



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 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

REQUISITION

REQUIRED:

Please file the attached Third Report of the Receiver.

DATED: June 23, 2014



Solicitor for the Receiver, Alan A.
Frydenlund

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
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IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

Westminster Savings Credit Union

PETITIONER

AND:

Maple Creek Living Corporation

RESPONDENTS

THIRD REPORT OF RECEIVER

Boale, Wood & Company Ltd.

June 20, 2014

Third 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 Third Report. The Receiver has been attending to the completion and sale of the 19 strata lot development. The Receiver’s activities include, but are not limited to, the following:

- (a) Obtaining occupancy permits as required to sell units;
- (b) Communicating with National Home Warranty representatives with respect to warranty coverage;
- (c) Communicating with Strata Management Company and owners in the Development;
- (d) Managing completion of the construction of the units and site works and obtaining necessary sign-offs from the various engineers, consultants District of Maple Ridge;
- (e) Negotiating sales of units in the Development and entering into Contracts of Purchase and Sale;
- (f) Arranging for vesting orders for units sold and attending to all information required for Court applications;
- (g) Responding to various queries from lien claimants and other creditors;
- (h) Ongoing reporting to Westminster Saving Credit Union (“Westminster”) with respect to the progress of construction and sales and expected recovery to Westminster;
- (i) Maintaining a Trust account for all receipt and disbursement of funds by the Receiver; and
- (j) Corresponding with purchasers with respect to closing and possession dates and deficiencies.

II. Sale of the Strata Units

The Receiver has now completed the sale of all the Strata units in the Development. A comparison of the list prices and sale prices follows:

	List Prices Includes GST	Revised List Prices Excluding GST	Sale Prices Excluding GST
Unit 1	\$389,900	\$389,900	\$387,900
Unit 2	369,900	369,900	363,000
Unit 3	369,900	369,900	351,501
Unit 4	376,900	376,900	372,400
Unit 5	385,900	385,900	374,000
Unit 6	389,900	389,900	375,000
Unit 7	389,900	389,900	380,000
Unit 8	412,900	404,900	393,000
Unit 9	399,900	389,900	383,500
Unit 10	399,900	389,900	381,000
Unit 11	404,900	404,900	387,000
Unit 12	394,900	394,900	390,500
Unit 13	385,900	385,900	382,950
Unit 14	385,900	385,900	381,000
Unit 15	403,900	399,900	389,000
Unit 16	403,900	399,900	389,000
Unit 17	394,900	389,900	383,500
Unit 18	399,900	389,900	384,500
Unit 19	<u>404,900</u>	<u>394,900</u>	<u>376,000</u>
	\$ 7,464,100	\$ 7,403,100	\$ 7,224,751

III. Estimated Development Completion Costs

The Receiver's has completed the construction of the Development, obtained all necessary approvals and transferred title to the purchasers. The Receiver's only remaining obligation is in respect of the warranty work.

Pursuant to the agreement entered into by the Receiver with National Home Warranty, the Receiver is responsible for the warranty work. To the extent that the Receiver does not complete the Warranty work, the deposits paid to National Home Warranty totaling \$114,000 would be used to fund any required warranty work. The deposits are held for 5 years from completion by National Home Warranty. If the warranty work costs exceed the deposits paid then National Home Warranty insurance would cover the shortfall. If the warranty work costs are less than the deposits paid then National Home Warranty would return the balance to the Receiver/Developer after 5 years.

The majority of the warranty work is done following an inspection that occurs one year after the warranty commencement date (occupancy dates). The Receiver expects the cost of the warranty work to be less than \$50,000 which is substantially less than the deposits held by National Home Warranty and, therefore, plans to complete the warranty work resulting from the one year inspection. It should also be noted that that the warranty work costs would likely be considerably higher if National Home Warranty carried out the warranty work.

Once the one year warranty work is completed, the Receiver intends to seek its discharge and let National Home Warranty complete any additional warranty work required which is expected to be of nominal costs.

The Receiver currently holds in trust \$166,300, after payment in full of the loan from Westminster Savings & Credit Union, which is significantly more than is likely required to cover the costs of the one year warranty work and the Receiver's administration costs.

IV. Estimated Recovery to Stakeholders

The Receiver's actual cash receipts and disbursements to date are as follows:

Actual Cash Receipts

Cash in bank at date of appointment	\$ 309
Receiver's borrowings	100,000
Sale of Units Individually	7,224,751
Miscellaneous Refunds & interest	1,041
GST collected (net of input tax credits)	503,858
Property Tax/Utility Recoveries	<u>6,209</u>
	\$7,836,168

Actual Cash Disbursement

Completion Costs	302,001
Repairs & Maintenance	13,714
Utilities	8,841
Insurance	43,798
Consultants/Engineers	82,743
Licenses & Fees	40,173
Security Costs	10,706
Property Management Fees	16,040
Real Estate Commissions	291,579
Property Taxes	72,249
Recoverable Deposits	182,012
Legal fees	85,082
Photocopies	805
Travel, courier, postage	414
Receiver Fees	115,000
PST	8,139
GST Paid	503,858
Repayment to Westminster Savings Credit Union	5,789,489
Repayment of Receiver's borrowings (incl. interest)	<u>103,225</u>
	\$7,669,868

Current Funds in Receiver's Trust Account **\$ 166,300**

IV. Estimated Recovery to Stakeholders

As mentioned earlier in this report, the Receiver's only remaining obligation is to complete the warranty work. The costs to complete one year warranty repairs are not expected to exceed \$50,000 and the warranty repair costs after the first year and up to the fifth year are expected to be nominal.

As there is still uncertainty with respect to the actual warranty repair costs, the Receiver intends to hold on to the funds it currently has in its trust account until the one year warranty work is complete.

The Receiver also expects to recover the following security deposits:

- Security deposits totaling approximately \$68,000 being held by District of Maple Ridge for a period of one year following the issuance of the final occupancy permit in March 2014.
- A portion of the deposits held by National Home Warranty totaling \$114,000 after deducting any warranty expenses incurred after the first year.

The Receiver's estimate of funds available for the lien claimants after completion of the one year warranty repairs and recovery of the security deposits from the District of Maple Ridge follows:

Estimated Cash Receipts

Current Funds in Receiver's Trust Account	\$166,300
Estimated Recovery from District of Maple Ridge	68,000
Estimated Recovery from National Home Warranty	<u>100,000</u>
	\$334,300

IV. Estimated Recovery to Stakeholders

Estimated Cash Disbursements

Outstanding bills	2,000
One Year Warranty Repair Costs	50,000
Receiver's Fees & Disbursements	<u>30,000</u>
	\$ 82,000

Estimated Funds Available for Lien Claims **\$252,300**

There will be no fund available for the unsecured creditors and shareholders of Maple Creek Living Corporation.

V. Conclusions and Planned Course of Action

The Receiver has completed the sale of all the Strata units in the Development and will be completing the one year warranty repairs during the next 12 months.

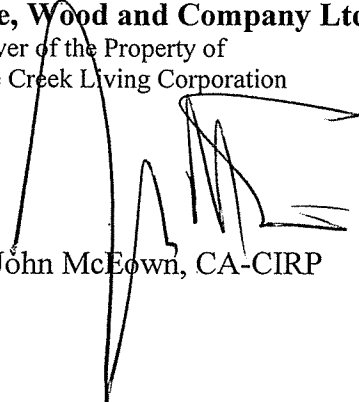
Once the one year warranty repairs are completed and any outstanding security deposits held by the District of Maple Ridge are recovered, the Receiver intends to make application to Court for its discharge and direction with respect to the payout of surplus funds in holds at that time and any funds that might be returned from National Home Warranty after five years.

DATED At the City of Vancouver, British Columbia, this 20th day of June, 2014.

Yours very truly,

Boale, Wood and Company Ltd.

Receiver of the Property of
Maple Creek Living Corporation



Per: John McEown, CA-CIRP