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1103-02937

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

PLAINTIFF

ALBERTA TREASURY BRANCHES

DEFENDANT

ELABORATE HOMES LTD., ELABORATE
DEVELOPMENTS INC., MANJIT (JOHN)
NAGRA, JASWINDER NAGRA

DOCUMENT

FIRST REPORT TO THE COURT
SUBMITTED BY
PRICEWATERHOUSECOOPERS INC. IN ITS
CAPACITY AS RECEIVER OF ELABORATE
DEVELOPMENTS INC.

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

Miller Thomson LLP
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Phone: 780-429-9719
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**Attention: Rick T. G. Reeson /
Terrence M. Warner**

**FIRST REPORT TO THE COURT
SUBMITTED BY PRICEWATERHOUSECOOPERS INC.,
IN ITS CAPACITY AS RECEIVER OF ELABORATE DEVELOPMENTS INC.**

INTRODUCTION

1. On February 22, 2011, PricewaterhouseCoopers Inc. was appointed as Receiver (the "Receiver") of all the current and future assets, undertakings and properties of Elaborate Developments Inc. ("Developments" or the "Company") pursuant to the provisions of an Order (the "Order") granted by the Court of Queen's Bench of Alberta (the "Court"). A copy of this Order is attached as Exhibit 1.
2. Developments was established in Grande Prairie in 2000. Developments is in the business of commercial and residential real property development and sales.
3. Set out herein is the first report (the "First Report") of the Receiver. The purpose of this report is to update the Court on the status and activities of the Receiver to date including the Receiver's asset realization strategy and advise the Court on any matters that the Receiver submits are relevant.
4. In preparing this First Report the Receiver has relied upon unaudited financial information, the records of Developments and discussions with previous management of Developments. The Receiver has not performed an audit, review or other verification of such information. The Receiver does not express an opinion on the information contained herein except as expressly stated.
5. It is recommended that this First Report be read in conjunction with the first report of the Receiver for Elaborate Homes Ltd. of the same date.

POSSESSION & CUSTODY

6. Subsequent to our appointment as Receiver, we attended the Developments' head office in Grande Prairie, Alberta and met with Manjit and Jaswinder Nagra (collectively referred to as the "Nagras"), the principals of Developments. In this meeting we provided them with a copy of the Order and discussed the receivership process, various operational matters as well as our proposed future course of action.
7. In addition, the Receiver completed numerous preliminary receivership activities including the following:
 - Secured the head office by changing the locks and security alarm codes as well as contacting the alarm monitoring company to notify them of our appointment.
 - Cancelled all Company credit cards.
 - Reviewed Developments' computer network infrastructure to ensure its integrity and ability to prevent unauthorized remote access.

- Completed a back-up of Developments' computer records and arranged for off-site storage of these records.
 - Reviewed and ensured the adequacy of Developments' insurance coverage and had the Receiver added as an additional named insured and loss payee on the existing policies.
 - Changed the status of the bank account held by Developments to "deposit only" and established a new account in the name of the Receiver.
 - Performed searches at the Personal Property Registry ("PPR") to identify lessors and other parties claiming security interests in specific assets.
 - Completed all statutory administrative requirements as outlined in the *Bankruptcy and Insolvency Act*.
8. These steps were performed concurrently with the possession and custody of the assets of Elaborate Homes Ltd.
9. Developments has extremely poor accounting and management information systems. Consequently, we have been unable to obtain or generate timely and accurate financial information, and in most instances, various assets and liabilities of Developments are not distinguished as between Developments and Elaborate Homes Ltd. Therefore, on numerous occasions, the Receiver has had to use financial information from various sources in an attempt to reflect the financial status of Developments as at the date of receivership.

ASSETS

Cash

10. At the date of our appointment, Developments maintained one bank account at ATB Financial ("ATB") with a balance of \$11,012.96.
11. Upon our appointment we contacted ATB and requested that the accounts be changed to "deposit only" to ensure that it would continue to accept any electronic payments from customers or other account debtors. Also, as indicated previously, we have established a new operating account in the name of the Receiver.

Accounts Receivable

12. As at the date of our appointment, the records of Developments indicated an accounts receivable balance of approximately \$1.5 million as detailed in Exhibit 2. However, we anticipate that contra claims and write-offs will reduce this balance to approximately \$1.4 million, as summarized below:

	\$
Accounts receivable balance as at February 22, 2011	<u>1,473,270</u>
LESS: Contra claims and write-offs	<u>(72,440)</u>
Adjusted balance as at February 22, 2011	1,400,830
LESS: Collections to March 21, 2011	<u>-</u>
Adjusted accounts receivable as at March 21, 2011	<u><u>1,400,830</u></u>

13. Based on our review of these accounts and our discussions with the former management of Developments, we anticipate that this balance is likely significantly overstated as a number of sales transactions appear to have been posted to the accounts receivable sub-ledger prior to the actual sale being completed by Developments. We have retained several employees on a contract basis to assist in the review of these accounts.
14. At this time, we have postponed issuing signification letters to account debtors until we understand the nature and the validity of the various accounts receivable balances.
15. We will update the Court further on the status of these accounts in subsequent Receiver's reports.

Balances Due From Related Parties

16. The records of Developments appear to reflect numerous significant advances to companies that may be related to it. The Receiver is currently reviewing the nature of these advances and whether any amounts can be realized from them. We will report on the status of this review in subsequent reports to the Court.

Land Inventory

17. As at the date of our appointment, Developments has 100 vacant lots located in three separate real estate developments in the Grande Prairie region.

18. Although the book value of this land inventory is approximately \$9.1 million, we have been unable to find support in the records to reconcile this balance and attribute a cost to each individual lot. However, the Company's records reflect an estimated market value of these lots of approximately \$8.9 million. A detailed list of these lots is attached as Exhibit 3 and summarized below:

Area / Subdivision	# of Lots	Builder's Price
		\$
Signature Falls	57	4,042,200
Copperwood	42	4,527,200
Copperwood - farm land	1	309,900
Total	100	8,879,300

19. The Receiver has completed searches at the Alberta Land Titles registry and confirmed that these lots are registered in the name of Developments. In addition, the Receiver has registered its interest against the title for every property.
20. The Receiver has requisitioned an independent appraisal of these lots which is expected to be received during the third week of April.
21. The Receiver has been advised by the City of Grande Prairie (the "City") that there is likely a significant amount owing to the City in respect of the development of the land inventory under various servicing agreements. This potential claim by the City is discussed later in this report.

House Inventory

22. As at the date of our appointment, Development's house inventory was comprised of 5 houses most of which are very early in their construction.
23. A detailed list of the 5 houses is attached as Exhibit 4 and summarized below.

Area / Subdivision	# of Lots	Builder's Price
		\$
Signature Falls	2	349,757
Copperwood	3	436,129
Total	5	785,886

24. We have reviewed the merits of completing these houses and have concluded that it is not viable to do so for numerous reasons including the following:

- The costs to complete the houses are significant as these houses are in the early stages of completion with no guarantee of a sale once the work is completed.
 - Notwithstanding the terms of the Order, several sub-contractors have indicated that the entire balance due to them must be paid before they will provide service.
 - It is anticipated that the completion and sale of houses on a piecemeal basis will jeopardize the Receiver's ability to sell the Company's assets "en-bloc".
 - Based on the sales completed to date by the Receiver (discussed below), the costs and efforts to complete individual transactions is significantly higher than originally estimated due primarily to various complicating issues such as title transfers, lien discharges, etc.
 - It is the Receiver's understanding that coverage under The Alberta New Home Warranty Program would not be provided for houses completed and sold by the Receiver unless significant additional premiums were paid or a letter of credit was provided.
25. The Receiver has completed searches at the Alberta Land Titles registry and has confirmed that these properties are registered in the name of Developments. In addition, the Receiver has registered its interest against the title for each property.
26. The Receiver has requisitioned an independent appraisal of these houses which is expected to be received during the third week of April.

Deposits on Land

27. Developments' records reflect a balance of approximately \$200,000 recorded as "Deposits on Land" as at February 22, 2011.
28. We are advised that these deposits represent amounts that Developments has paid to secure additional real property. We are currently reviewing the contracts associated with these deposits to determine the Receiver's ability to recover or assign them to a purchaser of Developments' assets. However, based on our initial review, we anticipate that this balance is likely overstated.
29. We will advise the Court of the status of these deposits in subsequent Receiver's reports.

Life Insurance Policy

30. The records of Developments reflect a life insurance policy with a cash surrender value of approximately \$18,000. We have requested a copy of this policy from the insurance company to determine the nature of the policy and whether any funds are recoverable. We will advise of the status of this policy in subsequent reports to the Court.

SECURED CREDITORS

31. As previously indicated, we performed a search of the PPR and in addition to the security held by ATB, the plaintiff to this action, the following secured creditor was identified:

<u>Secured Party</u>	<u>Date of Registration</u>	<u>Description of Registration</u>
Alberta New Home Warranty Program	June 22, 2001	All present and after acquired personal property.
Canadian Western Bank	May 27, 2005	All debts and liabilities of 1094047 Alberta Inc. to the debtor.
Alberta Treasury Branches	March 17, 2008	All present and after acquired personal property.
Royal Bank of Canada	August 26, 2008	All debts and liabilities of 1342648 Alberta Ltd. to the debtor.
Servus Credit Union Ltd.	September 10, 2008	All present and after acquired personal property and all debts and liabilities of 858093 Alberta Ltd. to the debtor.
Alberta Treasury Branches	May 6, 2009	All debts and liabilities of Elaborate Homes Ltd. to the debtor.
De Lage Landen Financial Services Canada Inc.	June 4, 2009	Various pieces of equipment.
Great West Truck Lease & Rentals Ltd.	June 12, 2009	Various pieces of equipment.
Ford Credit Canada Limited	November 19, 2009	Ford F350 truck.
Pan-Canadian Mortgage Group III Inc.	August 18, 2010	All debts and liabilities of New View Alliance Ltd. to the debtor.
Alco Industrial Inc.	August 31, 2010	All present and after acquired personal property.

32. We have requested the pay-outs and copies of the security agreements from the secured parties and lessors listed above.
33. In addition to the PPR registrations, we reviewed land title searches for each property and advise that a number of parties, including ATB, 1362737 Alberta Ltd., Grant Althan and N.P.A. Ltd. have registered mortgages and liens which may rank ahead of the secured creditors listed above.
34. Legal counsel for the Receiver, Miller Thomson LLP, will be reviewing the security of the various secured parties including ATB and Servus Credit Union and providing comment on the validity of this security. Further, as indicated in the schedule above, Developments has issued several guarantees in respect of the indebtedness of other companies owned by the Nagras and our counsel will be reviewing these guarantees, as necessary, in due course.
35. Also, we are advised that in February 2011, 1362737 Alberta Ltd. was granted a mortgage by Developments in the amount of approximately \$3.2 million. We have requested that this company provide us with a copy of these mortgage documents and we will provide further comment in subsequent reports.

Letters of Guarantee

36. Several Letters of Guarantee totalling approximately \$1.4 million were issued to the City by ATB on behalf of Developments in respect of numerous Servicing Agreements for municipal improvements to be performed by the Company.

37. In correspondence received on March 18, 2011, the City notified the Receiver of its intent to formally demand on these Letters of Guarantee once it has completed its final determination of the quantum of the deficiencies with respect to these improvements, if any.
38. Once this formal demand is received, the Receiver will review the claim and its validity with the Receiver's legal counsel. These claims may also be assumed by the ultimate purchaser of Development's land assets. In the interim, the City has filed a caveat against the real property of Developments.

Lien Claimants

39. After the date of our appointment, N.P.A Ltd. filed liens against the real property of Developments.
40. The Receiver has requested that all lien claimants provide support for their claim including an affidavit to enable us to determine if it is valid and enforceable.
41. We will advise the Court of the status of this lien in subsequent Receiver's reports.

PRIORITY CLAIMS

Canada Revenue Agency ("CRA")

Source Deductions

42. We notified CRA of our appointment and requested they perform a final audit of the account of Developments. We do not anticipate any claim by CRA as it is our understanding that all employees were part of Elaborate Homes Ltd.
43. Any claim from CRA for an employee's portion of unremitted source deductions will rank ahead of the security held by the various secured creditors.

Goods & Services Tax ("GST")

44. We notified CRA of our appointment and requested a final audit of the pre-receivership GST account of Developments. We anticipate that there will likely be a GST liability to the extent of the input tax credits claimed on unpaid accounts payable of approximately \$31,000.
45. Any GST obligations incurred subsequent to our appointment are being met in the normal course.

Workers' Compensation Board of Alberta ("WCB")

46. We notified WCB of our appointment and requested they perform a final audit to determine the extent of any pre-receivership liability; however, to date we have received no response from them.

ONGOING OPERATIONS

Contractors

47. The Receiver has retained three former employees of Elaborate Homes Ltd. on a contract basis to assist with the administration of this estate, including the collection of outstanding accounts receivable and the completion of pending lot sales that had been entered into by Developments prior to the date of receivership, as discussed below.

Land Sales

48. As at the date of receivership, Developments had entered into agreements for the sale of five lots which had not yet been finalized. The Receiver reviewed the terms of these sale agreements ensuring they were with parties dealing at arm's length to Developments and at prices equal to or above fair market value. The Receiver then proceeded to contact the parties to each agreement to determine if they were prepared to complete the purchase of the lot pursuant to the existing agreement.
49. In this regard, pursuant to S. 3(1)(ii) of the Order, the Receiver has completed all five of these sales and the secured claims against these properties were voluntarily discharged on the understanding that priorities to the funds will be determined at a later date. To reduce ongoing interest charges, the Receiver has caused to be paid to ATB \$316,885.45 to be applied against their secured claim. Payments to the secured creditors have been made pursuant to a claw back arrangement that requires the secured creditor to refund any amount paid to them that is determined in the future to not rank in priority to other claims against these proceeds.
50. We have reviewed the merits of continuing to sell single lots and have concluded that it is not viable to do so for numerous reasons including the following:
- Notwithstanding the terms of the Order, several sub-contractors have indicated that the entire balance due to them must be paid before they will provide service should any lot require addition work to prepare it for sale.
 - It is anticipated that the sale of lots on a piecemeal basis will jeopardize the Receiver's ability to sell Developments' assets "en-bloc".
 - Based on the sales completed to date by the Receiver, the costs and efforts to complete individual transactions is significantly higher than originally estimated due primarily to various complicating issues such as title transfers, lien discharges, etc.

REALIZATION STRATEGY

51. As indicated above, after determining it was not viable to sell individual lots, our approach has been to maintain very limited operations of Developments while the assets are tendered for sale pursuant to S. 3(k) of the Order.

52. To aid in the sale of the assets, the Receiver in conjunction with its Corporate Finance team has prepared a salient fact sheet and a detailed information package including terms and conditions of sale and a form of offer. This salient fact sheet and detailed information package includes the assets of both Developments and Elaborate Homes Ltd. Interested parties can offer on specific land parcels or offer on all the lots as a complete package.
53. The salient fact sheet has been sent (via facsimile or email) to parties whom the Receiver considered might be interested in purchasing the assets. To date we have sent it to 160 parties throughout North America and made it available to all PricewaterhouseCoopers offices in Canada. Also, we will be proceeding to place advertisements for this opportunity in the Grande Prairie Daily Herald Tribune, the Edmonton Journal, the Calgary Herald and the Globe & Mail. Interested parties will be directed to contact the Receiver to obtain a copy of the detailed information package.
54. We anticipate that serious prospects will require a significant amount of information to complete their due diligence; therefore, the Receiver will be facilitating site tours and will be establishing an electronic "data room" which will contain such information as engineering data, site plans, financial data and other relevant due diligence material.
55. We have established a deadline for the submission of offers at the close of business on May 6, 2011 in order that we can report back to the Court on the offers received and provide our recommendation by the middle of May, 2011. Parties submitting offers will be requested to allocate their offers against specific assets to assist in the allocation of the sale proceeds among the various secured creditors including mortgage and lien holders.
56. The Receiver has commissioned an appraisal of the land to assist in the evaluation of the offers received.
57. The Receiver is of the view that this realization strategy will result in the highest realizations to the creditors of Developments and will be completed in a relatively short period of time. ATB and Servus Credit Union have indicated their support for this proposed course of action. Further, we have discussed our approach with Mr. Nagra and he has not expressed any concerns with our approach.

OTHER MATTERS

58. The Receiver is currently reviewing the books and records of Developments and the details of several significant transactions with third parties and parties related to the Company in the period immediately preceding the receivership to identify any preferences and transfers at undervalue as defined in the *Bankruptcy and Insolvency Act*.
59. To date, a number of transactions have been identified for further review (e.g. transfers of assets to creditors) and we will report on our findings in subsequent reports.

RECEIPTS AND DISBURSEMENTS

60. We attach as Exhibit 5 a Statement of Receipts and Disbursements for the period February 22, 2011 to March 16, 2011, which indicates an excess of receipts over disbursements of \$66,883.96.

61. We propose to retain these funds in the Receiver's trust account to cover the Receiver's liabilities and other costs associated with the proposed realization process. Further, no funds will be distributed until an opinion on the validity of the security held by each secured creditor and lien holder has been received.

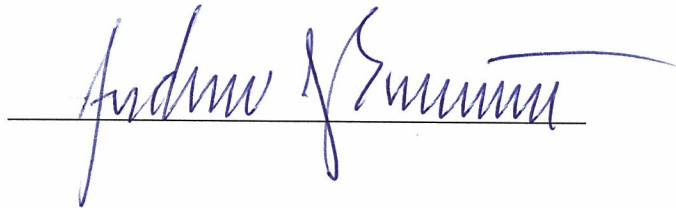
FUTURE COURSE OF ACTION

62. The Receiver will proceed as follows in respect of the administration of this estate:

- Proceed with the asset realization strategy detailed above including obtaining an appraisal of the assets of Developments;
- Review various transactions that appear to be preferences and transfers at undervalue;
- Continue with the realization of other assets including the outstanding accounts receivable and the life insurance policy; and,
- Resolve all potential priority and third party claims.

All of which is respectfully submitted this 21st day of March, 2011.

PRICEWATERHOUSECOOPERS INC.,
In its capacity as Receiver of Elaborate Developments Inc.

A handwritten signature in blue ink, reading "Andrew J. Summitt", is written over a horizontal line.

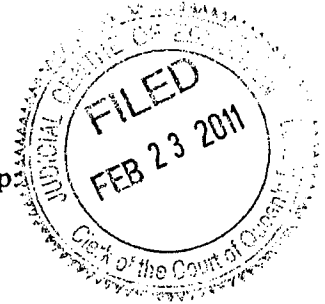
FIRST REPORT TO THE COURT
SUBMITTED BY PRICEWATERHOUSECOOPERS INC.,
IN ITS CAPACITY AS RECEIVER OF ELABORATE DEVELOPMENTS INC.

LIST OF EXHIBITS

1. Court Order dated February 22, 2011.
2. Accounts Receivable as at February 22, 2011.
3. Land Inventory as at February 22, 2011.
4. Lot Inventory as at February 22, 2011
5. Statement of Receipts and Disbursements for the period February 22, 2011 to March 16, 2011.

Exhibit 1

Clerk's stamp



COURT FILE NUMBER

1103-02937

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

IN THE MATTER OF THE INSOLVENCY OF
ELABORATE DEVELOPMENTS INC.

PLAINTIFF

ALBERTA TREASURY BRANCHES

DEFENDANTS

ELABORATE HOMES LTD., ELABORATE
DEVELOPMENTS INC., MANJIT (JOHN)
NAGRA, JASWINDER NAGRA

DOCUMENT:

CONSENT RECEIVERSHIP ORDER

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

Douglas H. Shell, Q.C.
Davis LLP
Barristers and Solicitors
1201 Scotia 2 Tower
10060 Jasper Avenue
Edmonton, Alberta T5J 4E5
Phone: 780-429-6811
Fax: 780-702-4360
File No.: 55209-00082/dys

I hereby certify this to be a
true copy of the original.

for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED:

February 22, 2011

NAME OF JUSTICE WHO MADE THIS ORDER:

Justice J.J. Gill

LOCATION:

Edmonton

UPON APPLICATION OF THE PLAINTIFF AND UPON HEARING READ the
Application and the Affidavit of Judy Helmig on behalf of the Plaintiff, filed; AND UPON

NOTING the copies of title to some of the lands subject to the Plaintiff's security registered in the name of Elaborate Developments Inc. (the "**Debtor**"), together with the Alberta Personal Property Registry February 22, 2011 search results for all registrations registered against the Debtor;

AND UPON NOTING THE CONSENT of the solicitor for the Defendants and of PricewaterhouseCoopers Inc. endorsed hereon;

AND UPON HEARING COUNSEL FOR THE PLAINTIFF, the Defendants and Servus Credit Union;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of the application for this Order is hereby abridged and service thereof is deemed good and sufficient.

APPOINTMENT

2. Pursuant to sections 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**"), 13(2) of the *Judicature Act*, R.S.A. 2000, c.J-2, 99(a) of the *Business Corporations Act*, R.S.A. 2000, c.B-9, and 65(7) of the *Personal Property Security Act*, R.S.A. 2000, c.P-7 PricewaterhouseCoopers Inc. is hereby appointed Receiver (the "**Receiver**"), without security, of all of the Debtor current and future assets, undertakings and properties real and personal of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

3. 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 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 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 or by 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, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court.

- (k) to market any or all 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 (the "**Disposition**") or any part or parts thereof:
 - (i) without the approval of this Court if the Disposition is of personal property at a price determined by the Receiver to be commercially reasonable, provided that the aggregate consideration for any and all such transactions shall not exceed \$100,000.00, and notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c.P-7 shall not be required;
 - (ii) without the approval of this Court if the sale is of the Debtor's real property in the ordinary course of business of the Debtor, at a price determined by the Receiver to be commercially reasonable, and if the transfer of the Debtor real property is signed by the Receiver under corporate seal on behalf of the Debtor (the "**Transfer**"), and notwithstanding subsection 191(1) of the Land Titles Act, R.S.A. 2000, c. L-4, as amended, the Registrar of the Alberta Land Titles Office shall register such Transfer signed by the Receiver under corporate seal on behalf of the Debtor to effect the transfer of the Debtor's lands legally described in the Transfer to the applicable purchaser named in the Transfer (provided always that the Receiver, by signing the Transfer under corporate seal on behalf of the Debtor, does not make any representations

or warranties to the purchaser named in the Transfer in respect of the sale of the lands described in the Transfer); and

- (iii) with the approval of this Court if the Disposition is of real property, and any personal property in which the aggregate purchase price exceeds the applicable amount set out in the preceding clause;
- (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 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 thought desirable 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 limiting the generality of the foregoing, 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

4. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel (except for and without waiver of legal privilege), 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.
5. 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 5 or in paragraph 6 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 documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by 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 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

7. 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

8. 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: (i) 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 8; and (ii) affect a Regulatory Body's investigation in respect of the debtor or an action, suit or proceeding that is taken in respect of the debtor by or

before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "Regulatory Body" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province.

NO EXERCISE OF RIGHTS OF REMEDIES

9. 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 this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. 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. Nothing in this Order shall prohibit any party to an "eligible financial contract" (as defined in section 11.1(1) of the *Companies' Creditors Arrangement Act*) with the Debtor from terminating such contract or exercising any rights of set-off, in accordance with its terms.

CONTINUATION OF SERVICES

11. 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 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 this Court directs 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

12. 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. It is noted that PricewaterhouseCoopers Inc. is also being concurrently appointed in this Action as a Receiver of Elaborate Homes Ltd. ("**Homes**"), and the Post Receivership Accounts for the Debtor shall be kept separate and apart from the accounts maintained for the receivership of Homes.

EMPLOYEES

13. Subject to employees' rights to terminate their employment, 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, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 ("WEPPA").

14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall 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

15. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
 - (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.

- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
 - (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
 - A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
 - (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
 - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or

- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

- 16. The Receiver shall incur no liability or obligation as a result of its appointment or carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the WEPPA. Nothing in this Order shall derogate from the protection afforded to the Receiver by Section 14.06 of the BIA or any other applicable legislation.

RECEIVER'S ACCOUNTS

- 17. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, incurred both before and after the making of this Order in respect of these proceedings, and, subject to paragraph 21 hereof, 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 section 14.06(7), 81.4(4) and 81.6(2) of the BIA.
- 18. The Receiver of the Debtor, and PricewaterhouseCoopers Inc. as receiver of Homes, shall throughout allocate their respective fees and disbursements, and that of their solicitor, as between the Debtor and Homes having regard to whether the services rendered are in respect of the Debtor receivership or the Homes receivership; and where any such services relate to both the Debtor and Homes, the allocation of such fees and disbursements shall be done on a fair and reasonable basis as reported from time to time.

19. The Receiver and its legal counsel shall pass their accounts from time to time; but 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 the 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

20. Save as ordered in paragraph 21, the Receiver be at liberty and it is hereby empowered to borrow by way of 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 \$500,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable 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. Save as ordered in paragraph 21 below, the whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's 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 set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.
21. Provided always, in the event the Receiver determines it is commercially reasonable to complete any home in the course of being constructed on any Debtor lands to best maximize realization from such lands, such borrowings shall be made by the Receiver from the Plaintiff, and the Receiver's Borrowings Charge for any such borrowing shall be in priority to all security interests, trust, liens, charges and encumbrances, statutory or otherwise, in favour of the Plaintiff and any other person, as against only the Debtor lands upon which the home is completed, but such borrowing shall not rank in priority to

the security interests, trust, liens, charges and encumbrances, statutory or otherwise, in favour of any other Person as against any other Property of the Debtor.

22. Neither the Receiver's 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.
23. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
24. Save as ordered in paragraph 21, 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 Receiver's 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 Receiver's Certificates.

ALLOCATION

25. Save as ordered in paragraph 21 hereof, the Receiver and any other 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 the balance of the Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

26. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
27. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
28. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order.

All courts, tribunals, 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.

29. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that 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.
30. The Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff'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.
31. Any interested party may apply to this Court to vary or amend this Order on not less than 7 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.
32. Unless otherwise ordered by the Court, all information, facts and other evidence of the Receiver in respect of any and all applications made in the Debtor receivership, may be made by the Receiver's reports filed from time to time in this Action.
33. Nothing in this Order shall prevent the Plaintiff from seeking further and additional relief against any one or more of the Defendants in this Action, including without limitation, the Plaintiff's ongoing right to take proceedings against the individual Defendants, Manjit (John) Nagra and Jaswinder Nagra for judgment upon their guarantee of the present and future debts of Homes and against the Defendant Manjit (John) Nagra for judgment upon his guarantee of the present and future debts of the Debtor.

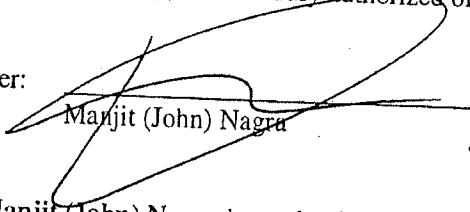
34. The Registrar of Land Titles is directed to register a copy of this Order in the Land Titles Office against the title to any land registered in the name of the Debtor, notwithstanding the requirements of subsection 191(1) of the *Land Titles Act*, R.S.A. 2000, c.L-4, as amended.
35. The endorsed consents on this Order, made by signatures e-mailed or faxed to the Plaintiff's solicitors are binding on the parties consenting to this Order notwithstanding that such endorsed consents before a presiding witness may be made prior to the filing of the Plaintiff's Statement of Claim in this Action.
36. For the purpose of reporting to the Office of the Superintendent in Bankruptcy, a separate estate number shall be issued for the Debtor receivership, distinct from the receivership of Homes.

"Justice J.J. Gill"
Justice of the Court of Queen's Bench of Alberta

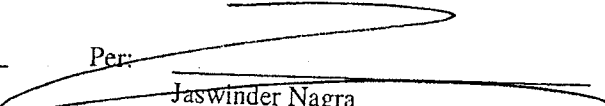
The Defendants hereby consent to this Order before a presiding witness

ELABORATE HOMES LTD. and ELABORATE DEVELOPMENTS INC.,
under the hand(s) of their duly authorized officer(s)

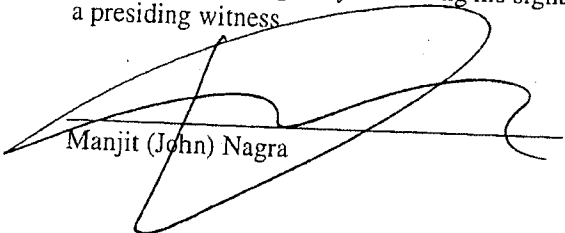
Per:



Manjit (John) Nagra

Per:

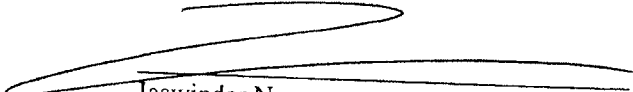


Jaswinder Nagra

Manjit (John) Nagra by endorsing his signature before
a presiding witness


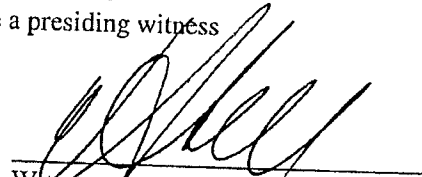

Manjit (John) Nagra


Witness

Jaswinder Nagra by endorsing her signature before
a presiding witness


Jaswinder Nagra
Witness

PricewaterhouseCoopers Inc. hereby consents to this Order
under the hand of its duly authorized officer before a presiding witness


Donald MacLean
Witness:

AFFIDAVIT OF EXECUTION

CANADA)
PROVINCE OF ALBERTA)
TO WIT)

I, Mark Sexton, of the City of Edmonton, in the
Province of Alberta, MAKE OATH AND SAY:

1. THAT I was personally present and did see Manjit (John) Nagra and Jaswinder Nagra,
the duly authorized officers on behalf of each of Elaborate Homes Ltd. and Elaborate
Developments Inc., named in the within Consent Order, who are personally known to me to be
the persons named therein, duly sign and execute the same for the purpose of consenting to the
within Order.

2. THAT the same was executed at the City of ^{CMH}~~Grande Prairie~~ ^{✓ Edmonton ✓ CMH}, in the Province Alberta, and
that I am the subscribing witness thereto.

3. THAT I know the said Manjit (John) Nagra and Jaswinder Nagra and they are each in
my belief of the full age of eighteen (18) years.

^{CMH Edmonton ✓ CMH}
SWORN BEFORE me at the City of ~~Grande~~)
~~Prairie~~, in the Province of Alberta this)
22nd day of February, 2011.)
)
)
)
)
)
)

A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA

CAROL NG

Commissioner For Oaths In And
For The Province Of Alberta

My Commission Expires December 22, 2012



AFFIDAVIT OF EXECUTION

CANADA)
PROVINCE OF ALBERTA)
TO WIT)

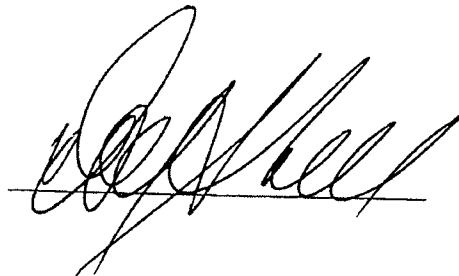
I, Douglas A. Steel, of the City of Edmonton, in the Province of Alberta, MAKE OATH AND SAY:

1. THAT I was personally present and did see Donald MacLean, authorized attorney of PricewaterhouseCoopers Inc., named in the within Consent Order, who is personally known to me to be the person named therein, duly sign and execute the same for the purpose of consenting to the within Order.
2. THAT the same was executed at the City of Edmonton, in the Province Alberta , and that I am the subscribing witness thereto.
3. THAT I know the said Donald MacLean and he is in my belief of the full age of eighteen (18) years.

SWORN BEFORE me at the City of)
Edmonton, in the Province of Alberta this)
22 day of February, 2011.)
)
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)
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A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA

MARK A. SAXTON
Barrister & Solicitor



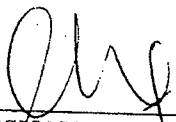
AFFIDAVIT OF EXECUTION

CANADA)
PROVINCE OF ALBERTA)
TO WIT)

I, Mark Sacton, of the City of Edmonton, in the
Province of Alberta, MAKE OATH AND SAY:

1. THAT I was personally present and did see Manjit (John) Nagra, named in the within
Consent Order, who is personally known to me to be the person named therein, duly sign and
execute the same for the purpose of consenting to the within Order.
2. THAT the same was executed at the City of ^{CMN ✓ Edmonton ✓ CMN} ~~Grande Prairie~~, in the Province Alberta, and
that I am the subscribing witness thereto.
3. THAT I know the said Manjit (John) Nagra and he is in my belief of the full age of
eighteen (18) years.

SWORN BEFORE me at the City of ^{CMN ✓ Edmonton ✓ CMN} ~~Grande~~
~~Prairie~~, in the Province of Alberta this _____)
22nd day of February, 2011.)
)
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)
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)


A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA

CAROL NG
Commissioner For Oaths In And
For The Province Of Alberta
My Commission Expires December 22, 20 12



AFFIDAVIT OF EXECUTION

CANADA)
PROVINCE OF ALBERTA)
TO WIT)

I, Mark Saeon, of the City of Edmonton, in the Province of Alberta, MAKE OATH AND SAY:

1. THAT I was personally present and did see Jaswinder Nagra, named in the within Consent Order, who is personally known to me to be the person named therein, duly sign and execute the same for the purpose of consenting to the within Order.

2. THAT the same was executed at the City of Edmonton, in the Province Alberta, and that I am the subscribing witness thereto.

3. THAT I know the said Jaswinder Nagra and she is in my belief of the full age of eighteen (18) years.

SWORN BEFORE me at the City of Edmonton, in the Province of Alberta this 22nd day of February, 2011.

[Signature]
A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA

CAROL NG

Commissioner For Oaths In And
For The Province Of Alberta
My Commission Expires December 22, 2012

[Signature]

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the interim receiver and receiver and manager (the "Receiver") of all of the assets, undertakings and properties of [DEBTOR'S NAME] appointed by Order of the Court of Queen's Bench of Alberta and Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "Court") dated the _____ day of _____, 2005 (the "Order") made in action numbers _____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at ●.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

[RECEIVER'S NAME], solely in its capacity
as Receiver of the Property (as defined in the
Order), and not in its personal capacity

Per: _____
Name:
Title:

Exhibit 2

Elaborate Developments Inc. - In Receivership
Accounts Receivable
As at February 24, 2011

Exhibit 2

	\$
<i>Elaborate Developments Inc.</i>	
Daytona Homes	1,088,645
Elaborate Homes Ltd.	72,440
Lavender Homes	137,700
R. Harker Construction.	97,155
Whiteridge Homes	77,330
Total	1,473,270
LESS: Contra claims and write-offs	
Elaborate Homes Ltd.	(72,440)
Total	(72,440)
LESS: Collections to March 21, 2011	-
Adjusted accounts receivable as at March 21, 2011	1,400,830

Exhibit 3

Elaborate Developments Inc. - In Receivership
Land Inventory
As at February 22, 2011

Exhibit 3

#	Community	Lot #	Block	Address	Approximate Size (Square Feet)	Builder's Price (Note 1) (\$)
1	Signature Falls - 2	14	1	6809 87 ST	6708	109,900.00
2	Signature Falls - 2	26	6	8512 69 AVE	6248	90,200.00
3	Signature Falls - 2	37	6	8550 69 AVE	6058	86,500.00
4	Signature Falls - 2	43	6	8574 69 AVE	5823	86,500.00
5	Signature Falls - 2	44	6	8578 69 AVE	5622	82,500.00
6	Signature Falls - 2	29	7	6905 85 ST	4927	98,500.00
7	Signature Falls - 2	32	7	6917 85 ST	5631	104,500.00
8	Signature Falls - 2	40	7	7013 85 ST	4982	98,500.00
9	Signature Falls - 2	42	7	7021 85 ST	5003	84,000.00
10	Signature Falls Phase - 3A	14	2	8721 72 AVE	5138	80,000.00
11	Signature Falls Phase - 3A	16	2	7117 87A ST	5099	89,000.00
12	Signature Falls Phase - 3A	23	4	7117 86A ST	5875	83,600.00
13	Signature Falls Phase - 3A	32	4	7105 87 ST	4594	72,000.00
14	Signature Falls Phase - 3A	33	4	7109 87 ST	4720	74,000.00
15	Signature Falls Phase - 3A	1	8	8642 72 AVE	4864	74,000.00
16	Signature Falls Phase - 3A	11 B	9	8786 72 AVE	3732	54,600.00
17	Signature Falls Phase - 3A	11A	9	8782 72 AVE	3342	54,600.00
18	Signature Falls Phase - 3A	10 B	9	8778 72 AVE	3230	54,600.00
19	Signature Falls Phase - 3A	10 A	9	8774 72 AVE	3230	54,600.00
20	Signature Falls Phase - 3A	9 B	9	8770 72 AVE	3026	54,600.00
21	Signature Falls Phase - 3A	9 A	9	8766 72 AVE	3026	54,600.00
22	Signature Falls Phase - 3A	8 B	9	8762 72 AVE	3105	54,600.00
23	Signature Falls Phase - 3A	8 A	9	8758 72 AVE	3105	54,600.00
24	Signature Falls Phase - 3A	7 B	9	8754 72 AVE	3098	54,600.00
25	Signature Falls Phase - 3A	7 A	9	8750 72 AVE	3108	54,600.00
26	Signature Falls Phase - 3A	6 B	9	8746 72 AVE	3131	54,600.00
27	Signature Falls Phase - 3A	6 A	9	8742 72 AVE	3123	54,600.00
28	Signature Falls Phase - 3A	5 B	9	8738 72 AVE	3242	54,600.00
29	Signature Falls Phase - 3A	5 A	9	8734 72 AVE	3242	54,600.00
30	Signature Falls Phase - 3A	4 B	9	8730 72 AVE	3231	54,600.00
31	Signature Falls Phase - 3A	4 A	9	8726 72 AVE	3184	54,600.00
32	Signature Falls Phase - 3A	3 B	9	8722 72 AVE	3208	54,600.00
33	Signature Falls Phase - 3A	3 A	9	8718 72 AVE	3208	54,600.00
34	Signature Falls Phase - 3A	2 B	9	8714 72 AVE	3215	54,600.00
35	Signature Falls Phase - 3A	2 A	9	8710 72 AVE	3215	54,600.00
36	Signature Falls Phase - 3A	1 B	9	8706 72 AVE	3614	54,600.00
37	Signature Falls Phase - 3A	1 A	9	8702 72 AVE	3650	54,600.00
38	Signature Falls Phase - 3A	1	10	7122 87A ST	4668	82,000.00
39	Signature Falls Phase - 3A	2	10	7118 87A ST	4378	80,000.00
40	Signature Falls Phase - 3A	3	10	7114 87A ST	4608	72,000.00
41	Signature Falls Phase - 3A	5	10	7106 87A ST	4378	70,000.00
42	Signature Falls Phase - 3A	7	10	7101 87B ST	4668	72,000.00
43	Signature Falls Phase - 3A	8	10	7105 87B ST	4378	80,000.00
44	Signature Falls Phase - 3A	9	10	7109 87B ST	4608	82,000.00
45	Signature Falls Phase - 3A	10	10	7113 87B ST	4608	70,000.00
46	Signature Falls Phase - 3A	11	10	7117 87B ST	4378	68,000.00
47	Signature Falls Phase - 3A	12	10	7121 87B ST	4668	82,000.00
48	Signature Falls Phase - 3A	1	11	7126 87B ST	4750	87,300.00
49	Signature Falls Phase - 3A	7	11	7102 87B ST	5128	76,000.00

50	Signature Falls Phase - 3A	1	12	7202 87B ST	4300	70,000.00
51	Signature Falls Phase - 3A	2	12	7206 87B ST	4322	70,000.00
52	Signature Falls Phase - 3A	3	12	7210 87B ST	4322	70,000.00
53	Signature Falls Phase - 3A	17	2	7113 87A ST	5214	82,000.00
54	Signature Falls Phase - 3A	11	2	8709 72 AVE	5458	81,000.00
55	Signature Falls Phase - 3A	13	2	8717 72 AVE	5483	81,000.00
56	Signature Falls Phase - 3A	10	2	8705 72 AVE	5251	80,000.00
57	Signature Falls Phase - 3A	10	3	7034 86A ST	5015	72,000.00
58	Copperwood	1	2	COMMERCIAL	3.5 Acre	787,500.00
59	Copperwood	13	2	8665 117 AVE	7049	94,500.00
60	Copperwood	14	2	8661 117 AVE	5645	92,800.00
61	Copperwood	15	2	8657 117 AVE	6213	92,800.00
62	Copperwood	16	2	8653 117 AVE	5930	88,400.00
63	Copperwood	17	2	8649 117 AVE	5930	88,400.00
64	Copperwood	18	2	8645 117 AVE	5648	84,000.00
65	Copperwood	19	2	8641 117 AVE	5648	84,000.00
66	Copperwood	20	2	8637 117 AVE	5930	86,300.00
67	Copperwood	21	2	8633 117 AVE	5930	86,300.00
68	Copperwood	22	2	8629 117 AVE	5648	84,000.00
69	Copperwood	2	3	11813 87 ST	5016	90,600.00
70	Copperwood	8	3	11709 87 ST	5495	92,600.00
71	Copperwood	9	3	11705 87 ST	5815	95,000.00
72	Copperwood	10	3	11701 87 ST	6085	100,000.00
73	Copperwood	12	3	8654 117 AVE	6245	100,000.00
74	Copperwood	13	3	8650 117 AVE	5161	85,000.00
75	Copperwood	14	3	8646 117 AVE	5161	90,600.00
76	Copperwood	15	3	8642 117 AVE	4927	86,300.00
77	Copperwood	16	3	8638 117 AVE	4927	86,300.00
78	Copperwood	22	3	11814 86A ST	5021	88,300.00
79	Copperwood	23	3	11810 86A ST	5360	94,900.00
80	Copperwood	24	3	11806 86A ST	5130	94,900.00
81	Copperwood	25	3	11802 86A ST	5500	98,900.00
82	Copperwood	27	3	8645 118 AVE	5854	100,900.00
83	Copperwood	28	3	8641 118 AVE	5051	90,600.00
84	Copperwood	29	3	8637 118 AVE	5051	90,600.00
85	Copperwood	30	3	8633 118 AVE	5051	90,900.00
86	Copperwood	31	3	8629 118 AVE	5280	92,000.00
87	Copperwood	33	3	8621 118 AVE	5510	95,000.00
88	Copperwood	34	3	8617 118 AVE	5510	95,000.00
89	Copperwood	4	4	11814 Copperwood Road	4486	78,400.00
90	Copperwood	5	4	11818 Copperwood Road	4652	78,400.00
91	Copperwood	6	4	11902 Copperwood Road	4596	88,400.00
92	Copperwood	7	4	11906 Copperwood Road	4538	88,400.00
93	Copperwood	8	4	11910 Copperwood Road	4554	90,600.00
94	Copperwood	9	4	11914 Copperwood Road	4587	90,600.00
95	Copperwood	11	4	12002 Copperwood Road	4332	84,000.00
96	Copperwood	1	5	11821 86A ST	5000	102,000.00
97	Copperwood	2	5	11817 86A ST	5058	102,000.00
98	Copperwood	3	5	11813 86A ST	5444	102,000.00
99	Copperwood	12	5	8621 120 AVE	5100	95,000.00
100	Copperwood			Farmland	160 Acres	309,900.00

TOTAL

8,879,300.00

Note 1: Builder's price represents Management's estimate of the price for which these lots can be sold. Management was unable to provide specific net book value of the land inventory.

Exhibit 4

Elaborate Developments Inc. - In Receivership
House Inventory
as at March 16, 2011

Exhibit 4

House #	Job#	Area / Subdivision	Civic	Legal	House Name	House type	Square Footage	Market Value Per Realitor	Total Cost to Date
								\$	\$
1	1,074	SIG FALLS PH2	8527 69 AVE	L19BLK7 072-7993	Serenity 1	Modified bi-level	1518	365,000	174,439
2	1,076	SIG FALLS PH 2	6921 85ST	L33BLK7 072-7993	Ashton 2	2 Story	2327	420,000	175,317
3	1,083	COPPERWOOD	11702 87ST	L9BLK2 082-2807	Oakmont 1 - 3 car grg	2 Story	1791	390,000	141,155
4	1,085	COPPERWOOD	8669 117AVE	L12BLK2 082-2807	Riviera 1	Modified bi-level	1552	350,000	146,971
5	1,090	COPPERWOOD	11810 CPWD RD	L3BLK4 082-2807	Camden	2 Story	1604	325,000	148,004
								1,850,000	785,886

Exhibit 5

ELABORATE DEVELOPMENTS INC.
IN RECEIVERSHIP
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD FEBRUARY 22, 2011 TO MARCH 16, 2011

Exhibit 5

RECEIPTS

	<u>\$</u>
Sale of land	392,607.45
Cash on hand	11,012.96
Interest	1.47
	<u>403,621.88</u>

DISBURSEMENTS

Payment to Secured Creditor - ATB Financial	316,880.45
Transfers to Homes	6,000.00
Legal fees	5,797.52
Property taxes	3,128.82
Manual Bank Transfers	2,608.85
Loan Payments	2,277.56
Bank Fees	42.50
Interest	2.22
	<u>336,737.92</u>

EXCESS OF RECEIPTS OVER DISBURSEMENTS

66,883.96

Excess retained as follows:

Receiver's trust account	<u><u>66,883.96</u></u>
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