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COURT FILE NUMBER 1001-07852
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

APPLICANTS IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND THE JUDICATURE ACT, R.S.A. 2000, c. J-2, AS AMENDED MEDICAN HOLDINGS LTD., MEDICAN DEVELOPMENTS INC., R7 INVESTMENTS LTD., MEDICAN CONSTRUCTION LTD., MEDICAN CONCRETE INC., 1090772 ALBERTA LTD., 1144233 ALBERTA LTD., 1344241 ALBERTA LTD., 9150-3755 QUEBEC INC., AXCESS (GRANDE PRAIRIE) DEVELOPMENTS LTD., AXCESS (SYLVAN LAKE) DEVELOPMENTS LTD., CANVAS (CALGARY) DEVELOPMENTS LTD., ELEMENTS (GRANDE PRAIRIE) DEVELOPMENTS LTD., HOMES BY KINGSLAND LTD., LAKE COUNTRY (SITARA) DEVELOPMENTS LTD., MEDICAN (EDMONTON TERWILLEGAR) DEVELOPMENTS LTD., MEDICAN (GRANDE PRAIRIE) HOLDINGS LTD., MEDICAN (KELOWNA MOVE) DEVELOPMENTS LTD., MEDICAN (LETHBRIDGE - FAIRMONT PARK) DEVELOPMENTS LTD., MEDICAN (RED DEER - MICHENER HILL) DEVELOPMENTS LTD., MEDICAN (SYLVAN LAKE) DEVELOPMENTS LTD., MEDICAN (WESTBANK) DEVELOPMENT LTD., MEDICAN (WESTBANK) LAND LTD., MEDICAN CONCRETE FORMING LTD., MEDICAN DEVELOPMENTS (MEDICINE HAT SOUTHWEST) INC., MEDICAN ENTERPRISES INC. / LES ENTREPRISES MEDICAN INC., MEDICAN EQUIPMENT LTD., MEDICAN FRAMING LTD., MEDICAN GENERAL CONTRACTORS LTD., MEDICAN GENERAL CONTRACTORS 2010 LTD., RIVERSTONE (MEDICINE HAT) DEVELOPMENTS LTD., SANDERSON OF FISH CREEK (CALGARY) DEVELOPMENTS LTD., SIERRAS OF EAUX CLAIRES (EDMONTON) DEVELOPMENTS LTD., SONATA RIDGE (KELOWNA) DEVELOPMENTS LTD., SYLVAN LAKE MARINA DEVELOPMENTS LTD., THE ESTATES OF VALLEYDALE DEVELOPMENTS LTD., THE LEGEND (WINNIPEG) DEVELOPMENTS LTD., and WATERCREST (SYLVAN LAKE) DEVELOPMENTS LTD. (COLLECTIVELY, "THE MEDICAN GROUP OF COMPANIES").

DOCUMENT FOURTEENTH REPORT TO THE COURT OF RSM RICHTER INC. AS CCAA MONITOR OF THE MEDICAN GROUP OF COMPANIES DATED NOVEMBER 30, 2011

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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TABLE OF CONTENTS

INTRODUCTION.....	1
Purpose of this Report	1
Terms of Reference	2
Currency	2
BACKGROUND	2
COMPANY'S ACTIVITIES.....	3
MEDICAN (WESTBANK) LAND LTD.....	4
SANDERSON OF FISH CREEK (CALGARY) DEVELOPMENTS LTD.....	6
Phase 1 and 2	6
Phase 4A	7
Phase 3, 4B and Church Lands	8
1144233 ALBERTA LTD.....	9
CASH FLOW	10
MONITOR'S ACTIVITIES.....	11
CONCLUSION AND RECOMMENDATION	12

INDEX OF APPENDICES

Unit Sales Summary “A”

Cash Flow Variance Analysis..... “B”

Projected Statement of Cash Flow “C”

**FOURTEENTH REPORT OF RSM RICHTER INC.
AS CCAA MONITOR OF
THE MEDICAN GROUP OF COMPANIES**

November 30, 2011

INTRODUCTION

1. On May 26, 2010, the Court of Queen’s Bench of Alberta (“Court”) issued an order (“Initial Order”) granting The Medican Group of Companies (“Medican Group” or the “Company”) protection pursuant to the *Companies’ Creditors Arrangement Act* (“CCAA”) (the “CCAA Proceedings”). RSM Richter Inc. was appointed monitor (“Monitor”) under the Initial Order.
2. Pursuant to a Court order made on September 22, 2011, the stay of proceedings under the Initial Order was extended to November 30, 2011, whereupon it was further briefly extended to December 5, 2011.
3. The primary purposes of the CCAA Proceedings are to protect Medican Group’s business and operations, to allow Medican Group an opportunity to realize value from its construction and development projects and to facilitate a restructuring of its business, all under a Court-supervised process.

Purpose of this Report

4. The purpose of this report (“Report”) is to:
 - a) Provide an update on the Company’s restructuring efforts; and
 - b) Respectfully recommend that this Honourable Court grant orders:
 - Approving an offer to purchase from 494803 Alberta Ltd. for the 1144233 Alberta Ltd. lands (the “494 Offer”) described as Ptn. Plan 0713843, Block 1, Lot 3, located in Medicine Hat, Alberta;

- Providing MCAP Financial Corporation (“MCAP”) with leave to proceed with a receivership application in respect of the lands it holds as security in respect of Medican (Westbank) Land Ltd. (the “Kaleido Project”) and lifting the stay pursuant to the CCAA Proceedings for that limited purpose; and
- Extending the CCAA Proceedings from December 5, 2011 to February 29, 2012.

Terms of Reference

5. In developing this Report, the Monitor has relied upon unaudited financial information prepared by the Company’s management, the Company’s books and records and discussions with its management. The Monitor has not performed an audit or other verification of such information. An examination of the Company’s financial forecasts as outlined in the *Canadian Institute of Chartered Accountants Handbook* has not been performed. Future-oriented financial information relied upon in this Report is based on management’s assumptions regarding future events. Actual results achieved may vary from this information and these variations may be material, and as such the Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report, or relied upon by the Monitor in preparing this Report.

Currency

6. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

BACKGROUND

7. The Medican Group comprises several private companies engaged in the real estate construction and development business. The Company currently owns, operates and/or manages projects (“Projects”) in British Columbia, Alberta, and Quebec.

8. Additional background information is included in previous materials filed with the Court in these CCAA Proceedings, including the previous reports filed by the Monitor. Materials filed with the Court can be found on the Monitor's website at www.rsmrichter.com.

COMPANY'S ACTIVITIES

9. A summary of the Company's progress since the Monitor's Thirteenth Report to Court dated September 19, 2011 is provided below. Among other things, the Company:
 - a) Accepted offers, with the Monitor's approval, on five existing or under-construction residential condominium unit ("Units"). A schedule identifying Unit sales from the date of the Initial Order is provided as Appendix "A". In total, the Company has accepted 188 offers for sales of Units from the date of the Initial Order (excluding any Michener Unit sales);
 - b) Is pursuing alternative warranty coverage in respect of the Sanderson of Fish Creek (Calgary) Developments Ltd. ("Sanderson") in response to National Home Warranty's ("NHW") purported de-enrolment of the Sanderson Project from any further warranty coverage;
 - c) Continued to explore possible solutions in respect of several matters affecting the Sanderson Project and pursued interested parties in respect of the Kaleido Project;
 - d) Provided regular reporting on Sanderson Unit sales to Harbour Mortgage Corp. ("Harbour"), Imor Capital Corp. ("Imor"), and the Canadian Imperial Bank of Commerce ("CIBC");
 - e) Met on several occasions with the Monitor to review the various contingent, secured and unsecured claims filed against the Company by creditors pursuant to the Claims Procedure Order;
 - f) Continued to meet with third parties respecting the development or sale of the Company's interests in certain Projects;
 - g) Continued to provide stakeholders with updates on its restructuring efforts; and
 - h) Developed its Plan of Compromise and Arrangement and Compromise ("Plan").
10. Certain of the above activities are discussed in greater detail herein. Details of the Company's Plan are set out in the Monitor's Fifteenth Report to the Court.

MEDICAN (WESTBANK) LAND LTD.

11. The Kaleido Project is a condominium development project located in Westbank, British Columbia. The Company planned to develop a seven-phase, 717 unit condominium complex on the subject lands.
12. Construction of Phase 1 of the Kaleido Project was completed in September, 2008, with 82 units being marketed for sale. There are 53 units remaining for sale (“Kaleido Units”). Construction on Phase 2 and 3 and on the Project amenity centre has not commenced.
13. With the approval of MCAP and after fulfilling the requirements of the *Real Estate Development Marketing Act* (British Columbia), the Company engaged a listing agent and listed several Units for sale. Since the listing agent was engaged, no Units have sold due to the current state of the condominium market in that area of British Columbia, and construction not having commenced on the other Phases and the amenity centre.
14. The Phase 4–7 Kaleido Project lands are financed by way of a secured lending facility with Zoltan and Margaret Majoros (“Majoros”) with an estimated balance owing of \$3.5 million (including interest). Subsequent registrations have been made by Monarch Land Ltd. (“Monarch”) which total approximately \$4.8 million (including interest). The Company planned on building 400 Units on the Phase 4-7 lands.
15. The Phase 4-7 lands were marketed for sale pursuant to the Bid Procedure Order dated September 8, 2010 which was consistent with the marketing process established for other Medican Group bare land development projects. No offers were received for the Phase 4-7 lands.

16. The Monitor advised this Honourable Court in its Eleventh Report that an offer on the Kaleido Project had been received, the terms and conditions of which were being finalized. The offer was presented to MCAP; however, the offer was considered unacceptable. The Company was diligently pursuing several prospective purchasers; however, no offers have been generated.
17. As a result of the Company being unable to sell any Units and no offers forthcoming for the Kaleido Project, MCAP has advised that it wishes to place Phase 1, 2 and 3 into receivership using a British Columbia based insolvency firm. The Company supports the return of Phase 1, 2 and 3 to MCAP. MCAP has agreed that the Priority Charges pursuant to the Initial Order against the Kaleido Project will remain in place until further order of this Honourable Court and MCAP will support the Company's Plan. The Priority Charges are discussed in the Monitor's Fifteenth Report. Moreover, the receivership is expected to assist the Kaleido Project condominium corporation which is experiencing financial difficulty in connection with unpaid condominium fees. The Monitor supports the Company's decision to support MCAP's receivership application.
18. The Company recently obtained a listing proposal from Colliers International ("Colliers") in respect of the Phase 4-7 lands. Colliers suggested a listing price of \$4.1 million. In June 2010 Monarch obtained an appraisal of the Phase 4-7 lands (the "Monarch Appraisal"). The Monarch appraisal suggested a value for the Phase 4-7 lands of approximately \$7.7 million. Recent land sales indicate that prices are depressed and properties in the area are selling for approximately \$9,000 to \$10,000 per buildable Unit which equates to a sale price range between \$3.6 million and \$4.0 million. Prior to listing the Phase 4-7 lands for sale, Monarch has requested that it be allowed to update the Monarch Appraisal. The Phase 4-7 lands will not be placed into receivership.

19. There will be no plan of compromise or arrangement in respect of any Phase of the Kaleido Project.

SANDERSON OF FISH CREEK (CALGARY) DEVELOPMENTS LTD.

20. The Project known as “Sanderson of Fish Creek” is located in Calgary, Alberta. It is to consist of five phases with a total of 352 Units (“Sanderson Project”). The Sanderson Project was established in multiple phases referred to as Phases 1, 2, 3, 4A and 4B. The Sanderson Project also included certain adjacent lands (“Church Lands”).
21. Several lenders hold various forms of security against the Sanderson Project and unsold Units. Monies are also owed to Canada Revenue Agency, unsecured lenders and trade suppliers.

Phase 1 and 2

22. Harbour holds a first charge on all but one of the remaining Units in Phase 1 and 2¹. Imor has a second charge on all the remaining Units. Eleven Units secured by Harbour and Imor remain unsold.
23. The Units in Phase 1 and 2 are not complete. The estimated costs to complete construction on the remaining Units total approximately \$150,000. The costs to complete the remaining Units are being funded from funds received on the sale of completed Units in accordance with the budget approved by this Honourable Court.
24. The Company continues to market for sale the unsold Units. As the Monitor has previously advised this Honourable Court, there are issues impeding the sales of the remaining Units:
 - Construction deficiencies estimated to total approximately \$1.3 million;

¹ CIBC holds a first charge on one unsold Unit in Phase 1 of the Sanderson Project.

- The requirement to withhold approximately \$41,029.41 in respect of the deficiencies from the sale of each Unit so that the Sanderson Project Condominium Corporation will issue estoppel certificates on sold Units. Entitlement to the withheld funds will be determined at a later date; and
 - NHW's purported de-enrolment of the remaining Sanderson Units from its insurance coverage.
25. The Company recently arranged alternative insurance coverage for all remaining unsold Phase 1, 2 and 4A Units. Also, the Company conducted a market analysis in October 2011 considering comparable condominium developments. The results of the analysis indicate that although condominium sales in Calgary have been increasing month over month, there has been a decrease in the average selling price. The Company believes its Unit prices at the Sanderson Project are approximately \$30 per square foot higher than at comparable condominium developments. The Company has received approval from Harbour and Imor to reduce the Unit prices at the Sanderson Project. The Company is also assessing various mechanisms to attempt to sell the remaining Units in as timely a fashion as possible.
26. The Company continues to provide weekly update reports to Harbour and Imor in respect of its marketing efforts and sales of Units. The Company, Harbour and Imor continue to work together under protocols established earlier in these CCAA Proceedings.

Phase 4A

27. CIBC advanced \$1 million to the Company to complete construction of Phase 4A of the Sanderson Project pursuant to a Court Order obtained by the Company on July 29, 2010. Construction of the 20 Phase 4A Units is complete and the construction costs were on budget. Six Units remain listed for sale. The Company and CIBC continue to work together under protocols established earlier in these CCAA Proceedings. It appears sales

of the remaining Phase 4A Units have been affected by the actions taken by the Sanderson Condominium Corporation and NHW. As with the remaining Unit in Phase 1 and 2, the Company is considering lowering the prices on the Units and develop a plan to sell the Phase 4A Units on a more timely basis.

28. The Company is providing weekly update reports to the CIBC in respect of its marketing efforts and sales of Units.

Phase 3, 4B and Church Lands

29. The Company completed the Court-approved transaction (the “Monarch Transaction”) with Monarch in respect of Phase 3 and 4B of the Sanderson Project and the Church Lands in January 2011.
30. One of the terms and conditions of the Monarch Transaction was that Monarch would fund and complete the deficiencies in respect of the common property up to a maximum of \$600,000. As the Monitor has previously advised this Honourable Court, it was both the Monitor’s and the Company’s understanding that if the deficiencies exceeded \$600,000, Monarch would fund and complete those deficiencies (the “Additional Deficiencies”) and deduct the costs from the Medican Group’s profits to be realized upon the build out and sale of the Units to be constructed in Phase 3 and 4B.
31. An independent assessment of the deficiencies by both Monarch and the Company suggests that the Sanderson Project deficiencies are approximately \$1.3 million, not the \$600,000 initially estimated.
32. The Company’s share of net profits on the build out of the Sanderson Project is estimated to be in excess of \$4.0 million. The Company’s share of net profits is expected to fund the Sanderson Project’s Plan.

33. The Company and Monarch have been unable to agree on a mechanism to address the approximately \$1.3 million in deficiencies. Consequently, the Sanderson Project will not be included in the Company's Plan. Moreover, the deficiency issue with Monarch needs to be addressed to generate more timely sales of the remaining Units in Phase 1, 2 and 4A to make payments to secured creditors, to not cause delay in the development of Phase 3 and 4B and to advance a plan of compromise and arrangement in respect of the Sanderson Project.
34. The Company has used its best efforts to identify the many issues affecting the Sanderson Project and the disputes with Monarch. The issues need to be addressed for the Sanderson Project to file its own plan of compromise and arrangement. The Company's legal counsel has provided a draft letter to Monarch outlining the various issues. The issues are complex and it appears that the Court's assistance will be required to settle the disputes. The Monitor understands that the Company and Monarch will appear before the Court in the next few weeks to work out the logistics to have the various disputes placed before the Court.
35. Accordingly the Company believes a 90 day extension to the stay provides a reasonable period of time in which to address the resolution of the Sanderson Project.

1144233 ALBERTA LTD.

36. As previously reported to this Honourable Court, 1144233 Alberta Ltd. ("114") owned land and a building described as Plan 0713843, Block 1, Lot 3, in Medicine Hat (the "Property"). The building partially collapsed on January 22, 2011.
37. On September 22, 2011, this Honourable Court approved a settlement between the Company and its insurer for \$1.77 million.

38. Subsequent to the insurance settlement the Company was approached by a party interested in making an offer to purchase the 114 land. On October 19, 2011 the Company received the 494 Offer from 494803 Alberta Ltd. in the amount of \$225,000. A copy of the offer is appended to the affidavit of Tyrone Schneider, dated November 30, 2011 (the “Schneider Affidavit”).
39. The Monitor has reviewed the 494 Offer and a September 20, 2011 Summary Appraisal Report in respect of the 114 land. The Monitor respectfully recommends that the 494 Offer be approved by this Honourable Court as the consideration being paid is consistent with the appraisal value of the 114 land and reflects fair market value in the circumstances. The proceeds, net of closing costs, will be used to address professional fees and working capital requirements.

CASH FLOW

40. Medican Group previously filed a cash flow projection for the period ending December 30, 2011. A comparison of the budget to actual results for the period ending November 18, 2011 is provided as Appendix “B”. The budget to actual results reflects a negative variance of approximately \$797,000. The majority of the negative variance is due to timing differences in connection with the sale of certain assets. Approximately \$210,000 of the negative variance relates to the operations of 1607679 Alberta Ltd. (“679”), (formerly Medican Concrete Inc.). 679 required support from the Company to meet its expenses. The Company has been recovering significant amounts “loaned” to 679 commensurate with 679’s collection of accounts receivable. The \$210,000 negative variance will be reduced by approximately \$200,000 by December 30, 2011 and is estimated to be eliminated by February 2012.

41. An updated projected statement of cash flow to the week ending February 29, 2012 (“Projection”) is provided as Appendix “C”. The notes to the Projection should be read in conjunction with the Projection. The Company continues to implement operational changes to improve its cash flow. There is seasonality in the Company’s revenues. February through March are typically the Company’s lowest revenue months and working capital will be required to support the Company through the three month period when negative cash flows are experienced.
42. The Monitor assisted the Company with the preparation of the Projection. The Projection is predicated on Medican Group continuing to operate in the normal course in the context of the CCAA Proceedings and post emergence from CCAA. The Monitor reviewed the Projection and its underlying assumptions and concluded that it is reasonable in the circumstances.

MONITOR’S ACTIVITIES

43. In addition to the activities referenced in this Report, the Monitor’s activities since the date of the Thirteenth Report include:
 - Reviewing the Company’s cash flow;
 - Reviewing claims resulting from the Court-approved claims process;
 - Participating in meetings with the Company;
 - Reviewing and approving offers for the sale of Units;
 - Reviewing and assessing offers received in respect of certain of the Company’s assets;
 - Assisting the Company with development of its Consolidated Plan;

- Continuing to communicate with creditors of the Company;
- Corresponding with certain real estate agents representing the Company;
- Assisting the Company in respect of various matters described in paragraph 9 of this Report; and
- Preparing this Report.


CONCLUSION AND RECOMMENDATION

44. The Monitor is of the view that the Company is acting in good faith and with due diligence. It has developed a Consolidated Plan to be advanced to its creditors and stakeholders which is outlined in the Monitor's Fifteenth Report.
45. Accordingly, the Monitor respectfully recommends that this Honourable Court make an order granting the relief requested in Section 4 b) of this Report.

* * *

All of which is respectfully submitted this 30th day of November, 2011.

**RSM RICHTER INC.
IN ITS CAPACITY AS CCAA MONITOR OF
THE MEDICAN GROUP OF COMPANIES
AND NOT IN ITS PERSONAL CAPACITY**

Per: 

Robert J. Taylor

Medican Group of Companies
Summary of Unit Sales from May 26, 2010
As at November 24, 2011
(\$Cdn, Unaudited)

Appendix "A"

Date	Site	Phase	Closing	Suite	Asking Price	Accepted Price
5/28/2010	Axxess @ Terwillegar	1	6/25/2010	104	225,000.00	217,776.00
5/28/2010	Axxess @ Terwillegar	1	6/18/2010	304	230,000.00	222,869.00
5/29/2010	Canvas @ Millrise	4	7/9/2010	2127	224,900.00	214,900.00
5/29/2010	Sanderson Ridge	4A	10/1/2010	F140	560,300.00	504,300.00
5/31/2010	Canvas @ Millrise	4	7/30/2010	2121	224,900.00	214,900.00
5/31/2010	Canvas @ Millrise	4	7/30/2010	2125	224,900.00	214,900.00
5/31/2010	Canvas @ Millrise	4	7/30/2010	2129	224,900.00	209,677.00
6/1/2010	Canvas @ Millrise	4	7/23/2010	2122	179,900.00	169,900.00
6/1/2010	Legend @ Creekbend	2	6/30/2010	315	256,000.00	254,000.00
6/2/2010	Axxess @ Terwillegar	1	7/15/2010	102	249,000.00	240,311.00
6/2/2010	Canvas @ Millrise	3	7/21/2010	2108	179,900.00	169,900.00
6/2/2010	Canvas @ Millrise	4	7/16/2010	2124	179,900.00	169,900.00
6/2/2010	Canvas @ Millrise	4	7/25/2010	2134	184,900.00	174,900.00
6/2/2010	Canvas @ Millrise	4	6/30/2010	2139	204,900.00	194,900.00
6/4/2010	Legend @ Creekbend	2	9/1/2010	431	171,491.00	172,491.00
6/7/2010	Sanderson Ridge	3	pre sale	A013	471,900.00	419,805.00
6/8/2010	Axxess @ Terwillegar	1	7/5/2010	228	225,000.00	218,024.00
6/10/2010	Canvas @ Millrise	4	7/19/2010	2231	259,900.00	249,900.00
6/14/2010	Canvas @ Millrise	3	8/1/2010	2217	249,000.00	234,496.00
6/14/2010	Sanderson Ridge	2	9/3/2010	B308	393,830.00	356,850.00
6/19/2010	Canvas @ Millrise	4	7/30/2010	2126	259,622.00	254,400.00
6/19/2010	Canvas @ Millrise	4	9/30/2010	2128	256,622.00	241,350.00
6/19/2010	Canvas @ Millrise	3	7/30/2010	2412	279,900.00	264,900.00
6/21/2010	Canvas @ Millrise	3	7/2/2010	2135	249,900.00	239,900.00
6/22/2010	Legend @ Creekbend	2	7/28/2010	219	198,000.00	204,000.00
6/23/2010	Legend @ Creekbend	3	pre sale	143	199,000.00	189,000.00
6/23/2010	Sanderson Ridge	3	pre sale	A202	499,900.00	438,650.00
6/24/2010	Axxess @ Terwillegar	1	7/23/2010	106	173,000.00	164,000.00
6/24/2010	Legend @ Creekbend	3	pre sale	338	289,900.00	279,000.00
6/25/2010	Axxess @ Terwillegar	1	7/5/2010	314	213,000.00	203,489.00
6/26/2010	Canvas @ Millrise	4	7/21/2010	2410	224,900.00	214,900.00
6/30/2010	Canvas @ Millrise	3	8/16/2010	2131	224,900.00	214,900.00
7/5/2010	Cercle des Cantons	2	7/10/2010	105	210,000.00	170,000.00
7/7/2010	Canvas @ Millrise	4	9/30/2010	2423	269,900.00	257,000.00
7/8/2010	Legend @ Creekbend	3	pre sale	243	201,000.00	191,000.00
7/14/2010	Sanderson Ridge	3	pre sale	A317	699,900.00	641,155.00
7/15/2010	Canvas @ Millrise	3	8/3/2010	2130	199,900.00	189,900.00
7/15/2010	Canvas @ Millrise	4	8/18/2010	2325	259,900.00	242,000.00
7/17/2010	Axxess @ Terwillegar	1	8/23/2010	414	210,000.00	198,644.00
7/21/2010	Canvas @ Millrise	3	8/4/2010	2230	209,900.00	199,900.00
7/22/2010	Cercle des Cantons	2	8/6/2010	100	295,000.00	250,000.00
7/25/2010	Cercle des Cantons	2	8/6/2010	204	270,000.00	230,000.00
7/25/2010	Cercle des Cantons	2	8/6/2010	307	390,000.00	325,000.00
7/31/2010	Axxess @ Terwillegar	1	9/1/2010	113	154,070.00	153,570.00
8/1/2010	Cercle des Cantons	2	9/15/2010	201	295,000.00	241,000.00
8/3/2010	Axxess @ Terwillegar	1	8/27/2010	327	249,000.00	237,404.00
8/3/2010	Cercle des Cantons	2	9/1/2010	110	293,802.00	259,802.00
8/4/2010	Legend @ Creekbend	2	11/1/2010	226	257,000.00	253,000.00
8/9/2010	Axxess @ Terwillegar	1	9/10/2010	223	166,000.00	162,000.00
8/12/2010	Cercle des Cantons	2	8/23/2010	101	295,000.00	245,000.00
8/21/2010	Axxess @ Terwillegar	1	9/17/2010	119	154,070.00	154,070.00
8/22/2010	Axxess @ Terwillegar	1	10/18/2010	123	162,000.00	154,070.00
8/23/2010	Axxess @ Terwillegar	1	9/17/2010	128	223,000.00	215,601.00
8/23/2010	Canvas @ Millrise	3	9/23/2010	2408	224,900.00	214,900.00
8/26/2010	Canvas @ Millrise	4	10/1/2010	2335	269,900.00	259,900.00
8/28/2010	Axxess @ Terwillegar	1	9/15/2010	121	185,000.00	171,550.00
8/31/2010	Canvas @ Millrise	3	9/20/2010	2209	264,900.00	250,900.00

Medican Group of Companies
Summary of Unit Sales from May 26, 2010
As at November 24, 2011
(\$Cdn, Unaudited)

Appendix "A"

Date	Site	Phase	Closing	Suite	Asking Price	Accepted Price
9/4/2010	Legend @ Creekbend	2	10/1/2010	421	252,000.00	252,000.00
9/8/2010	Legend @ Creekbend	3	5/18/2012	237	290,000.00	280,000.00
9/10/2010	Canvas @ Millrise	4	10/1/2010	2433	279,900.00	263,900.00
9/10/2010	Cercle des Cantons	2	9/20/2010	113	199,000.00	185,000.00
9/17/2010	Axxess @ Terwillegar	1	10/28/2010	219	166,000.00	157,946.00
9/23/2010	Cercle des Cantons	2	10/3/2010	300	367,000.00	304,675.00
9/26/2010	Canvas @ Millrise	3	2/1/2011	2137	239,900.00	229,900.00
9/28/2010	Canvas @ Millrise	4	11/26/2010	2228	254,900.00	244,900.00
10/2/2010	Axxess @ Terwillegar	1	10/25/2010	215	239,342.00	237,342.00
10/4/2010	Canvas @ Millrise	3	11/5/2010	2210	219,900.46	209,900.46
10/8/2010	Canvas @ Millrise	4	10/22/2010	2329	249,000.00	237,900.00
10/10/2010	Axxess @ Terwillegar	1	10/29/2010	103	163,760.00	155,039.00
10/13/2010	Axxess @ Terwillegar	1	11/30/2010	203	192,830.00	188,954.00
10/14/2010	Canvas @ Millrise	4	11/5/2010	2429	264,900.00	247,093.00
10/17/2010	Canvas @ Millrise	4	11/26/2010	2226	254,900.00	239,900.00
10/18/2010	Canvas @ Millrise	4	11/26/2010	2425	264,900.00	251,937.00
10/18/2010	Canvas @ Millrise	4	11/27/2010	2435	254,900.00	244,900.00
10/20/2010	Axxess @ Terwillegar	1	11/28/2010	127	221,898.00	218,023.25
10/21/2010	Axxess @ Terwillegar	1	11/30/2010	230	227,712.00	222,869.00
10/21/2010	Canvas @ Millrise	4	11/29/2010	2437	259,900.00	244,900.00
10/25/2010	Canvas @ Millrise	3	12/1/2010	2212	259,900.00	244,900.00
10/26/2010	Axxess @ Terwillegar	1	12/2/2010	202	252,000.00	242,250.00
10/26/2010	Axxess @ Terwillegar	1	12/3/2010	227	229,650.36	222,868.22
11/4/2010	Canvas @ Millrise	3	12/6/2010	2102	249,900.00	230,620.00
11/4/2010	Cercle des Cantons	2	12/4/2010	118	333,000.00	333,000.00
11/4/2010	Sanderson Ridge	1	12/5/2010	F309	253,000.00	240,000.00
11/6/2010	Canvas @ Millrise	3	12/7/2010	2119	219,900.00	209,900.00
11/9/2010	Axxess @ Terwillegar	1	12/8/2010	318	212,210.00	208,000.00
11/10/2010	Axxess @ Terwillegar	1	12/9/2010	208	156,977.00	156,008.00
11/12/2010	Canvas @ Millrise	3	12/10/2010	2442	269,900.00	259,900.00
11/13/2010	Sanderson Ridge	1	12/11/2010	B104	339,000.00	336,965.00
11/13/2010	Sanderson Ridge	1	12/12/2010	B206	354,000.00	354,000.00
11/16/2010	Axxess @ Terwillegar	1	12/14/2010	306	173,450.00	170,543.00
11/16/2010	Sanderson Ridge	2	12/13/2010	F134	242,000.00	230,000.00
11/21/2010	Axxess @ Terwillegar	1	12/15/2010	330	231,588.00	228,000.00
11/21/2010	Sanderson Ridge	1	12/16/2010	C407	575,000.00	550,000.00
11/25/2010	Axxess @ Terwillegar	1	12/17/2010	323	167,000.00	167,000.00
11/30/2010	Axxess @ Terwillegar	1	12/18/2010	206	177,000.00	170,000.00
11/30/2010	Axxess @ Terwillegar	1	12/19/2010	406	173,450.00	167,636.00
11/30/2010	River Stone	1	12/20/2010	531	185,900.00	136,500.00
12/1/2010	Cercle des Cantons	2	12/20/2010	302	355,000.00	297,000.00
12/2/2010	Axxess @ Terwillegar	1	12/21/2010	125	163,760.00	163,760.00
12/3/2010	Sanderson Ridge	1	12/22/2010	B202	349,000.00	343,903.00
12/6/2010	Axxess @ Terwillegar	1	12/24/2010	213	156,977.00	155,039.00
12/6/2010	Axxess @ Terwillegar	1	12/23/2010	425	192,830.00	189,923.00
12/7/2010	Axxess @ Terwillegar	1	12/25/2010	107	154,070.00	154,070.00
12/10/2010	Axxess @ Terwillegar	1	12/26/2010	320	174,350.00	170,543.00
12/10/2010	Canvas @ Millrise	4	12/27/2010	2224	199,900.00	183,900.00
12/11/2010	Axxess @ Terwillegar	1	12/28/2010	225	186,046.00	182,171.00
12/15/2010	Axxess @ Terwillegar	1	12/30/2010	315	250,968.00	245,256.00
12/16/2010	Axxess @ Terwillegar	1	1/2/2011	319	159,883.00	156,237.00
12/16/2010	Axxess @ Terwillegar	1	12/31/2010	430	250,968.00	242,249.00
12/16/2010	Sanderson Ridge	1	1/1/2011	B306	362,000.00	357,000.00
12/20/2010	Sanderson Ridge	1	1/3/2011	B302	354,000.00	349,000.00
12/22/2010	Axxess @ Terwillegar	1	1/4/2011	419	173,449.00	167,152.00
12/27/2010	Axxess @ Grande Prairie	3	1/5/2011	112	138,900.00	127,906.98
12/27/2010	Canvas @ Millrise	2	1/6/2011	1242	264,900.00	254,900.00

Medican Group of Companies
 Summary of Unit Sales from May 26, 2010
 As at November 24, 2011
 (\$Cdn, Unaudited)

Appendix "A"

Date	Site	Phase	Closing	Suite	Asking Price	Accepted Price
12/31/2010	Legend @ Creekbend	2	1/7/2011	325	180,000.00	180,000.00
1/5/2011	Axxess @ Terwillegar	1	1/9/2011	421	173,449.00	171,600.00
1/5/2011	Sanderson Ridge	1	1/10/2011	B307	357,000.00	352,500.00
1/5/2011	Sanderson Ridge	1	1/8/2011	C101	344,000.00	341,000.00
1/10/2011	Sanderson Ridge	1	1/11/2011	F303	289,000.00	284,000.00
1/13/2011	Axxess @ Terwillegar	1	1/12/2011	325	188,953.00	185,320.00
1/18/2011	Canvas @ Millrise	2	3/1/2011	1223	264,900.00	254,900.00
1/20/2011	Sanderson Ridge	4A	3/17/2011	F342	344,000.00	339,000.00
1/20/2011	Sanderson Ridge	4A	5/1/2011	F442	349,000.00	349,000.00
1/22/2011	Axxess @ Grande Prairie	2	2/15/2011	110	160,900.00	148,255.81
1/28/2011	Canvas @ Millrise	2	4/1/2011	1233	274,900.00	264,900.00
2/2/2011	Sanderson Ridge	4A	5/27/2011	F242	339,000.00	337,000.00
2/4/2011	Axxess @ Terwillegar	1	3/9/2011	405	176,841.00	176,841.00
2/5/2011	Cercle des Cantons	2	2/28/2011	107	210,000.00	189,000.00
2/8/2011	Canvas @ Millrise	3	3/1/2011	2413	254,900.00	227,713.18
2/8/2011	Sanderson Ridge	1	6/15/2011	B303	354,000.00	354,000.00
2/13/2011	Cercle des Cantons	2	3/4/2011	306	320,000.00	275,000.00
2/13/2011	Sanderson Ridge	4A	3/15/2011	F138	260,000.00	260,000.00
2/14/2011	River Stone	1	4/1/2011	328	174,900.00	135,238.10
2/16/2011	Canvas @ Millrise	1	7/30/2011	1307	259,900.00	247,400.00
2/17/2011	Canvas @ Millrise	1	3/24/2011	1437	274,900.00	261,000.00
2/20/2011	Cercle des Cantons	2	3/28/2011	209	348,000.00	293,305.00
2/24/2011	Axxess @ Terwillegar	1	3/15/2011	222	169,573.65	169,573.65
2/24/2011	Canvas @ Millrise	2	3/28/2011	1336	279,900.00	269,900.00
2/25/2011	Axxess @ Grande Prairie	2	5/2/2011	402	150,900.00	140,503.88
2/27/2011	Canvas @ Millrise	2	4/29/2011	1131	254,900.00	244,900.00
2/28/2011	Axxess @ Terwillegar	1	3/15/2011	413	173,449.00	166,666.00
2/28/2011	Axxess @ Terwillegar	1	3/18/2011	423	173,449.00	169,088.56
2/28/2011	Canvas @ Millrise	2	4/29/2011	1129	254,900.00	244,900.00
3/4/2011	Axxess @ Terwillegar	1	4/29/2011	130	237,403.10	237,403.10
3/7/2011	Sanderson Ridge	4A	4/23/2011	F236	268,000.00	263,000.00
3/9/2011	Axxess @ Terwillegar	1	4/1/2011	427	237,403.00	234,903.00
3/10/2011	Axxess @ Terwillegar	1	6/30/2011	201	237,402.00	237,402.00
3/10/2011	Canvas @ Millrise	2	4/1/2011	1339	224,900.00	214,900.00
3/11/2011	Sanderson Ridge	4A	8/15/2011	F317	358,000.00	353,000.00
3/14/2011	Axxess @ Terwillegar	1	3/28/2011	217	156,976.74	156,976.74
3/16/2011	Axxess @ Terwillegar	1	7/15/2011	101	237,403.10	234,903.10
3/17/2011	Axxess @ Terwillegar	1	4/29/2011	116	211,999.00	210,755.81
3/18/2011	Axxess @ Terwillegar	1	4/29/2011	410	175,387.00	171,511.00
3/20/2011	Sanderson Ridge	4A	6/30/2011	F142	334,000.00	329,000.00
3/28/2011	Axxess @ Grande Prairie	3	4/17/2011	302	146,220.93	140,503.88
4/4/2011	Axxess @ Terwillegar	1	4/29/2011	422	171,511.00	166,667.00
4/8/2011	Axxess @ Terwillegar	1	5/5/2011	408	173,759.00	171,027.00
4/12/2011	Canvas @ Millrise	2	4/29/2011	1123	229,900.00	217,900.00
4/12/2011	Sanderson Ridge	1	8/31/2011	B204	359,500.00	357,950.00
4/15/2011	Axxess @ Terwillegar	1	5/20/2011	326	173,449.00	166,250.00
4/18/2011	Axxess @ Terwillegar	1	5/25/2011	105	181,696.05	178,779.07
4/19/2011	Axxess @ Grande Prairie	3	6/17/2011	202	146,220.93	143,895.35
4/19/2011	Axxess @ Terwillegar	1	5/2/2011	313	157,461.00	156,492.25
4/20/2011	Axxess @ Terwillegar	1	5/16/2011	309	157,461.00	156,492.25
4/21/2011	Sanderson Ridge	1	8/15/2011	C302	364,500.00	357,907.00
4/30/2011	Axxess @ Terwillegar	1	5/19/2011	126	159,833.72	159,833.72
5/9/2011	Axxess @ Terwillegar	1	6/15/2011	117	154,069.00	153,100.00
5/9/2011	Axxess @ Terwillegar	1	6/15/2011	120	157,461.24	157,461.24
5/11/2011	Axxess @ Terwillegar	1	5/24/2011	411	173,449.61	173,449.61
5/11/2011	Sanderson Ridge	1	10/1/2011	F208	323,300.00	315,000.00
5/20/2011	Axxess @ Terwillegar	1	6/10/2011	207	159,833.72	159,833.72

Medican Group of Companies
 Summary of Unit Sales from May 26, 2010
 As at November 24, 2011
 (\$Cdn, Unaudited)

Appendix "A"

Date	Site	Phase	Closing	Suite	Asking Price	Accepted Price
5/22/2011	Axxess @ Terwillegar	1	6/13/2011	210	157,461.24	157,461.24
5/22/2011	Axxess @ Terwillegar	1	6/20/2011	307	163,759.69	161,821.70
5/27/2011	Axxess @ Terwillegar	1	6/27/2011	308	162,790.70	162,790.70
5/28/2011	Axxess @ Terwillegar	1	6/20/2011	114	208,333.33	208,333.33
5/30/2011	Sanderson Ridge	1	11/30/2011	F308	328,600.00	327,000.00
6/3/2011	Axxess @ Terwillegar	1	6/24/2011	407	163,759.69	162,928.11
6/3/2011	Axxess @ Terwillegar	1	6/30/2011	417	167,151.16	167,104.06
6/13/2011	Sanderson Ridge	1	11/30/2011	C202	376,900.00	371,402.00
6/16/2011	Axxess @ Terwillegar	1	6/27/2011	118	218,023.26	218,023.26
6/30/2011	Sanderson Ridge	2	10/15/2011	D203	378,800.00	375,000.00 *
7/28/2011	Canvas @ Millrise	1	8/15/2011	1316	266,375.00	256,782.00
8/18/2011	Sanderson Ridge	1	1/31/2012	F108	327,500.00	322,000.00 *
9/28/2011	Cercle des Cantons	2	10/11/2011	313	320,000.00	260,000.00
10/13/2011	Axxess @ Grande Prairie	3	11/10/2011	204	135,562.02	132,751.93
10/21/2011	Sitara on the Pond	2	12/20/2011	418	288,000.00	253,500.00
10/24/2011	Axxess @ Grande Prairie	3	11/15/2011	208	141,375.97	135,658.91
11/10/2011	Axxess @ Grande Prairie	3	11/25/2011	111	133,624.03	128,875.97
Total				188	45,764,906.70	43,625,968.14

* The purchaser rescinded and the Unit has been re-listed.

Medican Group of Companies
Cash Flow Variance - Cumulative Results
For the period February 28, 2011 to November 18, 2011
(\$Cdn, Unaudited)

	Notes	Budget	Actual	Variance
Receipts				
Operations	1	6,648,521	6,264,710	(383,811)
Sale of Assets	2	864,975	275,089	(589,886)
Concrete	3	1,330,019	1,806,517	476,497
Refunds		946,939	1,047,163	100,224
Total Receipts		9,790,454	9,393,478	(396,976)
Disbursements				
Operations	1	4,949,690	4,662,013	(287,677)
Concrete	3	1,330,019	2,026,443	696,424
Head Office Overhead Costs		2,766,127	2,757,272	(8,855)
Total Disbursements		9,045,836	9,445,728	399,892
Total Net Cash In/(Out)		744,619	(52,250)	(796,868)
Opening Cash Position		573,289	573,289	-
Closing Cash Position		1,317,907	521,039	(796,868)

Medican Group of Companies
Notes to Cash Flow Variance - Cumulative Results
For the period February 28, 2011 to November 18, 2011
(\$Cdn, Unaudited)

1. Receipts variance is primarily due to timing differences while projected disbursements were overstated.
2. Timing differences relating to the collection of sales proceeds from theValleydale, Bromont, and the Diepert Lands.
3. Timing difference. Costs have been incurred by Construction on behalf of 1607679 Alberta Ltd. ("679") (which conducts the business of Medican Concrete Inc.). 679 plans to reimburse the expenses paid by Construction on its behalf commensurate with the collection of accounts receivable.

Medican Group of Companies
Consolidated Projected Statement of Cash Flow to February 29, 2012
(\$Cdn, Unaudited)

	Notes	Cumulative from 28-Feb to 18-Nov	Week Ended					Month Ended		Total	
			25-Nov	2-Dec	9-Dec	16-Dec	23-Dec	30-Dec	January		February
Receipts											
Operations	1	6,264,710	135,000	565,994	-	120,000	234,000	140,000	603,000	332,000	8,394,703
Sale of assets	2	275,089	-	207,000	-	-	-	-	-	-	482,089
Concrete	3	1,806,517	-	-	-	200,000	-	-	350,000	200,000	2,556,517
Refunds	4	1,047,163	-	-	-	-	-	-	-	-	1,047,163
Total Receipts		9,393,478	135,000	772,994	-	320,000	234,000	140,000	953,000	532,000	12,480,472
Disbursements											
Operations	1	4,662,013	130,000	130,062	130,300	127,000	-	135,000	357,062	357,062	6,028,499
Concrete	3	2,026,443	-	-	-	-	-	-	-	-	2,026,443
Head Office overhead costs	5	2,757,272	64,486	90,469	37,442	67,680	81,000	57,787	227,091	236,366	3,619,593
Total Disbursements		9,445,728	194,486	220,531	167,742	194,680	81,000	192,787	584,153	593,428	11,674,535
Total Net Cash In/(Out)		(52,250)	(59,486)	552,462	(167,742)	125,320	153,000	(52,787)	368,847	(61,428)	805,937
Opening Cash Position		573,289	521,039	461,553	1,014,016	846,274	971,594	1,124,594	1,071,807	1,440,654	573,289
Closing Cash Position		521,039	461,553	1,014,016	846,274	971,594	1,124,594	1,071,807	1,440,654	1,379,226	1,379,226

Medican Group of Companies - Operations
 Projected Statement of Cash Flow to February 29, 2012
 (\$Cdn, Unaudited)

	Notes	Cumulative from 28-Feb to 18-Nov	Week Ended					Month Ended		Total	
			25-Nov	2-Dec	9-Dec	16-Dec	23-Dec	30-Dec	January		February
Receipts											
Edgewood	6	401,588	-	-	-	-	-	-	-	401,588	
Canvas at Millrise	7	526,898	-	55,498	-	-	-	178,000	-	760,396	
Heritage Heights (Haven)	7	491,616	-	86,465	-	-	-	85,000	85,000	748,081	
Brenda Strafford - Okotoks	7	1,149,999	-	138,410	-	-	120,000	120,000	120,000	1,648,408	
Michener Hill	7	1,353,633	-	231,121	-	-	114,000	100,000	127,000	1,925,754	
Central - Insurance	8	120,000	-	-	-	-	-	-	-	120,000	
Extencicare	9	1,625,897	135,000	-	-	120,000	-	120,000	-	2,000,897	
Canvas - Employee contracting		1,335	-	-	-	-	-	-	-	1,335	
Cimmaron - Consulting and contract termination	10	-	-	-	-	-	-	140,000	-	140,000	
Terwillegar - Employee contracting	10	26,221	-	-	-	-	-	-	-	26,221	
Sanderson - Harbour/IMOR	11	456,208	-	18,500	-	-	-	-	-	474,708	
Sanderson - CIBC	11	91,816	-	36,000	-	-	-	-	-	127,816	
Bromont reimbursement		19,500	-	-	-	-	-	-	-	19,500	
Total Receipts		6,264,710	135,000	565,994	-	120,000	234,000	140,000	603,000	332,000	8,394,703
Disbursements											
Payroll - Hourly	12	910,075	50,000	-	50,000	-	-	50,000	100,000	100,000	1,260,075
Payroll - Salary	12	524,371	-	40,000	-	40,000	-	-	80,000	80,000	764,371
Payroll - Subcontractors	12	611,107	80,000	80,000	80,000	80,000	-	80,000	160,000	160,000	1,331,107
Payroll - Expense reports	12	661,845	-	-	-	-	-	-	-	-	661,845
Remittances	13	594,933	-	2,000	-	2,000	-	-	4,000	4,000	606,933
Trade and Suppliers	14	597,078	-	-	-	-	-	-	-	-	597,078
Sanderson	10	762,604	-	8,062	300	5,000	-	5,000	13,062	13,062	807,090
Total Disbursements		4,662,013	130,000	130,062	130,300	127,000	-	135,000	357,062	357,062	6,028,499
Total Project Cash Flow		1,602,697	5,000	435,932	(130,300)	(7,000)	234,000	5,000	245,938	(25,062)	2,366,205

Medican Group of Companies - Sale of Assets
 Projected Statement of Cash Flow to February 29, 2012
 (\$Cdn, Unaudited)

	Notes	Cumulative from 28-Feb to 18-Nov	Week Ended						Month Ended		Total
			25-Nov	2-Dec	9-Dec	16-Dec	23-Dec	30-Dec	January	February	
Receipts											
Bromont	15	100,000	-	100,000	-	-	-	-	-	200,000	
Legend at Creekbend	16	110,000	-	-	-	-	-	-	-	110,000	
Vehicle and equipment sale	17	65,089	-	-	-	-	-	-	-	65,089	
Diepert land	18	-	-	-	-	-	-	-	-	-	
Valleydale sale	19	-	-	107,000	-	-	-	-	-	107,000	
Total Receipts		275,089	-	207,000	-	-	-	-	-	482,089	

Medican Group of Companies - Head office overhead costs
 Projected Statement of Cash Flow to February 29, 2012
 (\$Cdn, Unaudited)

	Notes	Cumulative from 28-Feb to 18-Nov	Week Ended					Month Ended		Total	
			25-Nov	2-Dec	9-Dec	16-Dec	23-Dec	30-Dec	January		February
Disbursements											
Overhead costs	20	470,554	1,000	5,150	6,700	2,300	1,000	5,650	15,650	15,650	523,654
Preauthorized Payments		375,390	3,486	24,151	742	17,212	-	4,637	42,105	51,380	519,103
Payroll - Salary	21	760,821	-	42,500	-	42,500	-	42,500	85,000	85,000	1,058,321
Payroll - Subcontractors		448,806	25,000	-	25,000	-	25,000	-	50,000	50,000	623,806
Remittances	13	327,359	5,000	-	5,000	-	5,000	-	10,000	10,000	362,359
Expense reports	22	142,634	-	5,000	-	5,000	-	5,000	10,000	10,000	177,634
Accounting		13,592	30,000	-	-	-	50,000	-	-	-	93,592
WCB		41,110	-	-	-	-	-	-	-	-	41,110
Benefits - GWL/LL		115,139	-	13,000	-	-	-	-	13,000	13,000	154,139
Paragon interest	23	48,000	-	-	-	-	-	-	-	-	48,000
Service Charges		13,867	-	668	-	668	-	-	1,336	1,336	17,875
Total Disbursements		2,757,272	64,486	90,469	37,442	67,680	81,000	57,787	227,091	236,366	3,619,593

Medican Group of Companies
Notes to the Consolidated Projected Statement of Cash Flow to February 29, 2012
(\$Cdn, Unaudited)

1. See Appendix "C1".
2. See Appendix "C2".
3. 1607679 Alberta Ltd. ("679") (which conducts the business of Medican Concrete Inc.) will repay Medican Construction for expenses paid on behalf of 679.
4. The majority of this amount is in respect of GST refunds.
5. See Appendix "C3".
6. The project is substantially complete and future draws are expected to be minimal.
7. Estimated draws on work performed. The Canvas at Millrise project is expected to be substantially complete by November 30, 2011.
8. Proceeds in respect of settlement with the insurer on the Central Building, Aviva Canada, net of payments to secured creditors and professional fees.
9. The Extindicare receipts relate to the Lethbridge and Edmonton cost-plus projects. The Lethbridge project is substantially complete with minor work required. The Edmonton project is projected to be substantially complete by November 30, 2011.
10. Cost recoveries in respect of Medican Group employees contracted to work on certain projects.
11. Amounts advanced by the Sanderson secured creditors to meet Unit marketing and administration costs and to pay trades for costs to complete unfinished Units.
12. Estimated payroll costs and reimbursement of expenses based on current employee/subcontractor complement.
13. Employer remittance portion. Employee remittance portion is included in payroll.
14. Payments to trades and suppliers.
15. Funds from the sale of Bromont units.
16. Funds received from the sale of the Legend Project.
17. Proceeds from the sales of certain non-required vehicles and equipment.
18. Sale proceeds held in trust by the Company's legal counsel.
19. Funds to be received from the sale of Valleydale.
20. Overhead costs include office related costs including utilities, office supplies, and IT support.
21. Includes employee CPP, EI, and taxes remitted to CRA. The employer portion of the remittances is recorded separately. See note 13.
22. Reimbursement of employee expenses incurred on behalf of the Medican Group.
23. The DIP facility provided by Paragon was repaid in full in March 2011.