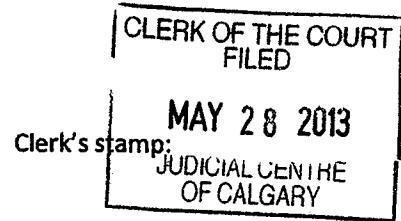


COURT FILE NUMBER
COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE

1001-07852



CALGARY
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
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 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.
(THE PETITIONERS)

DOCUMENT

AFFIDAVIT

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT

DENTONS CANADA LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Attention: David W. Mann / David LeGeyt
Ph. (403) 268-7097/3075 Fx. (403) 268-3100
File No.: 526686-1

AFFIDAVIT OF TYRONE SCHNEIDER
Sworn on May 27, 2013

I, Tyrone Schneider, of Alberta, SWEAR AND SAY THAT:

1. I am the president of 1539319 Alberta Ltd., the Court appointed chief restructuring officer to all of the Petitioners (the "CRO") appointed to assist with the restructuring of the Petitioners. As such, I am familiar with these proceedings and have personal knowledge of the matters herein

deposed to except where stated to be based upon information and belief, in which case I do verily believe the same to be true.

2. All capitalized terms used in this Affidavit shall have the meaning ascribed to them in the Affidavit sworn by Mr. Wesley Reinheller and filed in these proceedings on May 25, 2010 (the "Initial Affidavit") unless otherwise indicated in this Affidavit.
3. I swear this Affidavit in support of the application of the Petitioners to (i) extend the stay period in these proceedings (the "Stay") in respect of Sanderson of Fish Creek (Calgary) Developments Ltd. ("Sanderson"), (ii) approve a settlement agreement between Sanderson and Monarch Land Limited ("Monarch"), and (iii) approve the sale of certain real property by Riverstone (Medicine Hat) Developments Ltd. ("Riverstone") to 1554670 Alberta Ltd.
4. I have had the opportunity to review the Twenty Second Report of Ernst & Young Inc., the court appointed monitor of the Petitioners in these proceedings (the "Monitor") and I agree with the summaries and recommendations provided therein.

Background

5. On November 30, 2011, the Medican Group filed a Plan of Compromise and Arrangement (the "Plan") in respect of all of the Petitioners apart from Medican (Westbank) Development Ltd. and Medican (Westbank) Land Ltd. (collectively the "Kaleido Companies") and Sanderson. On January 11, 2012 a substantial majority of the Affected Creditors (as defined in the Plan) voted in favour of the Plan, and on January 13, 2012 the Plan was sanctioned by Order of the Court. The Plan has now been implemented and on April 5, 2013 the Monitor filed with this Honourable Court a Certificate in respect of that implementation.
6. On December 5, 2011, February 29, 2012 and May 30, 2012, Orders were made lifting the Stay, to a limited extent, to allow receivership and foreclosure proceedings in respect of the Kaleido Companies to commence.
7. The remaining entity in respect of which these proceedings continue is Sanderson, as summarized in the Monitor's Twenty Second Report. Sanderson is currently interested in the construction and development of a multi-phase condo project in south Calgary (the "Sanderson Project").
8. Sanderson has a net profit interest (the "NPI") in the Sanderson Project, which is a valuable asset of Sanderson and will be a key part of its emergence from these proceedings. It is necessary for the Sanderson Project to be completed for Sanderson to realize its NPI, but several issues continue to delay the completion of the Sanderson Project which will need to be resolved before Sanderson can complete its restructuring.
9. As set out in more detail below, unresolved disputes exist between Sanderson and Monarch, Aviva Insurance Company of Canada, represented by its agent National Home Warranty Group Inc. (collectively "NHW") and the Condominium Corporation No. 0912007 ("Condo Corp.") in relation to the Sanderson project.

Monarch

10. Sanderson entered into various agreements with Monarch with the goal of completing the Sanderson Project. A dispute arose between Sanderson and Monarch concerning the rectification of existing deficiencies in the Sanderson Project.
11. In addition, on August 8, 2012 Monarch filed an Application in these proceedings seeking a declaration that it is the owner of 45 parking stalls located at the Sanderson Project pursuant to the agreements referenced above. Sanderson opposed Monarch's Application and took the position that Sanderson is and has been at all material times the owner of the 45 parking stalls.
12. On or about September 11, 2012 the Honourable Madam Justice Horner ordered a trial of an issue to determine the ownership of the 45 parking stalls. A trial has been scheduled to commence on June 3, 2013 before the Honourable Justice Kent in respect of the ownership of the parking stalls and the rectification of deficiencies at the Sanderson Project.
13. Recently Sanderson and Monarch have entered into a settlement concerning the issues to be determined at the trial scheduled for June 3, 2013. Attached and marked as Exhibit "A" is the correspondence between counsel to Sanderson and counsel to Monarch which evidences this settlement. The settlement is in the best interests of Sanderson as it allows Sanderson to avoid the costs and risks associated with the trial, however does not determine the main issue which impacts the Sanderson estate, which will be litigated at the trial by CIBC and Monarch.

National Home Warranty Group

14. NHW has purported to de-enrol all unsold and unoccupied condominium units in the Sanderson Project. Sanderson is of the position that the de-enrolment was and is unlawful. It is necessary to resolve, among other issues, whether the purported de-enrolment is of any force or effect, whether Sanderson and the unit owners are entitled to coverage by NHW, and whether NHW is liable for resolution of any or all of the deficiencies in the Sanderson Project.

Condo Corp.

15. The Condo Corp. has purported to levy a special assessment against the units in the Sanderson Project that were owned by Sanderson at the time of the special assessment. Sanderson will need to resolve, among other issues, whether the special assessment is of any force or effect, whether the Condo Corp. is in violation of the stay of proceedings, and the priority of the special assessment in relation to the pre-existing encumbrances registered against the condominium units.
16. On November 7, 2012, Sanderson filed an Application seeking a declaration that the purported special assessment levied by the Condo Corp. is in violation of the Stay, that the purported special assessment is of no force and affect, and that the Condo Corp. is in contempt of this Honourable Court, and related relief. That Application is scheduled to be heard by the Honourable Justice Horner on July 24, 2013.

Extension

- 17. In addition to allowing time for the trial and Application referred to above Sanderson requires an extension of the Stay to allow it to realize upon the NPI. Sanderson will not realize the value of the NPI until Monarch has completed the construction of the phases of the Sanderson Project.
- 18. The resolution of the issues surrounding the Sanderson Project will directly impact the course of the restructuring of Sanderson. It is necessary and appropriate to extend the Stay in these proceedings to August 30, 2013, to allow for the determination of the issues described above and in the Monitor's Twenty Second Report, and so that the Sanderson Project can be completed and Sanderson realize the NPI for the benefit of its stakeholders.

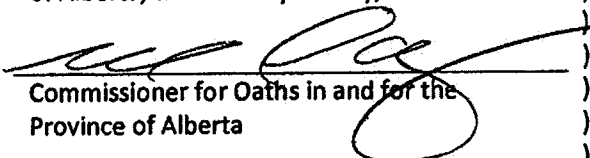
Property Sale

- 19. Attached as Exhibit "B" is a copy of an Offer for the Purchase and Sale of Certain Lands from Riverstone (Medicine Hat) Developments Ltd. made by 1554670 Alberta Ltd. whereby the lands described in the offer are sold, subject to approval by this Honourable Court, by Riverstone to 1554670 Alberta Ltd. for \$200,000.00. These lands have been listed for sale for about 3 years, and there has been only one offer for the lands, which is the offer described in Exhibit "B".

Conclusion

- 20. I make this Affidavit in support of an Application for the relief described in paragraph 3, above.

SWORN BEFORE ME at Calgary, in the Province of Alberta, this 27th day of May, 2013.


 Commissioner for Oaths in and for the Province of Alberta

Luke Day
 PRINT NAME AND EXPIRY



(Signature)

Tyrone Schneider
 (Print Name)

LUKE M. DAY
 Barrister & Solicitor in and for
 the Province of Alberta
 1870A - 6th Avenue SW
 Medicine Hat, Alberta T1A 7X5
 (403) 526-3477

May 24, 2013

File No.: 526886-1

VIA EMAIL

WITHOUT PREJUDICEMiles Davison LLP
1600, 205 – 5th Avenue S.W.
Calgary, AB T2P 2V7

ATTN: Mr. T.L. Czechowskyj

THIS IS EXHIBIT " A " referred to in the Affidavit of LUKE M. SCHNEIDER, Sworn before me this 22nd Day of May, A.D. 2013

.....
A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA

Dear Sir:

Re: **In the Matter of a Plan of Compromise or Arrangement of Medican Holdings Ltd. and Medican Developments Inc., et.al. (Action No. 1001-07852)**

LUKE M. DAY
Barrister & Solicitor in and for the Province of Alberta
1100, 205 – 5th Avenue SW
Medicine Hat, Alberta T1A 7X5
(403) 526-3477

In an attempt to avoid the time, cost and risk associated with the Trial presently scheduled to commence on June 3, 2013 I am writing to propose a settlement of the outstanding issues between Sanderson of Fish Creek (Calgary) Developments Ltd. ("Sanderson") and Monarch Land Ltd. ("Monarch").

As you are aware, Monarch has issued a Statement of Claim against Sanderson and Canadian Imperial Bank of Commerce ("CIBC") seeking a declaration that Monarch is the owner of excess parking units located at the Sanderson Project, and an Order that those parking units be conveyed to Monarch free and clear of the CIBC security. Sanderson has denied Monarch's entitlement to these remedies, and has counterclaimed in respect of the rectification of the deficiencies at the Sanderson Project.

In respect of the foregoing, Sanderson makes the following settlement proposal:

1. Sanderson will discontinue its counterclaim on a without costs basis which Monarch will consent to.
2. Sanderson will not appear at the Trial or otherwise oppose Monarch at the Trial, with the exception that if any Sanderson-related personnel are subpoenaed to appear at the Trial as a witness, they will do so
3. Monarch and Sanderson will each bear their own costs. Furthermore, at the Trial Monarch will not seek costs against Sanderson and in any submissions on costs will request that the Court not make any costs award adverse to Sanderson. Furthermore, Monarch agrees that if the Court makes costs award in favour of Monarch it will not make any claim against Sanderson in respect of that costs award, or otherwise seek to enforce any costs award.
4. Upon completion of this settlement agreement legal counsel to Sanderson will notify legal counsel to CIBC that Sanderson will not be participating in the Trial.

5. This settlement is subject to approval by the Court of Queen's Bench of Alberta in Sanderson's CCAA proceedings.
6. Sanderson will execute transfers to Monarch of the parking units at issue in the Trial. These transfers will be held in trust by counsel to Monarch pending (i) a determination at Trial that Monarch is entitled to a transfer of the parking units or (ii) as otherwise agreed by Sanderson, Monarch and CIBC.
7. Sanderson and its legal counsel will respond to reasonable document production requests from Monarch or CIBC on the best efforts basis and if any available documents are located they will be produced to both Monarch and CIBC.
8. Upon receiving Court approval of this settlement, counsel to Sanderson will notify Justice Kent that Sanderson will not be participating in the Trial.
9. The settlement proposal contained in this letter will remain open for acceptance only until 4:00 p.m. on Friday, May 24, 2013, at which time will automatically expire and no longer be open for acceptance.

I look forward to hearing from you.

Yours truly,
Dentons Canada LLP



David LeGeyt

DLG/gw

c.c. Tyrone Schnelder (via email)

Writer's Direct Line: (403)298-0326
Email: tczech@milesdavison.com

File No. 28601

May 24, 2013
Via E-Mail

Dentons Canada LLP
15th Floor Bankers Court
850 2nd St. S.W.
Calgary, Alberta
T2P 0R8

Attention: David LeGeyt

Dear Sir:

Re: Monarch Land Ltd v Sanderson of Fish Creek (Calgary) Developments Ltd.

Further to the settlement offer as set out in your letter of May 24, 2013 , the terms are acceptable to my client Monarch Land Ltd. Please forward the discontinuance of the counterclaim on a without costs basis for my execution and the executed transfers of land to be held in trust by my office. As discussed we understand the restrictive covenant in regards to the parking was a term of the financing with the CIBC and therefore would request copies of the commitment letters for the financing of phases 2 and 4a of the Sanderson project if available from your client's files. I believe the relevant time frame is the spring of 2009 as the caveat was filed the first week of May 2009.

Yours very truly,
MILES DAVISON LLP


TERRY L. CZECHOWSKYJ

cc Heather Lemoshuk

1554670 ALBERTA LTD.

RR 1, Site 16, Box 25
De Winton, AB, T0L 0X0

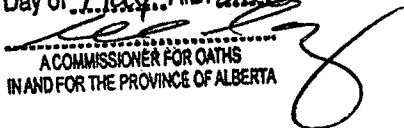
March 27, 2012

Medican Group of Companies
15th Floor Bankers Court
850-2nd Street SW
Calgary, AB.
T2P 0R8

Attention: Tyrone Schneider

Dear Sir:

Re: Offer for the Purchase and Sale of Certain Lands (as hereinafter described) from River Stone (Medicine Hat) Developments Ltd. (the "Vendor")

THIS IS EXHIBIT "B."
referred to in the Affidavit of
TYRONE SCHNEIDER
Sworn before me this 27th
Day of May, A.D. 2012

A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA

LUKE M. DAY
Barrister & Solicitor in and for
the Province of Alberta
1870A - 6th Avenue SW
Medicine Hat, AB T1C 2K5
(403) 526-3477

1. Unless otherwise defined herein, all capitalized words and phrases used in this Offer shall have the meaning ascribed to them in paragraph 14 hereof.
2. Subject to the terms and conditions set forth herein, **1554670 Alberta Ltd.** (the "Purchaser") hereby offers to purchase the Lands from the Vendor.
3. The consideration to be paid and provided by the Purchaser to the Vendor shall be as follows:
 - (a) the sum of **TWO HUNDRED THOUSAND (\$200,000.00) DOLLARS**, plus G.S.T.

With this Offer the Vendor includes a full fee of \$200,000 plus GST which shall be considered the deposit. (The "Deposit") which Deposit will be non-refundable and held in an interest bearing account by solicitors for the Vendor and such Deposit, and any interest on the Deposit, shall be paid:

- (A) to the Vendor, if the Transaction is not completed by any reason other than the Purchaser's election pursuant to paragraph 6 hereof, as a genuine pre-estimate of damages;
- (B) to the Vendor and credited to the Purchase Price on the closing of the Transaction; or
- (C) to the Purchaser, if the conditions set out at paragraph 6 of this Agreement are not met.

4. Subject to the terms and conditions of this Offer, at the Closing Time the Purchaser shall deliver the Purchase Consideration to the Vendor and the Vendor shall deliver title to the Lands to the Purchaser.
5. The Vendor acknowledges and agrees that the Lands are sold on an "as is - where is" basis and there are no representations, warranties or conditions, whether express or implied (by law or by equity), with respect to the Lands including without limitation any representation, warranty or condition respecting the environmental condition, presence of hazardous substances or any other environmental matter concerning the Lands, the merchantability of the Lands, the condition, quality or fitness for any particular purpose or the Lands, the conformity of the Lands to any description, or any warranty of title with respect to the Lands. The Purchaser acknowledges that it has conducted its own independent inspection and investigation of the Lands and is satisfied with the Lands in all respects.
6. The obligation of the Vendor and the Purchaser to close and complete the Transaction is subject to the following conditions precedent, which are inserted for their joint benefit and may only be waived by them, in whole or in part, in writing delivered to the other party:
 - (a) the Monitor has approved this Agreement within five Business Days following the date this Offer is accepted by the Vendor;
 - (b) the Court has granted the Approval Order on or before April 15, 2013;
 - (c) the Lands are conveyed to the Purchaser free and clear of all right, title, and interest of the Vendor and all Claims by virtue of the Approval Order (subject to the encumbrances expressly preserved in this Offer);
 - (d) the Proceedings remaining in full force and effect, including the stay of proceedings in favour of the Vendors and the balance of the Applicants in the Proceedings, to at least the Closing Time; and
 - (e) The River Stone Condominium Corporation passes a resolution in favour of the purchase and agrees to co-operate with the Purchaser to complete the River Stone project.
7. The closing of the Transaction shall occur at the offices of the solicitors for the Vendor at the Closing Time and each party shall deliver to the other party such items and documents referred to in this Offer and as may otherwise be required to give full or better effect to the Transaction.
8. Both the Vendor and the Purchaser acknowledge and agree that any information which is furnished by one party to the other in connection with the Transaction shall be considered as confidential and shall not be communicated to any Person except as is required to be disclosed (i) to directors, officers, representatives, consultants, financial advisors and other parties who need to know and who are assisting either party in respect of the Transaction and who have agreed to keep same confidential, and (ii) as is required to be

disclosed by Applicable Law or regulation, which shall include obtaining the Approval Order. Information disclosed by either party hereunder shall not be considered to be confidential if it was at the time of the disclosure generally available to the public (other than as a result of disclosure by a party hereto), was at the time of the disclosure already in the possession of the other party on a lawful basis or was lawfully acquired by a party from a third party under no obligation to keep it secret.

9. Subject to the preceding paragraph, during the period prior to Closing Time the Vendor shall provide the Purchaser with access to all books, records and files of Vendor relating to the Lands in order for the Purchaser and its representatives to review all matters which the Purchaser may consider relevant in relation to any of the transactions contemplated in this Offer.
10. Subject to approval by the Monitor, Robert Taylor at Ernst and Young Inc.
11. The Vendor and the Purchaser will each be solely responsible for and bear all of their own respective expenses, including without limitation, expenses of legal counsel, accountants, and other advisers, incurred at any time in connection with pursuing or consummating any business arrangement contemplated herein.
12. The address for notice of the Purchaser is as follows:

1554670 Alberta Ltd.
RR 1, Site 16, Box 25
De Winton, AB T0L 0X0
Telephone: 403-998-6874
Attention: Myles Hamilton, Tom Droog

with a copy to:

MacLean Wiedemann LLP
422 - 6th Street, S.E.
Medicine Hat, AB T1A 1H5
Telephone: (403) 527-3343
Attention: David J. MacLean

The address for notice of the Vendor is as follows:

Riverstone (Medicine Hat) Developments Ltd.
1870A - 6th Avenue S.W.
Medicine Hat, AB T1A 7X5
Telephone: (403) 548-0896
Attention: Mr. Tyrone Schneider

with a copy to:

Fraser Milner Casgrain
c/o David Mann
15th Floor Bankers Court
850-2nd Street SW
Calgary, AB.
T2P 0R8

13. With respect to this Offer:

- (a) each of the parties hereto shall at the request and expense of the other party hereto so requesting execute and deliver such further or additional documents and instruments as may reasonably be considered necessary or desirable to properly reflect and carry out the true intent and meaning of this Agreement;
- (b) time shall be of the essence;
- (c) failure by either party hereto to insist in any one or more instances upon the strict performance of any one of the covenants contained herein shall not be construed as a waiver or relinquishment of such covenant - no waiver by any party hereto of any such covenant shall be deemed to have been made unless expressed in writing and signed by the waiving party;
- (d) it may not be amended, modified or terminated except by an instrument in writing signed by the parties hereto;
- (e) it may be executed in counterparts, each of which when so executed shall be deemed to be an original and all counterparts together shall constitute one and the same instrument - a signed counterpart provided by way of facsimile transmission or by e-mail in PDF shall be as binding upon the parties as an originally signed counterpart;
- (f) it contains the entire understanding and agreement between the parties;
- (g) it shall be deemed to have been made and shall be construed in accordance with the laws of the Province of Alberta, and for the purpose of all legal proceedings this Agreement shall be deemed to have been performed in the said Province and the parties hereby attorn to the Court in respect of all matters arising in connection with this Offer.

14. In this Offer, and any schedules and recitals hereto, unless otherwise stated or unless the context otherwise requires, the following terms shall have the following meaning ascribed to them:

- (a) "Applicable Law" shall mean, in relation to any Person, transaction or event:
 - (i) all applicable provisions of laws, statutes, rules and regulations from time to time in effect of any governmental/judicial body (including, in

particular, legislation related to the discovery, extraction, processing and marketing of hydrocarbons and related by-products), and

(ii) all judgments, orders, awards, decrees, official directives, writs and injunctions from time to time in effect of any Governmental/Judicial Body in an action, proceeding or matter in which the Person is a party or by which it or its property is bound or having application to the transaction or event;

(b) "Applicants" means the Vendor and the balance of the petitioners in the Proceedings;

(c) "Approval Order" means an order of the Court:

(i) conveying title to the Lands free of claims of the Vendor and the parties claiming through the Vendor (other than as expressly referenced herein);

which order (A) is in form and substance acceptable to the parties, acting reasonably, and (B) shall be in full force and effect, free of any stay or other impediment to execution, is not subject to any application to vary or set aside or to any appeal;

(d) "Business Day" means a day that is not: (i) a Saturday, (ii) a Sunday, or (iii) a day that a Schedule "T" Bank (as defined in the *Bank Act* (Canada)) is required by Applicable Law to be closed in the City of Medicine Hat;

(e) "Canadian Dollars" or "Cdn. \$" or "\$" shall mean lawful money of Canada;

(f) "Claim" shall mean any secured, unsecured or trust claim against the Vendor and/or the Lands of every nature and kind and howsoever arising, including, without limitation, debts, dues, rights, actions, causes of action, third party claims, rights by way of indemnity, surety or set-off and securities, whether legal, beneficial, equitable, absolute or contingent, liquidated or unliquidated, vested or not vested, due or accruing due, present or future, known or unknown;

(g) "Closing Time" shall mean 10:00 a.m. on (Medicine Hat time) the Business Day following the date upon which the Approval Order is granted and is not earlier than March 15, 2013 or such later date as the Vendor and the Purchaser may agree in writing;

(h) "Court" shall mean the Court of Queen's Bench of Alberta presiding in the Proceedings;

(i) "Effective Time" shall mean the Closing Time;

(j) "Lands" means those lands known as the River Stone Phase 2 and 3 lands located in Medicine Hat, Alberta and legally described as: **Phase 2:** Condominium Plan 0810338, Unit 2 and 4522 undivided One Ten Thousandth shares in the common

property excepting there out, all mines and minerals; **Phase 3:** Condominium Plan 0810338 and 2405 undivided One Ten Thousandth shares in the common property excepting there out, all mines and minerals;

- (k) "Monitor" means the monitor appointed by the Court in the Proceedings, RSM Richter Inc. or Ernst and Young Inc.
- (l) "Offer" means this Offer and, when accepted, the agreement thereby made;
- (m) "Person" shall mean and include an individual, a partnership, a joint venture, a corporation, a trust, a limited liability company, an unincorporated organization and an government or any department or agency thereof;
- (n) "Proceedings" shall mean the proceedings initiated by the Vendor and others under the *Companies Creditors Arrangement Act*, R.S.C. 1985, c. C-36, in the Court of Queen's Bench of Alberta, action #1001-07852;
- (o) "Purchase Consideration" means the cash, assumption and other value delivered by the Purchaser to the Vendor at the Closing Time, all as further described in paragraph 3 hereof;
- (p) "Transaction" means the transaction of purchase and sale and related assignments, assumption, and other arrangement contemplated by this Offer; and
- (q) "Vendor" shall have the meaning ascribed to such term in the recital to this Offer.

15. This Offer is open for acceptance until 5:00 o'clock p.m., Medicine Hat time, on the 02nd day of APRIL, 2013. Acceptance of this offer will be signified by each and every party comprising the Vendor executing and delivering a signed copy of this letter to the Purchaser on or before such time.

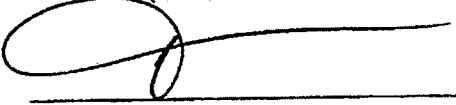
Yours truly

1554670 ALBERTA LTD.

Per: 

Accepted and agreed to this 2 day of April, 2013.

RIVERSTONE (MEDICINE HAT) DEVELOPMENTS LTD.

Per: 
Tyrone Schneider