



No. S-127811  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**BETWEEN:**

WESTMINSTER SAVINGS CREDIT UNION

Petitioner

**AND:**

MAPLE CREEK LIVING CORPORATION, PAVLO TURICHENKO,  
TAMARA TURYPCHENKO, 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

**REQUISITION**

**HEREWITH:**

Please file the Second Report of the Receiver.

DATED: September 27, 2013

A handwritten signature in blue ink, consisting of a large, stylized initial 'A' followed by several loops and a long horizontal stroke.

\_\_\_\_\_  
Solicitor for Petitioner

Name and address of Solicitor for the Petitioner:

Alan A. Frydenlund, OWEN BIRD LAW CORPORATION, P.O. Box 49130, 2900 – 595  
Burrard Street, Vancouver, BC V7X 1J5 Tel.: (604) 688-0401

**No. S-127811  
Vancouver Registry**

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**BETWEEN:**

**Westminster Savings Credit Union**

**PETITIONER**

**AND:**

**Maple Creek Living Corporation**

**SECOND REPORT OF RECEIVER**

**Boale, Wood & Company Ltd.**

**September 27, 2013**

**Second Report**

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-

## **I. Activities of Receiver Since the date of its First Report to the Court**

Boale, Wood & Company Ltd. is the Court appointed Receiver-Manager ("Receiver"), of the assets of Maple Creek Living Corporation primarily being 19 strata lots under construction at 11384 Burnett Street, Maple Ridge (the "Development") pursuant to the Order of the Supreme Court of British Columbia pronounced March 20, 2013.

This is the Receiver's Second Report following the First Report to the Court on April 25, 2013. The Receiver has been attending to the completion and marketing of the Development. The Receiver's activities include, but are not limited to, the following:

- (a) Arranging re-instatement of the Development in the National Home Warranty Program;
- (b) Obtaining occupancy permits as required to sell units;
- (c) Arranging Strata Insurance for the Development;
- (d) Arranging for Strata Management Company for the Development;
- (e) Negotiating contracts to complete construction of the units and site works and obtaining necessary sign-offs from the various engineers and consultants;
- (f) Establishing list pricing for the units and entering into listing agreements;
- (g) Negotiating sales of units in the Development and entering into Contracts of Purchase and Sale;
- (h) Arranging for vesting orders for units sold and attending to all information required for Court applications;
- (i) Responding to various queries from lien claimants and other creditors;
- (j) Ongoing reporting to Westminster Saving Credit Union ("Westminster") with respect to the progress of construction and sales and expected recovery to Westminster;
- (k) Maintaining a Trust account for all receipt and disbursement of funds by the Receiver; and
- (l) Corresponding with purchasers with respect to closing and possession dates and deficiencies.

## II. Marketing of Strata Units in Development

The Receiver has worked closely with two realtors and a project marketing firm to establish list prices for the units in the Development, and has listed units of the Development for sale. The list prices chosen were lower than the prices set chosen by owner. A comparison of the list prices follows:

	<b>Pre-Receivership List Prices Includes GST</b>	<b>Pre-Receivership List Prices Excluding GST (estimated @ 5%)</b>	<b>Receivership List Prices Excluding GST</b>	<b>Difference</b>
Unit 1	\$429,900	\$409,400	\$389,900	- 5.0%
Unit 2	359,900	342,800	369,900	+7.3%
Unit 3	359,900	342,800	369,900	+7.3%
Unit 4	419,900	399,900	376,900	-6.1%
Unit 5	429,900	409,400	385,900	-6.1%
Unit 6	434,900	414,200	389,900	-6.2%
Unit 7	434,900	414,200	389,900	-6.2%
Unit 8	519,900	495,000	412,900	-19.9%
Unit 9	498,900	475,100	399,900	-18.8%
Unit 10	489,900	466,600	399,900	-16.7%
Unit 11	489,900	466,600	404,900	-15.2%
Unit 12	469,900	447,500	394,900	-13.3%
Unit 13	479,900	457,000	385,900	-18.4%
Unit 14	479,900	457,000	385,900	-18.4%
Unit 15	484,900	461,800	403,900	-14.3%
Unit 16	484,900	461,800	403,900	-14.3%
Unit 17	469,900	447,500	394,900	-13.3%
Unit 18	479,900	457,000	399,900	-14.3%
Unit 19	<u>484,900</u>	<u>461,800</u>	<u>404,900</u>	<u>-14.1%</u>
	\$ 8,702,100	\$ 8,287,400	\$ 7,464,100	-11.0%

## II. Marketing of Strata Units in Development

The units of the Development range from 2,200 square feet to 2,500 square feet. Based on the input received from the realtors and marketing firm, the interior units, being units # 8 through #19 are not superior to the exterior units and therefore should not have been priced significantly higher by the owner. The Receiver has priced the interior units more competitively.

The current list prices represent an 11% reduction in the list prices chosen by the owner however according to our listing agent, and based on feedback from the market the current list prices are still too high and should be reduced. The listing agent also believes that the maximum list price for any unit should be under \$400,000.

The units in the Development have been listed for sale since late June 2013 and to date there have been 4 sales approved by the Court and 4 sales awaiting subject removals and/or Court approval. The Receiver has attached as Appendix A to this report a Sales Status Report.

As a result of the anticipated sale prices the Receiver has revised its estimated recovery to stakeholders which is included in section 4 of this report.

### III. Revised Development Completion Costs

The Receiver's estimated Development completion costs as outlined in the Receiver's First Report ranged from \$330,000 to \$480,000. The revised Development completion costs which are based primarily on actual quotes follows:

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

<b>Estimated Phase I &amp; II Costs</b>	<b>Low</b>	<b>High</b>
Construction	\$ 325,000	\$ 380,000
Consultants Engineers	50,000	60,000
Disbursements		
<i>Home Warranty</i>	38,000	38,000
<i>Insurance</i>	44,000	44,000
<i>Disclosure Statement</i>	10,000	15,000
<i>New Home Buyer Guides</i>	9,000	10,000
<i>Miscellaneous/Contingency</i>	<u>15,000</u>	<u>25,000</u>
	<b><u>\$ 491,000</u></b>	<b><u>\$ 572,000</u></b>

The above estimates do not include the Receiver's fees and disbursements including any legal fees the Receiver incurs. The Receiver estimates these fees and disbursements to be in the range of \$150,000 to \$200,000.

As previously reported, the Receiver is also 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

### **III. Revised Development Completion Costs**

- 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 is \$5,000 per unit.

The revised Development completion costs are higher than originally estimated due to additional site work required to address slope issues relating to the driveway, additional work required to complete the riparian area and higher than estimated finishing/painting quotes.



#### IV. Estimated Recovery to Stakeholders

The Receiver has revised the estimated recovery to Stakeholders based on the updated information with respect to sale prices and completion costs. The revised estimated recovery to Stakeholders is as follows:

<b>Estimated Cash Receipts</b>	<b>Low</b>	<b>High</b>
Sale of Units Individually	\$6,900,000	\$7,200,000
Less: Selling Costs	<u>(250,000)</u>	<u>(300,000)</u>
	<b>\$6,650,000</b>	<b>\$6,900,000</b>
<b>Estimated Cash Disbursements</b>		
Completion Costs	491,000	572,000
Home Warranty Security Deposit	<u>95,000</u>	<u>95,000</u>
	<b>\$586,000</b>	<b>\$667,000</b>
<b>Estimated Net Cash (before professional fees)</b>	<b>6,064,000</b>	<b>6,233,000</b>
Less Professional Fees	<u>200,000</u>	<u>150,000</u>
<b>Estimated Net Cash</b>	<b>5,864,000</b>	<b>6,083,000</b>
<b>Estimated Distribution to Creditors</b>		
Westminster Savings Credit Union (see note)	5,700,000	5,700,000
Lien Claimants	164,000	383,000
Other Unsecured Creditors	<u>-</u>	<u>-</u>
	<b><u>6,270,000</u></b>	<b><u>6,178,000</u></b>
<b>Surplus Available to Developer</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

*Note: The Westminster Saving Credit Union amount shown does not include the liability with respect to Letters of Credit issued to the District of Maple Ridge totaling \$269,000.*

## V. Conclusions and Planned Course of Action

The Receiver expects to complete the construction of the units in the Development within the next two weeks and the landscaping by the ends of November.

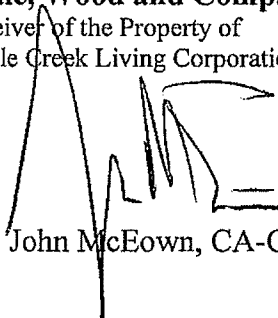
The revised estimated recovery to stakeholders indicates that there will be a substantial shortfall the lien claimants who collectively are owed approximately \$ 1,100,000 and the other unsecured creditors will not recover anything. The lien claimant will not receive a distribution until the outstanding Letters of Credit are cancelled by the District of Maple Ridge.

DATED At the City of Vancouver, British Columbia, this 27<sup>th</sup> day of September, 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**

**MAPLE CREEK LIVING CORPORATION**

**Sales Status Report**

# MAPLE CREEK LIVING CORPORATION

## Sales Status Report

Unit	List Price	Accepted Offer	Subject Removals	Court Approval	Closing
1	\$389,900	\$387,900	Removed	Approved	December 16 or sooner
2	369,900	365,000	Sept 30	Not Set	Within 7 days of Court Approval
3	369,900	369,900	Removed	Approved	Closed
4	376,900	372,400	Removed	Approved	Closed
5	385,900	376,000	Oct 18	Not Set	Within 7 days of Court Approval
6	389,900				
7	389,900	380,000	Removed	Sept 30	Within 7 days of Court Approval
8	412,900				
9	399,900				
10	399,900				
11	404,900	387,000	Removed	Approved	Sept 27
12	394,900				
13	385,900	382,950	Sept 25	Oct 10	Oct 23
14	385,900				
15	403,900				
16	403,900				
17	394,900				
18	399,900				
19	404,900				
		<b>\$7,464,100</b>	<b>\$3,021,150</b>		