit shall be at the risk of the Vendor until title is conveyed to the Purchaser and in the event of substantial or total loss or damage to the Condominium Unit or the project occurring before such time by reason of fire, lightning, tempest, earthquake, flood, riot, civil commotion, insurrection or other acts of God, either the Vendor or the Purchaser may, at its option, cancel this Agreement within thirty (30) days of the date of the said loss or damage and thereupon the Purchaser shall be entitled to the return of any monies paid as deposits hereunder without interest and the Vendor shall have no further liability hereunder. All proceeds of any insurance policies in force shall belong to the Vendor, however, if neither party elects to cancel this Agreement, the Purchaser shall be entitled to an assignment of insurance proceeds in respect of the

material loss or damage to the Condominium Unit, if any. All other remedies and claims of the Purchaser in the event of such damage are hereby waived. The Condominium Unit shall be at the risk of the Purchaser after title is conveyed to the Purchaser.

**19. Assignment Restriction and Enurement**

19.1 This Agreement shall not be assigned by the Purchaser before final closing without the prior consent of the Vendor which consent may not be arbitrarily withheld. This Agreement shall enure to the benefit of and be binding upon the heirs, executors, administrators and permitted assigns of the Parties hereto.

19.2 The Vendor will be entitled to sell and/or assign its rights, benefits and/or obligations under this Agreement without the consent of the Purchaser.

**20. Force Majeure**

20.1 The Vendor shall not be or be deemed to be in default hereunder for any delay due to strikes, acts of God, or other force majeure or any cause whatsoever beyond the Vendor's control.

**21. Non-Merger**

21.1 All the covenants and obligations contained in this Agreement to be performed or observed by the Purchaser shall in no way merge with the transfer of the Condominium Unit hereunder and shall in all respects remain in full force and effect notwithstanding conveyance of the Condominium Unit to the Purchaser and the payment of the Purchase Price.

**22. Applicable Law**

22.1 This offer to purchase, and any contract constituted on acceptance hereof, shall be governed under and by the laws of the Province of Alberta.

23. **Headings**

23.1 The headings throughout this Agreement are inserted for convenience or reference only and shall not affect the construction of or be used in the interpretation of this Agreement or any provision thereof.

24. **Singular / Plural**

24.1 This Agreement constituted by its acceptance by the Vendor is to be read with all changes of number or gender required by the context and where this Agreement is executed by more than one person or party as Purchaser, all covenants, conditions and agreements herein contained shall be construed and taken as against all executing Purchasers as joint and several.

25. **Vendor's Right to Cancel and Terminate**

25.1 The Vendor is hereby granted the unrestricted right at its option to cancel and terminate this Agreement for any reason the Vendor deems appropriate, as determined by the Vendor in its sole discretion.

25.2 In the event that the Vendor cancels and terminates this Agreement in accordance with Article 25.1, this Agreement shall terminate and be null, void and of no force or effect.

26. **Privacy Consent**

26.1 By entering into this Agreement, it is necessary for the Vendor to collect personal information from you. This information includes but is not limited to:

- (a) name, address, telephone number, fax number and e-mail address;
- (b) information as required by the Canadian Government Proceeds of Crime (Money Laundering) and Terrorist Financing Act (FINTRAC), which include date of birth, occupation and proof of identity documentation.
- (c) municipal and legal descriptions for the Condominium Unit;

October 19, 2010

- (d) the purchase agreement for the Condominium Unit including financial information, all plans, specifications, agreements, change orders, condominium disclosure documents or any other information related to the purchase of the Condominium Unit;
- (e) information about any remedial or other service work done to the Condominium Unit;
- (f) any information about a request for assistance or warranty claim about the Condominium Unit including information provided to a warranty provider;
- (g) insurance information;
- (h) information provided to or received from third party contractors, suppliers, consultants and lawyers who provide work or services to you or us with respect to the Condominium Unit; and
- (i) information from or to the Corporation for the Condominium Unit.

26.2 The Purchaser consents to the collection, use and disclosure of the Purchaser's personal information by the Vendor for the purposes set out above.

**27. Purchaser Acknowledgement**

27.1 The Purchaser acknowledges that the terms, provisions, conditions and limits regarding the Warranty are dependent upon any binding agreement that may be entered into between the Program and the Receiver as referred to in Article 5.1(c).

**28. Amendment**

28.1 Any amendments to this Agreement shall be made in writing, duly executed by both Parties.

October 19, 2010

DATED at the City of Calgary, in the Province of Alberta, this 19 day of October,  
20 10.

SIGNED in the presence of

*[Handwritten Signature]*  
Witness

*[Handwritten Signature]*  
Purchaser's Signature

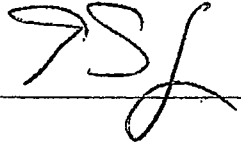
*[Handwritten Signature]*  
Additional Purchaser's Signature (if applicable)

ACCEPTANCE

The Vendor hereby accepts the Offer to Purchase.

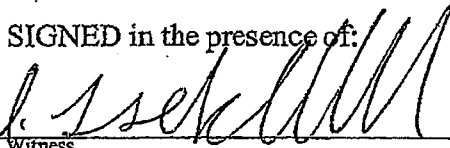
DATED at the City of Calgary, in the Province of Alberta, this 22<sup>nd</sup> day of October,  
2010.

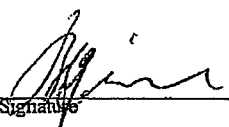
Deloitte & Touche Inc., in its capacity as  
receiver and manager of Perera Shawnee  
Ltd., and not in its personal capacity

Per:   
Authorized Signatory c/s

THE PURCHASER ACKNOWLEDGES RECEIPT OF A FULLY EXECUTED COPY OF  
THE WITHIN AGREEMENT INCLUDING ALL SCHEDULES AND ACKNOWLEDGES  
THAT THE PURCHASER HAS READ AND UNDERSTANDS THE TERMS, PROVISIONS,  
CONDITIONS AND LIMITS THAT ARE SPECIFIED IN ALL SCHEDULES AND ALL  
DOCUMENTS REFERRED TO HEREIN WHICH PERTAIN TO THE PROJECT AND THIS  
AGREEMENT.

19 DAY OF October 2010.

SIGNED in the presence of:  
  
Witness

  
Purchaser's Signature

  
Additional Purchaser's Signature (if applicable)



Unit 69 Suite 802

# HIGHBURY

## ADDENDUM - FINISHING OPTIONS

Offer to Purchase and Agreement of Purchase and Sale  
Addendum / Amendment

Highbury  
14619 Shawnee Gate, S.W.,  
Calgary, Alberta

Date May 31, 2010

1 October 19, 2010

her to the Offer to Purchase and Agreement of Purchase and Sale (the "Purchase Agreement") dated May 31, 2010 made  
ween Deloitte & Touche Inc. in its capacity as Court-appointed receiver and manager of Perera Shawnee Ltd. (PSL),  
Vendor, and Mr. Waldemar & Mrs. Maria Geier, as Purchaser, with respect to a unit, identified as Unit 69 Suite 802 10 Shawnee  
S.W., Calgary, Alberta in the Purchase Agreement, constructed or to be constructed on the above noted property, the  
ensigned agree as follows:

understood that the Purchaser will be meeting with a representative of the Vendor to finalize finishes to be installed in the  
. The Vendor agrees to provide to provide the following custom finishes for this penthouse unit:

1. Custom lacquer kitchen and bathroom cabinetry, with granite counter tops.
2. Bathroom Mirrors to be beveled glass
3. Medicine Cabinets in both bathrooms
4. Marble Entry & Kitchen flooring
5. Porcelain tile in Bathrooms
6. Hardwood in living, halls & bedrooms
7. Wolfe wall oven and 5 burner gas stove top
8. Sub Zero fridge and wine fridge
9. Sharpe microwave drawer
10. 2 Fisher Paykel dishwashers
11. Raised panel doors through out, except closet doors will be mirrored bi-fold.
12. Raised door casings and baseboards
13. Gas fireplace on east wall of livingroom, single faced
14. Crown moldings in living/dining room, den and master bedroom.
15. Den Door to be single door as marked in unit. Door to be 36" with Riverton Clear glass.
16. move light switch from inside den to hall wall.

Vendor reserves the right to make modifications to the Finishing Options

idendum forms a part of and is subject to the terms and conditions set out in the Purchase Agreement. The Purchase  
ment, as amended by this Addendum, remains in full force and effect, and all terms and conditions in the Purchase  
ment remain the same, except to the extent expressly amended by this Addendum. This Addendum may be executed and  
itted via fax or other electronic means.

PURCHASER

PURCHASER