

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE RECEIVERSHIP OF
THE SYMPHONY DEVELOPMENT CORPORATION
(Referred to as “Symphony” or the “Company”)**

**RECEIVER MANAGER’S THIRD REPORT TO COURT
(Prepared for the June 1, 2010 Court Hearing)**

MAY 25, 2010

**THE SYMPHONY DEVELOPMENT CORPORATION
RECEIVER MANAGER'S THIRD REPORT TO COURT**

MAY 25, 2010

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1. INTRODUCTION

- 1.1 On January 12, 2010, by order of the Supreme Court of British Columbia (the "Court") on application of Malkit Johal ("Johal") and Gurmel Singh Kainth ("Kainth"), PricewaterhouseCoopers Inc. was appointed Receiver Manager (the "Receiver") of The Symphony Development Corporation ("Symphony" or the "Company").
- 1.2 The Receiver has previously filed the following reports with the Court:
 - 1.2.1 March 4, 2010 – Receiver's First Report;
 - 1.2.2 March 24, 2010 – Supplemental Report to the Receiver's First Report; and
 - 1.2.3 April 26, 2010 – Receiver's Second Report.
- 1.3 This is the Receiver's Third Report to the Court and is filed in support of the scheduled Court hearing of June 1, 2010, as well as to provide interested parties with a general update on this administration as directed by the Court at the March 25, 2010 hearing. Specifically, this Report is intended to provide the Court with an update on the status of:
 - 1.3.1 the Form of Court Order from the March 25, 2010 hearing;
 - 1.3.2 the sale of the Albion Slopes property;
 - 1.3.3 the sale of the Spencer's Ridge property; and
 - 1.3.4 the claims process.

2. MARCH 25, 2010 COURT ORDER

- 2.1 On March 25, 2010, the Receiver made an application to Court for direction with respect to various matters. The general purpose for the Court direction arose from conflicting input provided by the shareholders.
- 2.1 The following is a brief summary of the directions sought by the Receiver, together with the directions provided by the Court:
 - 2.2.1 **Sale of Spencer's Ridge Lots** – the Receiver had recommended listing the lots with an independent real estate agent. The Court directed the Receiver to present the offers on hand to both shareholders. If both shareholders agreed with the acceptance of any of the offers, the Receiver was directed to attempt to negotiate an unconditional offer and then, seek Court approval of

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same. Any unsold lots were to be listed with Ray Casavant of Prudential Power Play Realty.

- 2.2.2 **Completion of Spencer's Ridge Work** – the Receiver recommended that it seek bids from contractors and if appropriate, complete the work required under the subdivision servicing agreement in order to obtain a release of the security deposits held by the municipality totaling \$236,000. The shareholders opposed this request and the Court directed the Receiver to abandon this issue.
- 2.2.3 **Sale of Albion Slopes** – the Receiver recommended that Colliers be engaged to work with the Receiver to sell the Albion Slopes property on terms and following an approach as outlined in the Receiver's first report. The Court directed the Receiver to list the property with Colliers on an exclusive basis at a commission of 2.25% to sell the property. The Receiver's activities were restricted to listing the property, providing assistance to Colliers, considering and negotiating any offers received and presenting the offers to Court for approval. The Court also directed the Receiver to provide specific disclosure to counsel for the parties.
- 2.2.4 **Claims Process** – the Receiver recommended that a claims process be undertaken in an effort to establish the quantum of valid claims. The consent order directed the Receiver to commence the claims process, but only to compile the claims received and make recommendations to the Court on the next steps.
- 2.2.5 **Costs of Administration** – the Receiver sought an increase in its administrative charge to complete all the administration as outlined in its first report. The Court granted an increase in the priority administrative charge of \$125,000 in respect of future work undertaken by the Receiver. The Court also relieved the Receiver from the responsibility to update the Company's books and records and file the outstanding tax returns, but imposed a monthly reporting requirement.
- 2.3 A consent order was drafted and circulated among various counsel appearing at the March 25, 2010 hearing. Protracted discussions were held with counsel for Johal and Kainth to secure appropriate wording to reflect the intent of the order made by the Court. A final form of order was recently circulated and the Receiver is unaware of any objections to the form of order, although confirmation has not been received from the

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parties. The Receiver recommends that the order be signed and entered in the form as attached as Appendix A.

3. ALBION SLOPES

- 3.1 Since the Receiver's April 26, 2010 report, Colliers has continued its marketing efforts with respect to the Albion Slopes property. Subsequent to our last report, Colliers circulated a standard form of offer for the property, which was developed to ease the comparability of the various offers that were expected.
- 3.2 Colliers received seven offers for the property by the published offer deadline of May 7, 2010. No parties requested additional time within which to formulate an offer. Six of the seven offers received were for all phases in the Albion Slopes development, while the seventh offer was for phase 4 only.
- 3.3 A leading bidder among the seven offers was identified and Colliers held discussions with the bidder to improve the terms of the offer. The leading bid was subject only to financing being secured within 21 days of acceptance of the offer.
- 3.4 The Receiver was able to obtain sufficient information about the leading bidder and its financial capability to establish that it had sufficient financial resources to reasonably meet the financial conditions set out in its offer. Accordingly, the Receiver determined that the condition was appropriate.
- 3.5 On May 20, 2010, the Receiver executed a final agreement with the leading bidder.
- 3.6 Due to the nature of the offers received, the Receiver is concerned that full disclosure of these offers prior to having a binding unconditional agreement could jeopardize the Receiver's ability to maximize the recovery from the sale of the Albion Slopes lands. This disclosure concern was present when the March 25, 2010 Court order was made, wherein the Court specifically addressed this concern.
- 3.7 At the March 25, 2010 hearing, the Court directed the Receiver to provide copies of all offers to counsel for Coast Capital Savings ("Coast"), the Kainths, and the Johals for the purpose of allowing such counsel to provide information and advice to their respective clients regarding the status of the marketing of the Albion Slopes lands. The Court also directed that counsel receiving copies of such offers from the Receiver shall not provide copies in whole, or in part, of any such offer, to their

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respective clients or otherwise disclose the fact or content of any such offer to any other person without the prior written consent of the Receiver or prior order of this Court.

- 3.8 The Receiver provided a summary of all the offers along with copies of the offers on May 19, 2010 to counsel for Coast, Johal, & Kainth. The Receiver considered the nature and extent of disclosure and consulted with Colliers. Colliers recommended that the bidders, amounts and terms of the offers remain confidential until a binding unconditional agreement existed. As a result, the Receiver provided written guidance to counsel on the nature and extent of disclosure that it could provide without jeopardizing the sales process.
- 3.9 The Receiver understands that Johal is dissatisfied with the level of disclosure and has made an application to Court for further disclosure to be made.
- 3.10 A summary of the offers, copies of the offers, and the Receiver's guidance to counsel (i.e. the same detail that was provided by the Receiver to counsel for Coast, Johal and Kainth) is being provided to the Court on a sealed basis, so that it may consider whether the information should remain sealed and whether the extent of disclosure is reasonable in the circumstances.
- 3.11 The Receiver recommends that the extent of disclosure relative to the offers not be expanded until the Receiver is in receipt of a binding unconditional agreement. At that time, the Receiver will seek Court approval of the sale. In support of that Court application, the Receiver will prepare a comprehensive report setting out the full details of the sales process, the offers received and the justification for the acceptance of the proposed offer.

4. SPENCER'S RIDGE

- 4.1 At the date of our last update report, the Receiver was waiting for offers for lots 29 and 30 that had been approved by the shareholders for acceptance to be "refreshed" by the bidders. The shareholders had approved offers valued at \$185,000 for each of lot 29 and lot 30.
- 4.2 The Receiver did not receive any refreshed offers from the original bidders.
- 4.3 The Receiver has now received seven offers for lots 29 and 30, as follows:

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Lot	Bidder	Amount (\$)
29	R.V.S. Custom Homes Ltd	185,000
29	0793174 BC Ltd	190,100
29	Silveroak Homes Ltd	190,500
30	R.V.S. Custom Homes Ltd	187,000
30	Ravinder Sodhi & Sukhbir Bhuller Arjmer Bhuller & Surinder Bhuller	188,000
30	0793174 BC Ltd	190,100
30	Silveroak Homes Ltd	190,500

- 4.4 All of the new offers, except one, were valued at greater than \$185,000. Subject to Court approval, the Receiver has accepted the following offers, as these represented the highest price offers of the seven received:

Lot	Bidder	Amount (\$)
29	Silveroak Homes Ltd	190,500
30	Silveroak Homes Ltd.	190,500

Copies of these offers are attached in Appendix B (Lot 29) and Appendix C (Lot 30).

- 4.5 The Receiver recommends that the Court approve these offers.
- 4.6 As detailed in our report dated April 26, 2010, lots 22 and 34 were listed with Ray Casavant of Prudential Power Play Realty. Since that time, the lots have been listed on the Multiple Listing Service, a sign posted on each lot and Mr. Casavant has held discussions with the realtors representing the buyers who had previously submitted bids on some of the Spencer's Ridge lots.
- 4.7 To date, only one offer has been received for Lot 22. The Receiver attempted to negotiate a price increase of this offer, however, the limit the party was prepared to offer was \$160,000. This offer is substantially less than the preliminary indications of value that the Receiver was provided by various realtors. As a result, the Receiver has not accepted the offer.
- 4.8 Mr. Casavant will continue to seek offers for the remaining two lots.

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5. CLAIMS PROCESS

- 5.1 As reported in our second report dated April 26, 2010, the requirement to file proofs of claim was publicized in accordance with the March 25, 2010 order of the Court.
- 5.2 The Receiver received 47 claims by 5pm Friday May 7, 2010, which was the claims bar date. No creditors have requested an extension to this date.
- 5.3 A summary of the balances claimed as at January 12, 2010 is presented in the table below:

Nature of claim	Claim value at Jan 12/10 (\$ millions)
Mortgages & other secured claims	20.3
Lienholders (net of potential duplicate claims)	1.3
Unsecured debts (net of potential duplicate claims)	8.1
Total	29.7

- 5.4 The Receiver has conducted a summary review of the claims to make a preliminary assessment as to whether the claims meet the basic administrative criteria for proving a claim. At this stage, the Receiver has not attempted to review the details supporting the claims nor has it attempted to assess the substantive aspects of the claims.
- 5.5 A listing of the claims received is contained in Appendix D, along with the Receiver's administrative assessment.
- 5.6 The Court has directed the Receiver to compile and report the claims. The Receiver was also to provide its recommendation concerning the claims and seek directions of the Court before it proceeded with a determination of the claims.
- 5.7 Based on the offers received to date with respect to the Company's properties, it is unlikely that there will be sufficient proceeds from the sale of the Company's properties to provide a distribution to the unsecured claims. Accordingly, performing any further review of these claims at this stage is not warranted. In this regard, the Receiver recommends that it complete the steps outlined in paragraphs 15 to 20 of the March 25, 2010 Court order with respect to only secured claims (i.e. mortgages, liens and other secured).

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6. RECOMMENDATIONS

- 6.1 The following is a summary of the recommendations of the Receiver that flow from the content of this report:
- 6.1.1 **March 25, 2010 Court Order** – the Receiver recommends that the March 25th order, in the form as attached in Appendix A, be signed;
 - 6.1.2 **Albion Slopes Sales Disclosure** – the Receiver recommends that no further disclosure be made regarding the offers until it applies to Court for approval of a sale;
 - 6.1.3 **Spencer's Ridge Lots** – the Receiver recommends that the offers to purchase lots 29 and 30 as attached in Appendices B and C from Silveroak Homes Ltd. be approved; and,
 - 6.1.4 **Claims process** – the Receiver recommends that it be directed to complete the claims process as outlined in paragraphs 15 to 20 in the March 25, 2010 consent order in respect of the secured claims that have been filed.

This report is respectfully submitted this 25th day of May, 2010.

PricewaterhouseCoopers Inc.
Court Appointed Receiver Manager of
The Symphony Development Corporation



Michael J. Vermette
Senior Vice President



Neil P. Bunker
Vice President

APPENDIX A

**Final Form of the
March 25, 2010 Draft Order of the Court**

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

COAST CAPITAL SAVINGS CREDIT UNION

PETITIONER

AND:

THE SYMPHONY DEVELOPMENT CORPORATION et. al.

RESPONDENTS

ORDER

BEFORE THE HONOURABLE)	THURSDAY, THE 25TH DAY OF
)	
MR. JUSTICE WALKER)	MARCH, 2010

THE APPLICATION of Pricewaterhouse Coopers Inc. (the “**Receiver**”) coming on for hearing at Vancouver, British Columbia, this day; and on hearing Steven Dvorak, Esq., counsel to the Receiver, William L. MacLeod, Esq., counsel to Basi Brothers Framing Ltd., Robert A. Millar, Esq., counsel to Gurmeh Singh Kainth (“**Kainth**”), Martin A. Thomas, Esq., counsel to Malkit Singh Johal (“**Johal**”), Praveen Sandhu, counsel to Coast Capital Savings Credit Union (“**Coast Capital**”), Kimberly S. Campbell, Esq., counsel to Pacific Utility Contracting Ltd., Jason Twa, counsel to Emco Corporation, and Tyler Galbraith, Esq., counsel to Palmieri Brothers Paving Ltd.; and on reading the

Receiver's First Report and the supplement thereto dated March 9, 2010 and March 24, 2010, respectively, the Affidavit #1 of the said Malkit Singh Johal sworn November 23, 2009, the Affidavit #2 of the said Malkit Johal sworn March 23, 2010, and the Affidavit #1 of Jaswant Basi sworn March 22, 2010 and filed; **AND BY CONSENT:**

THIS COURT ORDERS AND DIRECTS that:

ALBION SLOPES LANDS.

1. The Receiver forthwith enter into an exclusive listing agreement (the "Listing Agreement") with Colliers Macaulay Nicolls Inc. ("Colliers") regarding those lands and premises more particularly described in the Order Nisi pronounced herein by Master Baker herein November 30, 2009 (collectively the "**Albion Slopes Lands**"), pursuant to which Colliers will be entitled to receive a commission on all sales pertaining to the Albion Slopes Lands or any part thereof, equal to 2.25 percent of the purchase price, upon the terms and conditions contained in the Listing Agreement.
2. As soon as reasonably practicable following execution of the Listing Agreement, Colliers begin offering the Albion Slopes Lands for sale.
3. The Receiver provide copies of any and all offers received by Colliers regarding the Albion Slopes Lands or any part thereof to counsel to Coast Capital, Kainth, and Johal for the purpose of allowing such counsel to provide appropriate information and advice to their respective clients regarding the status of the

marketing of the Albion Slopes Lands; **PROVIDED ALWAYS HOWEVER** that counsel receiving copies of such offers from the Receiver shall not provide copies, in whole or in part, of any such offer to their respective clients or otherwise disclose the fact or content of any such offer to any other person without the prior written consent of the Receiver or prior Order of this Court, and provided further that any person receiving copies of such offers or information related thereto shall not disclose the fact or content of any such offer to any other person without the prior written consent of the Receiver or prior Order of this Court.

4. Any proposed sale of the Albion Slopes Lands or any part thereof be the subject of an application for the approval of same by this Court.
5. In view of his express consent to the terms of this Order as noted above herein, Johal is hereafter estopped from seeking to submit that any offer for the purchase of the Albion Slopes Lands or any part thereof not be subject to the commission payable to Colliers pursuant to Paragraph 1 hereof by reason of the date of such offer in comparison to the date of this Order.

SPENCER'S RIDGE LOTS

6. Regarding those lands and premises more particularly described in Schedule "A-1" hereto (the "Spencer's Ridge Lots"):
 - (a) The Receiver shall, by 5:00 p.m. on April 13, 2010, produce to counsel for the Respondents Johal and Kainth copies of any and all offers received for the purchase of any or all of the Spencer's Ridge Lots (the "Pending Offers");
 - (b) Johal and Kainth shall, by 5:00 p.m. on April 16, 2010, advise the

Receiver as to which if any of the Offers they consider to be appropriate to accept (the "Approved Offers"), and if either Johal or Kainth shall fail to so advise the Receiver, the Pending Offers shall be deemed to be considered inappropriate to accept;

(c) The Receiver shall proceed to negotiate the terms of the Approved Offers, excluding the proposed selling price, such that Approved Offers which are conditional only upon the approval of the Court ("Unconditional Approved Offers"), can be submitted to the Court for approval. The Receiver shall have a period of 7 business days following receipt of any Approved Offers from Johal and Kainth (the "Negotiation Period") to undertake the negotiation of any Approved Offers in accordance with this paragraph 6(c), and the Receiver shall offer for sale any of the Spencer's Ridge Lots that are subject to Approved Offers that do not become Unconditional Approved Offers within the Negotiation Period, in accordance with paragraph 6(d) hereof;

(d) The Receiver shall, as soon as practicable, list for sale any and all Spencer's Ridge Lots that are not the subject of an Approved Offer following April 16, 2010, or which are not the subject of an Unconditional Approved Offer following the Negotiation Period, for sale on the multiple listing system through Ray Cassavant, for a commission of not more than 7% of the first \$100,000 of the selling price, and 3.5% of the balance of the selling price;

(e) Any party hereto have liberty to apply to this Court for approval of any offer for the purchase for any of the Spencer's Ridge Lots, and in all events offers for the purchase of any of the Spencer's Ridge Lots shall be submitted to the Court for approval.

CLAIMS PROCEDURE.

Definitions.

7. For purposes of this Order the following terms shall have the following meanings:

- (a) **“Business Day”** means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Vancouver, British Columbia;
- (b) **“Claim”** means the right of any Person against the Company in connection with any indebtedness, liability or obligation of any kind (including all contingent liabilities) at the date of the receivership, namely January 12, 2010, that would be a claim provable in bankruptcy within the meaning of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 as amended;
- (c) **“Claims Bar Date”** means 5:00 p.m. (Pacific Time) on May 7, 2010;
- (d) **“Claims Package”** means the document package which shall include a copy of the Instruction Letter, a Proof of Claim and such other materials as the Receiver considers necessary or appropriate;
- (e) **“Claims Procedure”** means the procedures outlined in this order in connection with the assertion of Claims against the Company;
- (f) **“Company”** means The Symphony Development Corporation;
- (g) **“Court”** means the Supreme Court of British Columbia;
- (h) **“Creditor”** means any Person asserting a Claim or potentially having a Claim as determined by the Receiver;
- (i) **“Governmental Agency”** means any federal, provincial, state or local government, agency or instrumentality thereof or similar entity, howsoever

designated or constituted exercising executive, legislative, judicial, regulatory or administrative functions in Canada, the United States, or elsewhere;

- (j) **“Instruction Letter”** means the letter regarding completion of a Proof of Claim, which letter shall be substantially in the form attached hereto as Schedule “B”;
- (k) **“Notice of Revision or Disallowance”** means a notice that may be delivered to a Creditor revising or disallowing such Creditor’s Claim as set out in its Proof of Claim in whole or in part, which notice shall be substantially in the form attached hereto as Schedule “D”;
- (l) **“Person”** means any individual, partnership, firm, joint venture, trust, entity, corporation, unincorporated organization, trade union, employee or other association, Governmental Agency, or similar entity, howsoever designated or constituted;
- (m) **“Proof of Claim”** means the form to be completed and filed by a Creditor setting forth its Claim, which proof of claim shall be substantially in the form attached hereto as Schedule “C”;
- (n) **“Proven Claim”** means the amount and status of the Claim of a Creditor as determined in accordance with this Claims Procedure; and
- (o) **“Receiver”** means PricewaterhouseCoopers Inc., Receiver Manager of the Company and not in its personal capacity.

Notice of Claims.

8. The Receiver shall cause a Claims Package to be sent to each Creditor no later than April 5, 2010.
9. The Receiver shall cause a notice, substantially in the form of Schedule "E" hereto, to be placed in the Vancouver Sun newspaper no later than April 5, 2010.
10. The Receiver shall cause the Claims Package to be posted on the Receiver's Website <http://www.pwc.com/ca/en/car/symphony-development/index.jhtml> no later than April 5, 2010, until the Claims Bar Date.
11. The Receiver shall cause a copy of the Claims Package to be sent to any Person requesting such material as soon as practicable.

Filing of Proofs of Claim.

12. Every Creditor asserting a Claim against the Company shall set out its aggregate Claim in a Proof of Claim and deliver that Proof of Claim to the Receiver so that it is received by no later than the Claims Bar Date or such later date as the Receiver may agree in writing.
13. Any Creditor who does not deliver a Proof of Claim in respect of a Claim in accordance with paragraph hereof shall be forever barred from asserting such Claim against the Company and such Claim shall be forever extinguished.
14. As soon as is reasonably practicable following the Claims Bar Date, the Receiver shall prepare a further Report to the Court, setting out the particulars of all Proofs of Claim received by the Receiver and providing recommendations concerning the Proofs of Claim, and shall make an application for further Directions from this Court prior to proceeding with the Determination of Claims pursuant to this Order.

Determination of Claims.

15. Upon receiving direction and authorization from this Court pursuant to paragraph 14 hereof, the Receiver shall review each Proof of Claim received by the Claims Bar Date and shall accept, revise or disallow each Claim.
16. The Receiver shall use reasonable discretion as to the adequacy of compliance in the manner in which Proofs of Claim are completed and executed and where

the Receiver is satisfied that a Claim has been adequately proven, it may agree to waive strict compliance with the requirements of this Order as to the completion and execution of the Proof of Claim.

Notice of Revision or Disallowance.

17. If the Receiver determines to revise or disallow a Claim, the Receiver shall send a Notice of Revision or Disallowance to the Creditor at the address as shown on the Proof of Claim.

Claim Disputes.

18. Any Creditor who disputes the revision or disallowance of a Claim as set forth in a Notice of Revision or Disallowance shall, within 30 days of delivery of the Notice of Revision or Disallowance to such Creditor in accordance with this Order, seek a determination by the Court of the validity and/or value of the Claim by filing and serving a Notice of Motion and supporting affidavit material with the Court.
19. Any Creditor who fails to file and serve a Notice of Motion within the deadline set forth in paragraph 18 hereof shall be deemed to accept the allowance, revision or disallowance of the Claim as set out in the Notice of Revision or Disallowance and such Notice of Revision or Disallowance shall constitute a Proven Claim.

General Provisions regarding the Claims Process.

20. Any notice or communication required to be delivered in connection with the Claims Procedure shall be in writing and may be delivered by facsimile, electronic mail, personal delivery, courier or prepaid mail addressed as follows:

If to the Receiver:

PricewaterhouseCoopers Inc.
Suite 700, 250 Howe Street
Vancouver, British Columbia V6C 3S7
Telephone: 604 806 7050 ext. 4929
Fax: 604 806 7806
Attention: Brad Ristivojevic
brad.ristivojevic@ca.pwc.com

If to a Creditor:

Care of the address contained in the Proof of Claim filed by the Creditor,
or such other address as the Creditor may advise the Receiver in writing.

GENERAL RECEIVERSHIP MATTERS.

21. The Receiver's Charge provided by Paragraph 16 of the Order of the Honourable Mr. Justice Walker pronounced herein January 12, 2010 be and is hereby amended by deleting Paragraph 16 in its entirety, and inserting in its place the following:

16. THIS COURT ORDERS that any expenditure or liability which shall properly be made or incurred by the Receiver (the "Receiver's Costs"), including the fees and

disbursements of the Receiver and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and shall form a charge on the Property (the "Receiver's Charge"), which charge shall, except as is hereinafter provided, rank in priority to all mortgages, security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person except the Coast Capital Security, and in all cases ahead of any and all unsecured claims against Symphony.

16.A The Receiver's Costs shall be satisfied by way of the Receiver's Charge, in the following priority:

- (a) The Receiver's Costs shall, to the extent possible, be satisfied firstly from the proceeds of the Property other than any proceeds arising from the disposition of the Albion Slopes Lands and/or the Spencer's Ridge Lots that are secured by the mortgages, security interests, trusts, liens, charges, and encumbrances listed in Schedule A-2 hereto;
- (b) Following satisfaction of the Receiver's Costs to the extent possible pursuant to Paragraph 16.A(a) hereof, the Receiver's Costs shall be paid from proceeds arising from the disposition of the Albion Slopes Lands, or any portion thereof, to the maximum extent of \$100,000.00;
- (c) Following satisfaction of the Receiver's Costs to the extent possible pursuant to Paragraph 16.A(a) and (b) hereof, the Receiver's Costs, insofar as they have been incurred following the date of this Order only, and to a maximum sum of \$125,000 only (the "Supplemental Charge") shall be paid from proceeds arising from the disposition of the Albion Slopes Lands and/of the Spencer's Ridge Lots, upon the following basis:

- (i) the maximum sum of \$100,000.00 ranking in priority to the interests and charges of all persons in and to the Spencer's Ridge Lots, including all mortgages, security interests, trusts, liens, charges, and encumbrances, statutory or otherwise, registered or otherwise, in favour of any person, and in all cases ahead of any and all unsecured claims against Symphony;
- (ii) A further \$25,000.00 ranking in priority to the interests and charges of all persons in and to the Albion Slopes Lands, including all mortgages, security interests, trusts, liens, charges, and encumbrances, statutory or otherwise, registered or otherwise, in favour of any person, save and except the Coast Capital Security, and in all cases ahead of any and all unsecured claims against Symphony;
- (iii) The Spencer's Ridge Lots and the Albion Slopes Lands shall bear the burden of the Supplemental Charge pari passu.

22. Notwithstanding the foregoing terms of this Order, and further notwithstanding the terms of the said Order of the Honourable Mr. Justice Walker pronounced herein January 12, 2010, pending further Order of this Court:

- (a) the Receiver is not obliged to prepare or file any tax or other periodic or annual returns regarding Symphony, its operations, or its other activities, or to compile, regularize, or reconstruct Symphony's books and records;
- (b) the Receiver shall only implement the Claims Procedure set forth in this Order to the extent contemplated by Paragraphs 8 through 14, each inclusive, hereof;
- (c) the Receiver's activities pertaining to the sale of the Albion Slopes Property be confined to entering into an exclusive listing agreement with Colliers as contemplated by Paragraph 1 hereof, receiving and reviewing any offers made in connection with the Albion Slopes Property, providing such assistance to Colliers as may be necessary to assist in the marketing of the Albion Slopes Property, considering and negotiating any offers received, presenting acceptable offers to the Court for approval, and any matters reasonably incidental thereto; and
- (d) the Receiver report monthly regarding the status of the sale processes pertaining to the Albion Slopes Lands and the Spencer's Ridge Lots, and regarding those claims received by the Receiver from time to time pursuant to the Claims Procedure set forth in this Order.

23. The Receiver be at liberty to serve any materials and orders in these proceedings, or any notices or other correspondence, by forwarding true copies

thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to Creditors or other interested parties at their respective addresses as last shown on the records of the Company and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next Business Day following the date of forwarding thereof, or if sent by ordinary mail, on the third Business Day after mailing.

24. References in this Order to the singular shall include the plural, references to the plural shall include the singular and references to any gender shall include the other gender.
25. Any party affected by this Order may apply to this Court for an alteration or variation of this Order or direction as to the implementation of this Order upon two 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.
26. Endorsement of this Order by counsel appearing on this application, except counsel for the Receiver, Johal, Kainth, Coast Capital, Pacific Utility Contracting Ltd., and Basi Brothers Framing Ltd., is hereby dispensed with.

Counsel to the Receiver

Counsel to Coast Capital Savings Credit Union

Counsel to Malkit Singh Johal

Counsel to Gurmel Singh Kainth

Counsel to Basi Brothers Framing Ltd.

Counsel to Pacific Utility Contracting Ltd.

BY THE COURT

Registrar

SCHEDULE "A-1"

LIST OF PROPERTIES

#	Property Address	Legal Description	PID
	SPENCER'S RIDGE LOTS		
1	24171 103A AVE MAPLE RIDGE BC	Lot 22, Section 3, Township 12 New Westminster District, Plan BCP35192	027 424 065
2	24208 103A AVE MAPLE RIDGE BC	Lot 29, Section 3, Township 12 New Westminster District, Plan BCP35192	027 424 138
3	24216 103A AVE MAPLE RIDGE BC	Lot 30, Section 3, Township 12 New Westminster District, Plan BCP35192	027 424 146
4	24238 103A AVE MAPLE RIDGE BC	Lot 34, Section 3, Township 12 New Westminster District, Plan BCP35192	027 424 189
	ALBION SLOPES LOTS Albion Slopes - Phase 1		
5	10530 JACKSON RD MAPLE RIDGE BC	Lot 1, Section 10, Township 12 New Westminster District, Plan BCP36341	027 523 969
6	10536 JACKSON RD MAPLE RIDGE BC	Lot 2, Section 10, Township 12 New Westminster District, Plan BCP36341	027 523 977
7	10540 JACKSON RD MAPLE RIDGE BC	Lot 3, Section 10, Township 12 New Westminster District, Plan BCP36341	027 523 985
8	10546 JACKSON RD MAPLE RIDGE BC	Lot 4, Section 10, Township 12 New Westminster District, Plan BCP36341	027 523 993
9	10556 JACKSON RD MAPLE RIDGE BC	Lot 5, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 001
10	10558 JACKSON RD MAPLE RIDGE BC	Lot 6, section 10 Township 12 New Westminster District, Plan BCP36341	027 524 019
11	10562 JACKSON RD MAPLE RIDGE BC	Lot 7, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 027
12	10566 JACKSON RD MAPLE RIDGE BC	Lot 8, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 035
13	10570 JACKSON RD MAPLE RIDGE BC	Lot 9, Section 10 Township 12 New Westminster District, Plan BCP36341	027 524 043
14	10576 JACKSON RD MAPLE RIDGE BC	Lot 10, section 10 Township 12 New Westminster District, Plan BCP36341	027 524 051
15	10580 JACKSON RD MAPLE RIDGE BC	Lot 11, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 060
16	10581 ROBERTSON ST MAPLE RIDGE BC	Lot 12, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 078
17	10577 ROBERTSON ST MAPLE RIDGE BC	Lot 13, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 086
18	10573 ROBERTSON ST MAPLE RIDGE BC	Lot 14, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 094
19	10571 ROBERTSON ST MAPLE RIDGE BC	Lot 15, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 108
20	10567 ROBERTSON ST MAPLE RIDGE BC	Lot 16, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 116
21	10565 ROBERTSON ST MAPLE RIDGE BC	Lot 17, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 124

22	10561 ROBERTSON ST MAPLE RIDGE BC	Lot 18, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 132
23	10559 ROBERTSON ST MAPLE RIDGE BC	Lot 19, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 141
24	10555 ROBERTSON ST MAPLE RIDGE BC	Lot 20, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 159
25	10551 ROBERTSON ST MAPLE RIDGE BC	Lot 21, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 175
26	10532 ROBERTSON ST MAPLE RIDGE BC	Lot 22, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 183
27	10531 ROBERTSON ST MAPLE RIDGE BC	Lot 23, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 191
28	10536 ROBERTSON ST MAPLE RIDGE BC	Lot 24, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 205
29	10540 ROBERTSON ST MAPLE RIDGE BC	Lot 25, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 213
30	10546 ROBERTSON ST MAPLE RIDGE BC	Lot 26, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 221
31	10552 ROBERTSON ST MAPLE RIDGE BC	Lot 27, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 230
32	10556 ROBERTSON ST MAPLE RIDGE BC	Lot 28, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 248
33	10560 ROBERTSON ST MAPLE RIDGE BC	Lot 29, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 256
34	10568 ROBERTSON ST MAPLE RIDGE BC	Lot 30, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 264
35	10572 ROBERTSON ST MAPLE RIDGE BC	Lot 31, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 272
36	10578 ROBERTSON ST MAPLE RIDGE BC	Lot 32, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 281
37	10582 ROBERTSON ST MAPLE RIDGE BC	Lot 33, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 299
38	10563 248 ST MAPLE RIDGE BC	Lot 34, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 302
39	10553 248 ST MAPLE RIDGE BC	Lot 35, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 311
40	10543 248 ST MAPLE RIDGE BC	Lot 36, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 329
41	24767 105A AVE MAPLE RIDGE BC	Lot 37, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 337
42	24775 105A AVE MAPLE RIDGE BC	Lot 38, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 345
43	24781 105A AVE MAPLE RIDGE BC	Lot 39, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 353
44	24787 105A AVE MAPLE RIDGE BC	Lot 40, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 361
45	24793 105A AVE MAPLE RIDGE BC	Lot 41, Section 10, Township 12 New Westminster District, Plan BCP36341	027 524 370
	Albion Slopes Lots - Phase 2		
46	10640 248 ST MAPLE RIDGE BC	Lot 42, Section 11, Township 12 New Westminster District, Plan BCP36341	027 524 388
47	10550 248 ST MAPLE RIDGE BC	Lot 43, Section 11, Township 12 New Westminster District, Plan BCP36341	027 524 396
48	10480 248 ST MAPLE RIDGE BC	Lot 44, Section 11, Township 12 New Westminster District, Plan BCP36341	027 524 400

49	Albion Slopes - Phase 3 No address listed	Lot 45, Section 10/11, Township 12 New Westminster District, Plan BCP36341	027 524 418
50	Albion Slopes - Remainder Parcel (Phase 4 & 5) 24891 104 AVE MAPLE RIDGE BC	Lot 1, Section 10 & 11, Township 12 New Westminster District, Plan BCP35626	027 513 122

SCHEDULE "A-2"**LIST OF ENCUMBRANCES**

Description of Charge	Registration Number	Date of Registration	Chargeholder
SPENCER'S RIDGE LOTS			
Mortgage	BB1032910	December 16, 2008	Tejwant Kaur Kainth
Builders Lien	BB37221	October 1, 2009	Valley Geotechnical Engineering Services Ltd.
Builders Lien	BB37238	October 1, 2009	D.K. Bowins & Assoc. Inc.
ALBION SLOPES LOTS – Phase 1			
Mortgage	BA113354	July 6, 2006	Coast Capital Savings Credit Union
Assignment of Rents	BA113355	July 6, 2006	Coast Capital Savings Credit Union
Mortgage (extension of BA113354)	BB239323	May 23, 2008	Coast Capital Savings Credit Union
Assignment of Rents	BB239324	May 23, 2008	Coast Capital Savings Credit Union
Certificate of Pending Litigation	BB715670	September 29, 2008	497308 B.C. Ltd.
Mortgage	BB1030678	December 9, 2008	0769932 B.C. Ltd.
Builders Lien	CA1022333	January 19, 2009	Emco Corporation
Builders Lien	BB750278	January 20, 2009	Pacific Utility Contracting Ltd.
Builders Lien	BB752707	January 30, 2009	Unlimited Excavating & Landscaping Ltd.
Builders Lien	BB920844	January 30, 2009	Jack Cewe Ltd.
Builders Lien	BB753058	February 2, 2009	C & C Trucking (1988) Ltd.
Builders Lien	CA1032967	February 4, 2009	Ocean Construction Supplies Limited
Mortgage	CA1052287	March 3, 2009	Nora Rosalie Marvin
Mortgage	BB764578	March 27, 2009	Bassi Brothers Framing Ltd.
Builders Lien	CA1072069	March 30, 2009	United Rentals of Canada, Inc.
Certificate of Pending Litigation	BB324305	April 7, 2009	Pacific Utility Contracting Ltd.
Builders Lien	BB327532	April 17, 2009	McRae's Environmental

			Services Ltd.
Builders Lien	CA1087563	April 17, 2009	Graestone Ready Mix Inc.
Certificate of Pending Litigation	BB816434	September 30, 2009	Bassi Brothers Framing Ltd.
Builders Lien	BB37220	October 1, 2009	Valley Geotechnical Engineering Services Ltd.
Builders Lien	BB37239	October 1, 2009	K.K. Bowins & Assoc. Inc
Certificate of Pending Litigation	BB1118011	November 4, 2009	Coast Capital Savings Credit Union
Builders Lien	BB332645	November 17, 2009	Palmieri Bros. Paving Ltd.
Certificate of Pending Litigation	BB1124623	November 27, 2009	Jack Cewe Ltd.
Certificate of Pending Litigation	BB340600	December 18, 2009	Palmieri Bros. Paving Ltd.
Certificate of Pending Litigation	BB1137402	January 13, 2010	Emco Corporation
Certificate of Pending Litigation	BB1138236	January 27, 2010	C & C Trucking (1988) Ltd.
Certificate of Pending Litigation	BB1242580	January 29, 2010	Ocean Construction Supplies Limited
Certificate of Pending Litigation	BB40816	February 1, 2010	Unlimited Excavating & Landscaping Ltd.
ALBION SLOPES LOTS – Phase 2			
Mortgage	BA113354	July 6, 2006	Coast Capital Savings Credit Union
Assignment of Rents	BA113355	July 6, 2006	Coast Capital Savings Credit Union
Mortgage (extension of BA113354)	BB239323	May 23, 2008	Coast Capital Savings Credit Union
Assignment of Rents	BB239324	May 23, 2008	Coast Capital Savings Credit Union
Certificate of Pending Litigation	BB715670	September 29, 2008	497308 B.C. Ltd.
Mortgage	BB1030678	December 9, 2008	0769932 B.C. Ltd.
Builders Lien	CA1022333	January 19, 2009	Emco Corporation
Builders Lien	BB750278	January 20, 2009	Pacific Utility Contracting Ltd.
Builders Lien	BB752707	January 30, 2009	Unlimited Excavating & Landscaping Ltd.

Builders Lien	BB920844	January 30, 2009	Jack Cewe Ltd.
Builders Lien	BB753058	February 2, 2009	C & C Trucking (1988) Ltd.
Builders Lien	CA1032967	February 4, 2009	Ocean Construction Supplies Limited
Mortgage	CA1052287	March 3, 2009	Nora Rosalie Marvin
Mortgage	BB764578	March 27, 2009	Bassi Brothers Framing Ltd.
Builders Lien	CA1072069	March 30, 2009	United Rentals of Canada, Inc.
Certificate of Pending Litigation	BB324305	April 7, 2009	Pacific Utility Contracting Ltd.
Builders Lien	BB327532	April 17, 2009	McRae's Environmental Services Ltd.
Builders Lien	CA1087563	April 17, 2009	Graestone Ready Mix Inc.
Builders Lien	BB808472	September 14, 2009	Integra Architecture Inc.
Certificate of Pending Litigation	BB816434	September 30, 2009	Bassi Brothers Framing Ltd.
Builders Lien	BB37220	October 1, 2009	Valley Geotechnical Engineering Services Ltd.
Builders Lien	BB37239	October 1, 2009	K.K. Bowins & Assoc. Inc
Certificate of Pending Litigation	BB1118011	November 4, 2009	Coast Capital Savings Credit Union
Builders Lien	BB332645	November 17, 2009	Palmieri Bros. Paving Ltd.
Certificate of Pending Litigation	BB1124623	November 27, 2009	Jack Cewe Ltd.
Certificate of Pending Litigation	BB340600	December 18, 2009	Palmieri Bros. Paving Ltd.
Certificate of Pending Litigation	BB1137402	January 13, 2010	Emco Corporation
Certificate of Pending Litigation	BB1138236	January 27, 2010	C & C Trucking (1988) Ltd.
Certificate of Pending Litigation	BB1242580	January 29, 2010	Ocean Construction Supplies Limited
Certificate of Pending Litigation	BB40816	February 1, 2010	Unlimited Excavating & Landscaping Ltd.
ALBION SLOPES LOTS – Phase 3			
Mortgage	BA113354	July 6, 2006	Coast Capital Savings Credit Union
Assignment of Rents	BA113355	July 6, 2006	Coast Capital Savings Credit Union

Mortgage (extension of BA113354)	BB239323	May 23, 2008	Coast Capital Savings Credit Union
Assignment of Rents	BB239324	May 23, 2008	Coast Capital Savings Credit Union
Certificate of Pending Litigation	BB715670	September 29, 2008	497308 B.C. Ltd.
Mortgage	BB1030678	December 9, 2008	0769932 B.C. Ltd.
Builders Lien	CA1022333	January 19, 2009	Emco Corporation
Builders Lien	BB750278	January 20, 2009	Pacific Utility Contracting Ltd.
Builders Lien	BB752707	January 30, 2009	Unlimited Excavating & Landscaping Ltd.
Builders Lien	BB920844	January 30, 2009	Jack Cewe Ltd.
Builders Lien	BB753058	February 2, 2009	C & C Trucking (1988) Ltd.
Builders Lien	CA1032967	February 4, 2009	Ocean Construction Supplies Limited
Builders Lien	BB1045261	February 6, 2009	Jack Cewe Ltd.
Mortgage	CA1052287	March 3, 2009	Nora Rosalie Marvin
Mortgage	BB764578	March 27, 2009	Bassi Brothers Framing Ltd.
Builders Lien	CA1072069	March 30, 2009	United Rentals of Canada, Inc.
Certificate of Pending Litigation	BB324305	April 7, 2009	Pacific Utility Contracting Ltd.
Builders Lien	BB327532	April 17, 2009	McRae's Environmental Services Ltd.
Builders Lien	CA1087563	April 17, 2009	Graestone Ready Mix Inc.
Certificate of Pending Litigation	BB816434	September 30, 2009	Bassi Brothers Framing Ltd.
Certificate of Pending Litigation	BB1118011	November 4, 2009	Coast Capital Savings Credit Union
Builders Lien	BB332645	November 17, 2009	Palmieri Bros. Paving Ltd.
Certificate of Pending Litigation	BB1124623	November 27, 2009	Jack Cewe Ltd.
Certificate of Pending Litigation	BB340600	December 18, 2009	Palmieri Bros. Paving Ltd.
Certificate of Pending Litigation	BB1137402	January 13, 2010	Emco Corporation
Certificate of Pending Litigation	BB1138236	January 27, 2010	C & C Trucking (1988) Ltd.

Certificate of Pending Litigation	BB1242580	January 29, 2010	Ocean Construction Supplies Limited
Certificate of Pending Litigation	BB40816	February 1, 2010	Unlimited Excavating & Landscaping Ltd.
ALBION SLOPES LOTS – Remainder Parcel			
Mortgage	BA113354	July 6, 2006	Coast Capital Savings Credit Union
Assignment of Rents	BA113355	July 6, 2006	Coast Capital Savings Credit Union
Mortgage (extension of BA113354)	BB239323	May 23, 2008	Coast Capital Savings Credit Union
Assignment of Rents	BB239324	May 23, 2008	Coast Capital Savings Credit Union
Certificate of Pending Litigation	BB715670	September 29, 2008	497308 B.C. Ltd.
Mortgage	BB1030678	December 9, 2008	0769932 B.C. Ltd.
Builders Lien	BB1045262	February 6, 2009	Jack Cewe Ltd.
Mortgage	CA1052287	March 3, 2009	Nora Rosalie Marvin
Mortgage	BB764578	March 27, 2009	Bassi Brothers Framing Ltd.
Builders Lien	CA1072069	March 30, 2009	United Rentals of Canada, Inc.
Builders Lien	CA1087563	April 17, 2009	Graestone Ready Mix Inc.
Certificate of Pending Litigation	BB816434	September 30, 2009	Bassi Brothers Framing Ltd.
Certificate of Pending Litigation	BB1118011	November 4, 2009	Coast Capital Savings Credit Union
Builders Lien	BB332645	November 17, 2009	Palmieri Bros. Paving Ltd.
Certificate of Pending Litigation	BB1124623	November 27, 2009	Jack Cewe Ltd.
Certificate of Pending Litigation	BB340600	December 18, 2009	Palmieri Bros. Paving Ltd.

APPENDIX B

**Offer to Purchase from Silveroak Homes Ltd.
dated May 7, 2010 re: Spencer's Ridge Lot 29**

OFFER OF PURCHASE

THIS AGREEMENT DATED THIS 7 day of May, 2010.

BETWEEN:

Silveroak Homes Ltd.

(hereinafter referred to as the "**Offeror**" or "**Purchaser**")

AND:

PricewaterhouseCoopers Inc. as Receiver and Manager of The
Symphony Developments Corporation

(hereinafter referred to as the "**Vendor**")

RECEIVED from the Purchaser the sum of \$10,000.00 being the deposit (the "**Deposit**") paid to
Bull, Housser & Tupper LLP on account of the proposed purchase of:

LEGAL DESCRIPTION:	PID: 027-424-138 Lot 29, Section 3, Township 12 New Westminster District, Plan BCP35192
STREET ADDRESS:	24208 – 103A Avenue, Maple Ridge, BC
CITY/MUNICIPALITY/REGION:	Municipality of Maple Ridge
FOR THE PRICE OF :	\$ <u>190,500.00</u>

(of which the deposit will form part) PAYABLE ON THE FOLLOWING TERMS AND **SUBJECT TO THE FOLLOWING CONDITIONS:**

1. The Acceptance of this Offer by the Vendor is pursuant to a Court Order for Conduct of Sale of the Property, and not as owner of the Property. The acceptance of this Offer is subject to the approval of the Supreme Court of British Columbia (the "**Court**") and will become effective from the time an Order is made approving this Offer (the "**Vesting Order**"). The Vendor hereby advises the Offeror that the Vendor's obligations in connection with this Offer, until it is approved by the Court, are limited to putting this Offer before the Court, subject to the discretion referred to in paragraph 2 hereof. The Vendor is subject to the jurisdiction and discretion of the Court to entertain other offers and to any further Orders that the Court may make regarding the Property. Given the Vendor's position and relationship to other parties in the Court proceeding, the Vendor may be compelled to advocate that the Court consider other offers in order to obtain the highest price for the Property. The Vendor gives no undertaking to exclusively advocate the acceptance of only this Offer. In that regard, the Offeror may wish to consider making its own arrangements to support this Offer in Court if other offers are received by the Vendor.

2. The acceptance of this Offer by the Vendor and any obligation by the Vendor to put this Offer before the Court may be terminated at any time before the Court makes an Order approving this sale (the "**Vesting Order**") if the Mortgage which is the subject of these Court proceedings is redeemed pursuant to the terms of the Order Nisi pronounced in the proceedings, if the Vendor elects to accept the arrears due and owing under the Mortgage in order to put the Mortgage in good standing, if the owner of the Property arranges for refinancing of the Mortgage or their own sale of the Property, or if the Vendor determines in its sole discretion that it is inadvisable or improvident to present the Offer to the Court. This condition is for the sole benefit of the Vendor.

ADDENDUM(S) attached [☐] Yes [☒] No

EACH OF THE ABOVE CONDITIONS, IF ANY, IS, IF SO INDICATED, FOR THE SOLE BENEFIT OF THE PARTY INDICATED UNLESS EACH CONDITION IS WAIVED OR DECLARED FULFILLED BY WRITTEN NOTICE GIVEN BY THE BENEFITING PARTY TO THE OTHER PARTY ON OR BEFORE THE DATE SPECIFIED FOR EACH CONDITION, THIS CONTRACT WILL BE THEREUPON TERMINATED AND THE DEPOSIT RETURNED TO THE PURCHASER.

THE PURCHASER OFFERS TO PURCHASE THE PROPERTY FOR THE PRICE AND ON THE TERMS AND SUBJECT TO THE CONDITIONS HEREIN SET FORTH:

1. **TITLE:** Free and clear of all encumbrances of the parties to Supreme Court of British Columbia, Vancouver Registry Action No. S091522 (the "**Proceedings**") in accordance with a Vesting Order of the Court, except subsisting conditions, provisions, restrictions, exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights-of-way, in favour of utilities and public authorities, existing tenancies set out below, if any and except as otherwise set out herein:

OTHER EXCEPTIONS:

2. **COMPLETION:** The sale will be completed on or before June 15, 2010, or such other date as may be fixed by the Court in the Vesting Order (the "**Completion Date**"), or so soon thereafter as the parties may agree at the appropriate Land Title Office, subject to the following express terms and conditions:

- (a) Tender or payment of monies by the Purchaser to the Vendor will be by certified cheque, bank draft, cash or lawyer's/notary's trust cheque;
- (b) All documents required to give effect to this Contract will be delivered in registerable form where necessary and shall be lodged for registration in the appropriate Land Title Office on or before Completion Date;
- (c) Time shall be of the essence hereof, and unless the balance of the cash payment is paid and such formal agreement to pay the balance as may be necessary is

entered into on or before the Completion Date, the Vendor may at the Vendor's option terminate this Contract and in such event the amount paid by the Purchaser will be absolutely forfeited to the Vendor on account of damages without prejudice to the Vendor's other remedies, whether arising at law or in equity.

NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH 2(c) ABOVE, THE VENDOR AND PURCHASER AGREE THAT:

- (d) If there are existing registered financial charges to be paid under the terms of the Order, the Vendor may wait to pay and discharge such existing financial charges until immediately after receipt of the purchase price, but in this event, the Purchaser may pay the purchase price to the Vendor's lawyer in trust, on undertakings to pay those financial charges in accordance with the Order.
- (e) The Purchaser may pay all funds, including any increase in the deposit, to his solicitor, but all funds so paid shall be held in trust until registration of the Vesting Order;
- (f) If the Purchaser is relying upon a new mortgage to finance the purchase price, the Purchaser, while still required to pay the purchase price on Completion Date, may wait to pay the purchase price to the Vendor until after the Vesting Order and new mortgage documents have been lodged for registration in the appropriate Land Title Office, but only if, before such lodging, the Purchaser has:
 - (i) made available for tender to the Vendor that portion of the purchase price not secured by the new mortgage; and
 - (ii) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration; and
 - (iii) made available to the Vendor a lawyer's or notary's undertaking to pay the purchase price upon the lodging of the Vesting Order and new mortgage documents and the advance by the mortgagee of the mortgage proceeds.

3. **COSTS:** The Purchaser shall bear all costs of the conveyance and, if applicable, any costs related to arranging a mortgage, and the Vendor shall bear all costs of obtaining Court approval of the sale and clearing title in accordance with Article 1 hereof.

4. **POSSESSION:** The Purchaser will have vacant possession of the Property by operation of and pursuant to the terms of the Vesting Order. The Purchaser will assume all tenancies as may exist on the Completion Date, and no adjustments, including but not limited to adjustments for rents or security deposits, will be made to the purchase price on account of such tenancies.

5. **ADJUSTMENTS:** The Purchaser will assume and pay all taxes, rates, local improvement assessments, fuel, utilities and other charges from and including the date set for

adjustments and all adjustments both incoming and outgoing of whatsoever nature will be made as of the Completion Date.

6. **REPRESENTATIONS AND WARRANTIES:** The Purchaser is buying the lands and premises on an "as is - where is" basis as at the Completion Date. No Representations concerning the condition of the Property shall form part of this Contract of Purchase and Sale, and the Purchaser acknowledges and agrees that it is not relying on any Representations made by or on behalf of the Vendor, and not expressly contained in this Contract, in entering into this Contract. No Property Condition Disclosure Statement shall form part of this Contract of Purchase and Sale, whether or not such Statement exists or is attached hereto.

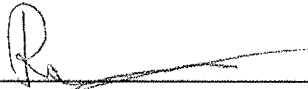
7. **RISK:** All buildings on the Property and all other items included in the purchase and sale will be and remain at the risk of the Vendor until 12:01 a.m. on the Completion Date. After that time, the Property and all included items will be at the risk of the Purchaser.

8. **INCLUDED ITEMS:** The Purchaser acknowledges that the purchased assets do not include any chattels/personal property and that the Purchaser will have to make separate arrangements with the owner of the Property if chattels/personal property are to be purchased.

9. In this Contract any reference to a party includes that party's heirs, executors, administrators, successors and assigns; singular includes plural and masculine includes feminine.

THIS OFFER IF ACCEPTED IS A LEGAL AND BINDING CONTRACT. READ IT ALL BEFORE YOU SIGN.

Dated at Maple Ridge, British Columbia, this 7 day of May, 2010.



(WITNESS)



(PURCHASER/OCCUPATION/PHONE)

(WITNESS)

(PURCHASER/OCCUPATION/PHONE)

VENDOR:

Per: 

PricewaterhouseCoopers Inc.

APPENDIX C

**Offer to Purchase from Silveroak Homes Ltd.
dated May 7, 2010 re: Spencer's Ridge Lot 30**

OFFER OF PURCHASE

THIS AGREEMENT DATED THIS 7 day of May, 2010.

BETWEEN:

Silveroak Homes Ltd.

(hereinafter referred to as the "**Offeror**" or "**Purchaser**")

AND:

PricewaterhouseCoopers Inc. as Receiver and Manager of The
Symphony Developments Corporation

(hereinafter referred to as the "**Vendor**")

RECEIVED from the Purchaser the sum of \$10,000.00 being the deposit (the "**Deposit**") paid to
Bull, Housser & Tupper LLP on account of the proposed purchase of:

LEGAL DESCRIPTION:	PID: 027-424-146 Lot 30, Section 3, Township 12 New Westminster District, Plan BCP35192
STREET ADDRESS:	24216 – 103A Avenue, Maple Ridge, BC
CITY/MUNICIPALITY/REGION:	Municipality of Maple Ridge
FOR THE PRICE OF :	\$ <u>190,500.00</u>

(of which the deposit will form part) PAYABLE ON THE FOLLOWING TERMS AND **SUBJECT TO THE FOLLOWING CONDITIONS:**

1. The Acceptance of this Offer by the Vendor is pursuant to a Court Order for Conduct of Sale of the Property, and not as owner of the Property. The acceptance of this Offer is subject to the approval of the Supreme Court of British Columbia (the "**Court**") and will become effective from the time an Order is made approving this Offer (the "**Vesting Order**"). The Vendor hereby advises the Offeror that the Vendor's obligations in connection with this Offer, until it is approved by the Court, are limited to putting this Offer before the Court, subject to the discretion referred to in paragraph 2 hereof. The Vendor is subject to the jurisdiction and discretion of the Court to entertain other offers and to any further Orders that the Court may make regarding the Property. Given the Vendor's position and relationship to other parties in the Court proceeding, the Vendor may be compelled to advocate that the Court consider other offers in order to obtain the highest price for the Property. The Vendor gives no undertaking to exclusively advocate the acceptance of only this Offer. In that regard, the Offeror may wish to consider making its own arrangements to support this Offer in Court if other offers are received by the Vendor.

2. The acceptance of this Offer by the Vendor and any obligation by the Vendor to put this Offer before the Court may be terminated at any time before the Court makes an Order approving this sale (the "**Vesting Order**") if the Mortgage which is the subject of these Court proceedings is redeemed pursuant to the terms of the Order Nisi pronounced in the proceedings, if the Vendor elects to accept the arrears due and owing under the Mortgage in order to put the Mortgage in good standing, if the owner of the Property arranges for refinancing of the Mortgage or their own sale of the Property, or if the Vendor determines in its sole discretion that it is inadvisable or improvident to present the Offer to the Court. This condition is for the sole benefit of the Vendor.

ADDENDUM(S) attached [☐] Yes [☒] No

EACH OF THE ABOVE CONDITIONS, IF ANY, IS, IF SO INDICATED, FOR THE SOLE BENEFIT OF THE PARTY INDICATED UNLESS EACH CONDITION IS WAIVED OR DECLARED FULFILLED BY WRITTEN NOTICE GIVEN BY THE BENEFITING PARTY TO THE OTHER PARTY ON OR BEFORE THE DATE SPECIFIED FOR EACH CONDITION, THIS CONTRACT WILL BE THEREUPON TERMINATED AND THE DEPOSIT RETURNED TO THE PURCHASER.

THE PURCHASER OFFERS TO PURCHASE THE PROPERTY FOR THE PRICE AND ON THE TERMS AND SUBJECT TO THE CONDITIONS HEREIN SET FORTH:

1. **TITLE:** Free and clear of all encumbrances of the parties to Supreme Court of British Columbia, Vancouver Registry Action No. S091522 (the "**Proceedings**") in accordance with a Vesting Order of the Court, except subsisting conditions, provisions, restrictions, exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights-of-way, in favour of utilities and public authorities, existing tenancies set out below, if any and except as otherwise set out herein:

OTHER EXCEPTIONS:

2. **COMPLETION:** The sale will be completed on or before June 15, 2010, or such other date as may be fixed by the Court in the Vesting Order (the "**Completion Date**"), or so soon thereafter as the parties may agree at the appropriate Land Title Office, subject to the following express terms and conditions:

- (a) Tender or payment of monies by the Purchaser to the Vendor will be by certified cheque, bank draft, cash or lawyer's/notary's trust cheque;
- (b) All documents required to give effect to this Contract will be delivered in registerable form where necessary and shall be lodged for registration in the appropriate Land Title Office on or before Completion Date;
- (c) Time shall be of the essence hereof, and unless the balance of the cash payment is paid and such formal agreement to pay the balance as may be necessary is

entered into on or before the Completion Date, the Vendor may at the Vendor's option terminate this Contract and in such event the amount paid by the Purchaser will be absolutely forfeited to the Vendor on account of damages without prejudice to the Vendor's other remedies, whether arising at law or in equity.

NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH 2(c) ABOVE, THE VENDOR AND PURCHASER AGREE THAT:

- (d) If there are existing registered financial charges to be paid under the terms of the Order, the Vendor may wait to pay and discharge such existing financial charges until immediately after receipt of the purchase price, but in this event, the Purchaser may pay the purchase price to the Vendor's lawyer in trust, on undertakings to pay those financial charges in accordance with the Order.
- (e) The Purchaser may pay all funds, including any increase in the deposit, to his solicitor, but all funds so paid shall be held in trust until registration of the Vesting Order;
- (f) If the Purchaser is relying upon a new mortgage to finance the purchase price, the Purchaser, while still required to pay the purchase price on Completion Date, may wait to pay the purchase price to the Vendor until after the Vesting Order and new mortgage documents have been lodged for registration in the appropriate Land Title Office, but only if, before such lodging, the Purchaser has:
 - (i) made available for tender to the Vendor that portion of the purchase price not secured by the new mortgage; and
 - (ii) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration; and
 - (iii) made available to the Vendor a lawyer's or notary's undertaking to pay the purchase price upon the lodging of the Vesting Order and new mortgage documents and the advance by the mortgagee of the mortgage proceeds.

3. **COSTS:** The Purchaser shall bear all costs of the conveyance and, if applicable, any costs related to arranging a mortgage, and the Vendor shall bear all costs of obtaining Court approval of the sale and clearing title in accordance with Article 1 hereof.

4. **POSSESSION:** The Purchaser will have vacant possession of the Property by operation of and pursuant to the terms of the Vesting Order. The Purchaser will assume all tenancies as may exist on the Completion Date, and no adjustments, including but not limited to adjustments for rents or security deposits, will be made to the purchase price on account of such tenancies.

5. **ADJUSTMENTS:** The Purchaser will assume and pay all taxes, rates, local improvement assessments, fuel, utilities and other charges from and including the date set for

adjustments and all adjustments both incoming and outgoing of whatsoever nature will be made as of the Completion Date.

6. **REPRESENTATIONS AND WARRANTIES:** The Purchaser is buying the lands and premises on an "as is - where is" basis as at the Completion Date. No Representations concerning the condition of the Property shall form part of this Contract of Purchase and Sale, and the Purchaser acknowledges and agrees that it is not relying on any Representations made by or on behalf of the Vendor, and not expressly contained in this Contract, in entering into this Contract. No Property Condition Disclosure Statement shall form part of this Contract of Purchase and Sale, whether or not such Statement exists or is attached hereto.


7. **RISK:** All buildings on the Property and all other items included in the purchase and sale will be and remain at the risk of the Vendor until 12:01 a.m. on the Completion Date. After that time, the Property and all included items will be at the risk of the Purchaser.

8. **INCLUDED ITEMS:** The Purchaser acknowledges that the purchased assets do not include any chattels/personal property and that the Purchaser will have to make separate arrangements with the owner of the Property if chattels/personal property are to be purchased.

9. In this Contract any reference to a party includes that party's heirs, executors, administrators, successors and assigns; singular includes plural and masculine includes feminine.

THIS OFFER IF ACCEPTED IS A LEGAL AND BINDING CONTRACT. READ IT ALL BEFORE YOU SIGN.

Dated at Maple Ridge, British Columbia, this 7 day of May, 2010.



(WITNESS)



(PURCHASER/OCCUPATION/PHONE)

(WITNESS)

(PURCHASER/OCCUPATION/PHONE)

VENDOR:

Per: 

PricewaterhouseCoopers Inc.

APPENDIX D

Compilation of Claims Received

The Symphony Development Corporation - Claims Received
Secured Claims

Creditor	Amount (\$)	Security Spencer's Ridge	Albion Slopes	Administrative Status	Recommendation
Mortgages					
Coast Capital Savings Credit Union	12,236,582.64		✓	Complete	1
Tejwant Kainth	469,849.43	✓		Complete	2
0769932 B.C. Ltd	2,358,412.80		✓	Complete	2
Bassi Brothers Framing Ltd	3,151,861.32		✓	Not Complete	3
Nora Rosalie Marvin	1,623,452.05		✓	Not Complete	3
Subtotal	19,840,158.24				
Liens					
D.K. Bowins & Associates	77,626.50	✓	✓	Not Complete	3
Integra Architecture	141,688.47		✓	Complete	2
Pacific Utility Contracting	919,656.41		✓	Not Complete	4
Palmieri Bros Paving Ltd	108,856.06		✓	Complete	2
Valley Geotechnical Engineering Services Ltd	44,254.00	✓	✓	Not Complete	3
Unlimited Excavating & Landscaping Ltd	40,120.00		✓	Complete	5
Jack Cewe	201,818.83		✓	Complete	5
C&C Trucking (1988) Ltd	201,944.00		✓	Complete	5
Ocean Pipe (Ocean Constrction Supplies)	60,091.38		✓	Complete	5
McRae's Environmental Services Ltd	23,012.74		✓	Complete	5
Net of Duplicate Claims	(526,986.95)				5
Subtotal	1,292,081.44				
Secured - Other					
497308 B.C. Ltd	420,638.40		✓	Not Complete	3
Brian Joseph	25,600.00	✓		Not Complete	3
Subtotal	446,238.40				
Total Secured Claims	21,578,478.08				

Recommendation Notes

- 1 Accepted.
- 2 Review required.
- 3 Further documentation and review required.
- 4 Require details of contractor amounts included within claim.
- 5 Reconciliation is required with Pacific Utility Contracting claim. These lien claimants are understood to form part of the Pacific Utility Contracting ("PUC") builders lien claim. The amounts advised by these claimants have been netted off in this analysis, however, further documentation is required to confirm amounts claimed are the same as that covered by the PUC claim.
- 6 This claim is contingent on the completion of outstanding GST and company income tax returns. The quantum of the claim, if any, will be known following completion of these returns.
- 7 A number of claims have been received which relate to funds advanced to Symphony Homes Limited. These claims are understood to form part of a claim by Symphony Homes Limited against The Symphony Development Corporation. Accordingly, these claims have been netted off to avoid possible double counting. Further information and review of these claims is required.

The Symphony Development Corporation - Claims Received
Unsecured Claims

Creditor	Amount (\$)	Security Spencer's Ridge	Albion Slopes	Administrative Status	Recommendation
Unsecured - General					
Brian Joseph	2,900.00			Not Complete	3
Canada Revenue Agency	1.00			Not Complete	6
Civitas Urban Design & Planning Inc.	4,831.98			Complete	2
Iqbal Bains	25,000.00			Not Complete	3
La Van Lack Atmore	6,904.40			Complete	2
Malkit Bains	25,000.00			Not Complete	3
Terasen Gas Inc.	6,972.63			Complete	2
Terra Pacific Land Surveying Limited	14,000.00			Not Complete	3
Sadru Dahya & Beverley Swifi	125,012.31			Complete	7
Glenn & Connie Galy & and Adrienne Corbett	26,688.34			Complete	7
Malek Alibhai	25,000.00			Complete	7
Kareem & Shafiq Dahya	80,019.11			Complete	7
Rupinder Sandu	50,000.00			Complete	7
Gurmej Sandhu	25,000.00			Complete	7
Daniel & Leslie Jillings	26,670.57			Complete	7
Francine Johnson	26,670.57			Complete	7
Jerina Ismail & Laila Merchant	25,000.00			Complete	7
Zaheed Alibhai	25,000.00			Complete	7
Farid Jiwa	25,000.00			Complete	7
Mumtaz Jiwa	25,000.00			Complete	7
Net of Duplicate Claims	(485,060.90)				7
Subtotal	85,610.01				
Unsecured - Johal					
Malkit Singh Johal	869,613.00			Not Complete	3
Jagdip Singh Johal	220,100.00			Not Complete	3
Roni Pabminder Johal	150,000.00			Complete	2
Shminder Singh Johal	1,085,000.00			Not Complete	3
Gurjeet Singh Johal	1,047,309.85			Not Complete	3
Subtotal	3,372,022.85				
Unsecured - Kainth					
Gurmel Kainth	1,185,135.00			Not Complete	3
Gurdeep Kainth	30,000.00			Complete	2
Kuljeet Dhaliwal	26,755.20			Not Complete	3
Symphony Homes Limited	60,900.00			Not Complete	3
Symphony Homes Limited	1,325,000.00			Not Complete	7
Symphony Homes Limited	2,000,000.00			Not Complete	3
Subtotal	4,627,790.20				
Total unsecured claims	8,085,423.06				
Total for all claims	29,663,901.14				