



**No. S-127811
Vancouver Registry**

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

Westminster Savings Credit Union

PETITIONERS

AND:

Maple Creek Living Corporation

FIRST REPORT OF RECEIVER

Boale, Wood & Company Ltd.

April 25, 2013

First Report

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I. Appointment

Boale, Wood & Company Ltd. was appointed Receiver-Manager ("Receiver"), without security, of Maple Creek Living Corporation pursuant to an Order of the Supreme Court of British Columbia dated March 20, 2013 (the "Court Order"). A copy of the Court Order is attached as **Appendix A**.

The significant powers granted to the Receiver pursuant to the Court Order are as following:

- (a) to take possession of and exercise control over the Property;
- (b) to preserve and protect the Property, including, but not limited to, the changing of locks and security codes, the engaging of independent security personnel, the taking of physical inventories and arranging insurance;
- (c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons to assist with the exercise of the Receiver's powers and duties;
- (d) to market any or all of the Property, including advertising and soliciting offers in respect of the Property;
- (e) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business without the approval of this Court for any transaction not exceeding \$25,000 provided that the aggregate consideration for all such transactions does not exceed \$100,000 and with the approval of this Court for any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in this clause,
- (f) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (g) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtor;

II. Background

Maple Creek Living Corporation (the "Company") is a property development company that owns a 19 unit residential strata development located at 11384 Burnett Street, Maple Ridge, B.C. (the "Development").

The Development is approximately 95% complete, with only minor repairs, painting, finishing, appliances, paving and landscaping required to complete the project and obtain final occupancy.

At the time of our appointment, the Development was being marketed by Debra Klassen of RE/MAX Real Estate Services. The Development was advertised with the MLS listing service and, according to Debra, as a result of a recent decrease in the pricing was attracting many prospective purchasers.

As a result of several trades not being paid, liens were registered on title that prevented the Company from being able to complete sales. Two purchasers with signed Contracts of Purchase and Sale are living in the units pending completion of their purchases. One of the Purchasers has advised the Receiver that he will not be proceeding with his purchase and will be moving out shortly.

Since being appointed the Receiver, through its investigations, has determined the following:

- Unpaid premiums and a compliance matter resulted in the insurer cancelling coverage. The Receiver has been able to arrange alternate insurance;
- The National Home Warranty program has been cancelled; and
- The Temporary Occupancy Permit issued by the District of Maple Ridge has expired.

The Receiver has been in communication with representatives of National Home Warranty and the District of Maple Ridge regarding the requirements to reinstate the home warranty program and issue an occupancy permit. These requirements are commented on later in this report.

III. Activities of Receiver since the Date of Appointment

The activities of the Receiver since being appointed can be summarized as following:

- Attending at the site to change the locks and ensure and that the Development was secure;
- Discussions and correspondence with insurer in relation to status of current insurance, receiving quotes from other providers and binding new coverage;
- Discussions and correspondence with National Home Warranty to understand the requirements for reinstatement of the existing policy or alternatively setting up new policy;
- Meeting with Matthew Weber, the former Project Manager, to discuss the status of the project and work required to complete the project;
- Meeting with developer, Tamara Turychenko, to discuss the status of the project and collect background information;
- Correspondence and discussions with the parties that had entered into Contracts of Purchase and Sale and currently occupying units 3 and 4 pending completion of their purchases;
- Correspondence and discussions with Colliers International regarding the value of the Development as is;
- Meeting and discussions with Debra Klassen, a Realtor retained by the Company to market the development, regarding the current market conditions in Maple Ridge and the interest she has seen for this Development;
- Meeting and discussions with Tom Thiessen, a realtor with RE/MAX Results Realty regarding the pricing and selling of this Development and market conditions generally in Maple Ridge;
- Retained the services of a consultant, to assist in identifying and quantifying the work required to complete the Development;
- Correspondence and discussions with representatives of the District of Maple Ridge regarding the status of the occupancy permits, security/maintenance deposits and outstanding letters of credit;

III. Activities of Receiver since the Date of Appointment

- Correspondence and discussions with certain contractors that had previously worked on this Development regarding the estimated work and cost required to complete their work;
- Preparation of budget to complete the project and estimate the proceeds that will be realized from the sale of units;
- Correspondence with various creditors of the Company in relation to the Receivership process and the outstanding amounts owing;
- Correspondence and discussions with Len McCabe of Westminster Savings Credit Union ("Westminster Savings") regarding the activities of the Receiver.
- Preparation of Form 87, Notice and Statement of Receiver, and mailing of same to developer, Superintendent of Bankruptcy and creditors.

IV. Development Liabilities

The estimated liabilities of the Development based on the Receiver's review of information provided by creditors, the developer and the previous project manager can be summarized as follows:

Secured Creditor (Westminster Savings)	\$5,900,000
Trades/Contractors & Other Lien Claimants	1,200,000
Other Unsecured Creditors	<u>50,000</u>
	<u>\$7,150,000</u>

The amount owed to Westminster Savings include Letters of Credit ("LC") issued to the District of Maple Ridge for site works that total approximately \$300,000. Upon completion of the site works these LC's will be cancelled.

V. Development Completion Costs

The Receiver has prepared an estimate of the costs to complete the Development based on a review of the current status of project including a site visit, meetings and discussions with contractors, quotes received from certain trades, information obtained from the previous project manager, and deficiency reports received from the District of Maple Ridge.

The costs have been broken into the following Phases:

Phase I – Costs to place insurance (3 months), reinstate Home Warranty Program (units 1-11), obtain temporary occupancy permits (units 1-11), complete deficiencies (units 1-11) and file new disclosure statement

Phase II – Costs to complete development and obtain final occupancy (units 1-19)

Completing Phase I, would allow Units 1 through 11 to marketed and sold. The proceeds realized from the sale of first two units sold would provide sufficient funds to cover the cost of completing Phase II.

The Receiver's estimate of Phase I and Phase II costs can be summarized as follows:

Estimated Phase I Costs	Low	High
Construction	\$ 8,000	\$ 10,000
Consultants Engineers	4,000	6,000
Disbursements		
<i>Home Warranty</i>	25,000	30,000
<i>Insurance</i>	14,000	14,000
<i>Disclosure Statement</i>	10,000	15,000
<i>New Home Buyer Guides</i>	4,000	5,000
<i>Miscellaneous/Contingency</i>	<u>5,000</u>	<u>10,000</u>
	<u>\$ 70,000</u>	<u>\$ 90,000</u>

V. Development Completion Costs

Estimated Phase II Costs	Low	High
Construction	\$ 170,000	\$ 250,000
Consultants Engineers	40,000	60,000
Disbursements		
<i>Home Warranty</i>	20,000	30,000
<i>New Home Buyer Guides</i>	5,000	5,000
<i>Insurance</i>	10,000	20,000
<i>Miscellaneous/Contingency</i>	<u>15,000</u>	<u>25,000</u>
	<u>\$ 260,000</u>	<u>\$ 390,000</u>
Estimated Phase 1 and Phase II Costs	<u>\$ 330,000</u>	<u>\$ 480,000</u>

The above estimates do not include the Receiver's fees and disbursements including any legal fees the Receiver incurs. The Receiver's estimates these fees and disbursements to be in the range of \$150,000 to \$250,000.

As well, the Receiver will be required to provide the following security deposits:

- District of Maple Ridge in the amount of \$10,000 before the temporary occupancy permit will be issued. The security deposit will be returned once the site works are completed; and
- National Home Warranty "(NHW)" to cover deficiencies and construction defects. The Security deposits will payable upon the sale of each unit and will be held for up to 5 years. The amount of the required security deposit has not yet been determined by NHW but will not exceed \$12,000 per unit.

VI. Estimated Recovery to Stakeholders

It is the Receiver's view that the highest recovery to the Stakeholders will be achieved by completing the Development and marketing the units for sale through the MLS using a reputable realtor.

The estimated Cash Receipts and Disbursements and recovery to Stakeholders can be summarized as follows:

Estimated Cash Receipts	Low	High
Sale of Units Individually	\$7,400,000	\$8,200,000
Less: Selling Costs	<u>(400,000)</u>	<u>(500,000)</u>
	\$7,000,000	\$7,700,000
Estimated Cash Disbursements		
Completion Costs		
Phase 1 Costs	90,000	70,000
Phase 2 Costs	<u>390,000</u>	<u>260,000</u>
	<u>480,000</u>	<u>330,000</u>
Estimated Net Cash (before professional fees)	6,520,000	7,370,000
Less Professional Fees	<u>250,000</u>	<u>150,000</u>
Estimated Net Cash	6,270,000	7,220,000
Estimated Distribution to Creditors		
Westminster Savings Credit Union	5,600,000	5,600,000
Lien Claimants	670,000	1,200,000
Other Unsecured Creditors	<u>-</u>	<u>50,000</u>
	<u>6,270,000</u>	<u>6,850,000</u>
Surplus Available to Developer	\$ <u>-</u>	\$ <u>370,000</u>

VII. Conclusions and Planned Course of Action

The Receiver is of the opinion that the development should be completed and the units sold through the MLS with a reputable Realtor in order to maximize the recovery to the Stakeholders for the following reasons:

- The estimated cost to complete the development is insignificant when compared to the overall value of the Development;
- The units in the Development cannot be sold individually unless the development is completed and an occupancy permit is obtained.
- If the Development is sold "as is" to a developer the sale price would likely be reduced by as much as \$1,500,000.

The Receiver intends complete phase I immediately using the authorized Receiver borrowings of \$100,000 to fund the costs. Once Phase I is complete the Receiver will engage a Realtor to market and sell units 1 through 11.

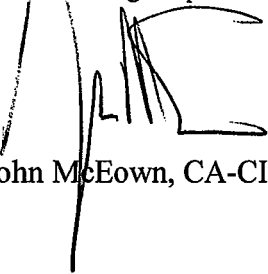
Upon completion of the first 2 sales the Receiver will have sufficient funds to proceed with completion of Phase II.

DATED At the City of Vancouver, British Columbia, this 25th day of April, 2013.

Yours very truly,

Boale, Wood and Company Ltd.

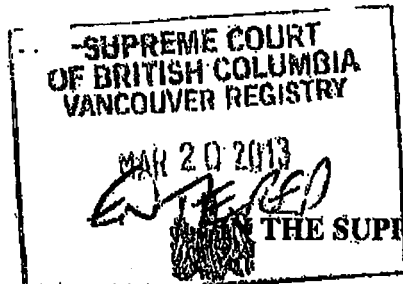
Receiver of the Property of
Maple Creek Living Corporation



Per: John McEown, CA-CIRP

APPENDIX A

Court Order Appointing Receiver



No. S-127811
Vancouver Registry

THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

WESTMINSTER SAVINGS CREDIT UNION

Petitioner

AND:

MAPLE CREEK LIVING CORPORATION, PAVLO TURICHENKO,
TAMARA TURYPHENKO, TT PACIFIC DEVELOPMENT LTD., DELTA
PACIFIC LANDSCAPING LTD., ARBUTUS HARDWOOD FLOORS INC.,
CONCOST MANAGEMENT INC., KENNETH MACRAE CARRYING ON
BUSINESS AS MACRAE POWER, ENTERPRISE SHEET METAL LTD.,
JAMIE ROBERTSON, JAKES CONSTRUCTION LTD., CANEX BUILDING
SUPPLIES LTD., RAHUL GLASS LTD., NORDSTAR KITCHENS LTD., F.V.
QUALITY DRYWALL, 492497 B.C. LTD. FORMERLY KNOWN AS GH
ALUMINUM & IRONWORKS INC. and COAST WHOLESALE
APPLIANCES INC.

Respondents

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE) WEDNESDAY, THE 20TH DAY
MADAM JUSTICE BALLANCE) OF MARCH 2013.

ON THE APPLICATION of Petitioner, Westminster Savings Credit Union, for an Order pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended (the "LEA") appointing **BOALE WOOD & COMPANY LTD.** as Receiver and Manager (in such capacity, the "Receiver") without security, of all of the assets, undertakings and properties of **MAPLE CREEK LIVING CORPORATION** (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor at 11384 Burnett Street Maple Ridge, coming on for hearing this day at the Courthouse, Vancouver, British Columbia.

AND ON READING the Affidavit #2 of Len McCabe sworn March 5, 2013 and the consent of **BOALE WOOD & COMPANY LTD.** to act as the Receiver; AND ON HEARING Alan A. Frydenlund, Counsel for Westminster Savings Credit Union, Brent B. Olthuis, Counsel for Maple Creek Living Corporation, Pavlo Turichenko, Tamara Turychenko, and TT Pacific Development Ltd., and no one else appearing although duly served.

THIS COURT ORDERS AND DECLARES that:

APPOINTMENT

1. Pursuant to Section 243(1) of the BIA and Section 39 of the LEA, **BOALE WOOD & COMPANY LTD.** is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor, (including all proceeds thereof) in respect of the real estate development and lands located at 11384 Burnett Street Maple Ridge, legally described as Strata Lots 1-19 District Lot 402, Group 1, New Westminster District, Strata Plan EPS641 (the "Property").

RECEIVER'S POWERS

2. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the other business, or cease to perform any contracts of the Debtor;
 - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;
 - (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
 - (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
 - (g) to settle, extend or compromise any indebtedness owing to the Debtor;
 - (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
 - (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
 - (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
 - (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - i) without the approval of this Court in respect of any transaction not exceeding \$25,000.00, provided that the aggregate consideration for all such transactions does not exceed \$100,000.00; and
 - ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,
- and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 shall not be required;
- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
 - (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
 - (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
 - (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtor;
 - (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
 - (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. Each of (i) the Debtor, (ii) all of the Debtor's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependant on maintaining possession) to the Receiver upon the Receiver's request.
4. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 4 or in paragraph 5 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.
5. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

6. No proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

7. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of Proceeding except for service of the initiating documentation on the Debtor and the Receiver.

NO EXERCISE OF RIGHTS OR REMEDIES

8. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. The stay and suspension shall not apply in respect of any "eligible financial contract" as defined in the BIA.

NO INTERFERENCE WITH THE RECEIVER

9. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

10. All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services of any kind to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed

upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

11. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post-Receivership Accounts") and the monies standing to the credit of such Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

12. Subject to the right of employees to terminate their employment notwithstanding paragraph 10, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities of the Debtor, including any successor employer liabilities as provided for in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay and amounts in respect of obligations imposed specifically on receivers by applicable legislation. The Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the Receiver may hire in accordance with the terms and conditions of such employment by the Receiver.
13. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

14. Nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a

contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, 1999, S.C. 1999, c. 33, the *Fisheries Act*, R.S.C. 1985, c. F-14, the *Environmental Management Act*, R.S.B.C. 1996, c. 118 and the *Fish Protection Act*, S.B.C. 1997, c. 21 and regulations thereunder (collectively, "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Receiver is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

15. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:
- (a) any gross negligence or wilful misconduct on its part; or
 - (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

16. The reasonable fees and disbursements of the Receiver and its legal counsel, in each case at their standard rates and charges, shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
17. The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.
18. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

19. The Receiver be at liberty and it is hereby empowered to borrow by way of advances to MAPLE CREEK LIVING CORPORATION from the Petitioner pursuant to the existing security a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as set out in the Petitioner's security for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge the sums advanced to MAPLE CREEK LIVING CORPORATION (the "Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
20. Neither the Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
21. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Certificates") for any amount borrowed by MAPLE CREEK LIVING CORPORATION pursuant to this Order.
22. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Certificates.

ALLOCATION

23. That any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Borrowings Charge amongst the various assets comprising the Property.

GENERAL

24. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
25. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
26. This Court requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All such courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an

officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.


27. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
28. The Petitioner shall have its costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the Petitioner's security or, if not so provided by the Petitioner's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
29. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
30. Endorsement of this Order by counsel appearing on this application other than the Petitioner is hereby dispensed.

THE FOLLOWING PARTIES APPROVE OF THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

APPROVED BY:



Signature of Alan A. Brydenlund, Lawyer for
the Petitioner, Westminster Savings Credit
Union



Signature of Brent B. Olthuis, Lawyer for the
Respondents, Maple Creek Living
Corporation, Pavlo Turichenko, Tamara
Turichenko and TT Pacific Development Ltd.

BY THE COURT



DISTRICT REGISTRAR