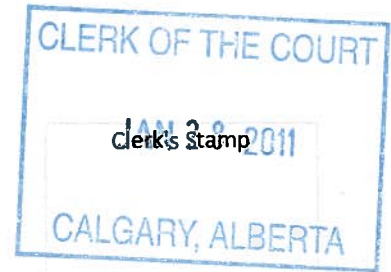


COURT FILE NUMBER 1001-07852
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANTS



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 **EIGHTH REPORT TO THE COURT OF RSM RICHTER INC. AS CCAA MONITOR OF THE MEDICAN GROUP OF COMPANIES DATED JANUARY 28, 2011**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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RSM Richter

**Eighth Report to Court of
RSM Richter Inc. as CCAA Monitor of
The Medican Group of Companies**

RSM Richter Inc.
Calgary, January 28, 2011

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**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF 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. (COLLECTIVELY, "THE MEDICAN GROUP OF COMPANIES")**

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

January 28, 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 December 2, 2010, the stay of proceedings under the Initial Order was extended to March 31, 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 credit facilities, 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 6020658 Manitoba Ltd. (“602”), for the Company’s property described as The Legend (Winnipeg) Developments Ltd. and vesting in 602, as of closing, title to the “Legends Lands”, free and clear of all liens, charges, security interests and other encumbrances other than those as set out in the purchase and sale agreement, and directing the Registrar of Manitoba Land Titles to register title to the property in the name of 602 or in that of its nominee, as described in this Report;
 - Directing the Land Registrar for the Registration Division of Brôme in the province of Quebec to register the Initial Order against the “Bromont Project” providing notice of these CCAA proceedings in the Province of Quebec and to protect the priority charges granted under the Initial Order; and

- Approving the priority charges in respect of the Terwillegar Project as described in this Eighth Report.

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. Medican Group is a private group of companies in the real estate construction and development business. The Company currently owns, operates and/or manages several projects in British Columbia, Alberta, Manitoba and Quebec.
8. Medican Group comprises two divisions:
 - a) A residential development division ("Medican Projects") which develops condominium complexes mainly in western Canada; and
 - b) A construction division ("Medican Construction") operating as a general contractor for several customers, including Medican Projects.

9. Medican Projects comprise two types of residential construction:
 - a) Development of residential real estate as the owner of the land and the assets being developed (“Development Project”); and
 - b) Construction of real estate projects under “Cost-Plus” contracts on behalf of third-party owners of the land on which the project is being built (“Cost-Plus Project”).
10. A Development Project and a Cost-Plus Project are sometimes referred to individually as a “Project” and collectively as the “Projects”.
11. 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

12. A summary of the Company’s progress since the Monitor’s Seventh Report to Court dated November 29, 2010 (“Seventh Report”) is provided below. Among other things, the Company:
 - a) Accepted offers, with the Monitor’s approval, on 26 existing or under-construction residential condominium units (“Units”). A schedule identifying Unit sales from the date of the Initial Order is provided as Appendix “A” to this Report. In total, the Company has accepted 127 offers from the date of the its CCAA filing to date;
 - b) Completed the Court-approved transaction with Monarch Land Ltd. (“Monarch”) in respect of Phase 2 and 3 of the “Terwilliger Lands”, Phase 2 and 3 of the “Sylvan Lake Lands”, Phase 3 and 4B of the “Sanderson of Fish Creek Lands” and the lands known as the “Church Lands”;
 - c) Completed the Court-approved transaction with 5928020 BC Ltd., for the Company’s property described as the Kelowna Move Sales Center;
 - d) Completed the Court-approved transaction with Carry Investments Ltd. for the lands described as Plan 641JK, Block s in Medicine Hat, Alberta owned by 1144233 Alberta Ltd;

- e) Completed the Court-approved transactions in respect of lands owned by 1090772 Alberta Ltd. in Quebec and R7 Investments Ltd. in Medicine Hat;
 - f) Received, negotiated and finalized an offer to purchase the lands described as Plan 0713843, Block 1, Unit 3 in Medicine Hat owned by 1144233 Alberta Ltd;
 - g) Reduced pricing of certain Units, with secured lender consent, in order to increase sales activity;
 - h) Participated in the investigation of the transaction between 933680 Alberta Ltd. (“933”) and the “Chartwell Lands”;
 - i) Continued to meet with third parties respecting the development or sale of the Company’s interests in certain Development Projects; and
 - j) Continued to provide stakeholders with updates on its restructuring efforts.
13. Certain of the above activities are discussed in greater detail in the balance of this Report.

THE LEGEND (WINNIPEG) DEVELOPMENTS LTD.

14. The Company is developing a condominium real estate project (“Legend Project”) located in Winnipeg, Manitoba, which consists of three phases. The Company completed and sold all Units in Phase 1 in 2008.
15. The Company has construction and development approvals for two additional phases of the Legend Project consisting of 56 Units each. A total of 43 Units in Phase 2 and 9 Units in Phase 3 have been sold or pre-sold.
16. Pursuant to a Court order granted on June 25, 2010 (“Legend Order”), MCAP Financial Corporation (“MCAP”), Legend’s first ranking secured creditor, was given a senior Court-ordered charge for all further funding of up to \$1.853 million provided to Legend to complete construction of Phase 2. MCAP has advanced approximately \$1.8 million since the date of the Legend Order. Michael Shawn Carry (“Carry”) has an equitable mortgage registered against title to the Legend Project, postponed to MCAP.

17. Of the 43 Unit sales in Phase 2, 42 have closed and the remainder is expected to close in the next week. MCAP has been paid a total of approximately \$8.3 million from the 42 closed Units representing a reduction in MCAP's loans from approximately \$9.5 million in October 2010 to approximately \$1.2 million as at the date of this Report.
18. As reported in the Seventh Report, the Company revised its projections for the Legend Project. The revised projections indicated there were significant additional cost overruns of approximately \$650,000 which will result in a shortfall to the secured creditors ranking subordinate to MCAP and Carry, which principally includes trade suppliers with registered security interests. As the Company does not have the financial resources to complete construction of Phase 2 and 3 of the Legend Project it entered into negotiations with 602 that has resulted in an offer to purchase (the "602 Purchase"), subject to Court approval. The consideration to be paid by 602 is summarized below:
 - a) An assumption of the amount owed by the Company to MCAP estimated to be \$650,000;
 - b) An assumption of the obligation of the \$2,000 per Unit discharge fee to Carry for each of the 13 unsold units in Phase 2;
 - c) An assumption of the obligation to pay \$8,500 for each unsold Unit in Phase 2 pursuant to the Legend Order;
 - d) An assumption to pay outstanding trade payables for goods and services provided in respect of work performed on the Legend Project subsequent to the commencement of the CCAA Proceedings;
 - e) An amount equal to all outstanding condominium, real estate, and referral fees owing on the Legend Project; and
 - f) The sum of \$270,000 payable in full on closing to the Company.
19. A copy of the 602 Purchase is appended to the affidavit of Tyrone Schneider sworn January 28, 2011.

20. At the time the 602 Purchase was executed, the estimated amount owed to MCAP was \$650,000. Subsequently it has been determined that the actual amount owed to MCAP totals approximately \$1.2 million.
21. The Monitor has reviewed the 602 Purchase. The Monitor respectfully recommends that the 602 Purchase be approved by this Honourable Court as:
 - Phase 2 and 3 of the Legend Project will be completed and outstanding condominium fees will be paid for the benefit of the current Unit owners;
 - MCAP will be paid its loan in full;
 - The obligations to Carry and the \$8,500 pursuant to the MCAP Order are being assumed; and
 - The trade suppliers will be paid in full for goods and services provided to the Legend Project post commencement of the CCAA Proceedings.

CERCLE DES CANTONS

22. Cercle des Cantons is a 480-unit condominium Development Project, located on the slopes of Bromont Ski Resort in Bromont, Quebec (the “Bromont Project”). There were eight planned phases; Phase 1 and 2 are essentially complete. The Company does not own the lands for the remaining phases.
23. Since the date of the Initial Order, the Company accepted offers on an “as is” basis for 11 of the Units; 7 Units remain unsold.
24. The Bromont Project was financed by a secured lending facility with Harbour Mortgage Corp. (“Harbour”). The loan was cross-collateralized with a single story retail building located in Kelowna, British Columbia known as the “Kelowna Move Sales Center”.
25. The Court-approved sale of the Kelowna Move Sales Center closed on January 6, 2011 resulting in the Harbour lending facility being paid in full.

26. Prior to discharging the Harbour lending facility from the Bromont Project, the Company has requested that the Initial Order be registered on title to the Bromont Project as it appears that certain creditors in the Province of Quebec have ignored, or are not fully informed of, the CCAA Proceedings nor are they aware of the priority charges pursuant to the Initial Order. The Monitor supports the Initial Order being registered on title of the Bromont Project.

MEDICAN (EDMONTON TERWILLEGAR) DEVELOPMENTS LTD.

27. The Company is developing a condominium real estate project located in Edmonton, Alberta (“Terwillegar Project”). The Company planned to complete a three-phase, 275 Unit condo complex.
28. Construction of Phase 1 of the Terwillegar Project is essentially complete; 29 Units are currently for sale. Phases 2 and 3 of the Terwillegar Project have not been developed.
29. Phase 1 of the Terwillegar Project is financed by way of a secured lending facility with MCAP, with an estimated balance of \$3.4 million. The Phase 1 Units are subject to subsequent security registrations in favour of Monarch, with an estimated balance of \$242,000 (based on \$5,500 per Unit), and Macdonald Terwillegar Properties Ltd. (“Macdonald Terwillegar”), with an estimated balance of \$3.9 million in addition to a bonus payment of \$2.4 million upon repayment of its mortgage.
30. The Phase 2 and 3 lands were financed by way of secured lending facilities with Monarch. The Court previously approved the transfer of the Phase 2 and 3 lands to Monarch.

31. Macdonald Terwillegar has been managing Phase 1 and funding the marketing program to sell the remaining Units. To cover the costs in respect thereof, an agreement was put in place whereby Macdonald Terwillegar would provide funding to a maximum of \$200,000. The Court approved the \$200,000 to be advanced by Macdonald Terwillegar (the “Macdonald Terwillegar Order”) on September 8, 2010.
32. The amounts paid by Macdonald Terwillegar in respect of Phase 1 have exceeded \$200,000. A summary of the amounts expended is attached as Appendix “B”. There remain 44 Units in the Terwillegar Project (15 sold but not closed and 29 listed for sale).
33. Macdonald Terwillegar has advised that additional funds are required for managing the project, marketing the remaining Units and to rectify certain deficiencies of the Phase 1 building. Macdonald Terwillegar advises it requires an additional \$750,000 to address management costs, marketing costs and to fix the Phase 1 building deficiencies. The terms upon which Macdonald Terwillegar is to provide funding are set out in the Company’s draft form of Court order (the “Amended Macdonald Terwillegar Order”).
34. The Amended Macdonald Terwillegar Order is substantially similar to the Macdonald Terwillegar Order. As previously reported, the Company will not be able to repay Macdonald Terwillegar the balances owing to it upon the sale of all Units in the Terwillegar Project. Accordingly the Monitor recommends that this Honourable Court approve the Amended Macdonald Terwillegar Order.

1144233 ALBERTA LTD.

35. 1144233 Alberta Ltd. (“114”) owns two separately titled properties located in Medicine Hat, Alberta. The property described as Plan 641JK, Block s (the “Block S Property”) comprises approximately 9.54 acres of bare land. The Court approved the transfer of the Block S Property to Carry Investments Ltd.
36. The Company negotiated and finalized an offer to sell lands described as Plan 0713843, Block 1, Unit 3 in Medicine Hat with the Harvest Group GP Corporation. The Company planned on seeking Court approval of the sale. Unfortunately, the roof and several walls of the building collapsed on January 22, 2011 such that the sale could not progress. The Company has reported the building collapse to their insurers and structural engineers have been contacted to investigate the cause of the roof failure.

CASH FLOW

37. Medican Group previously filed a cash flow projection for the period ending February 25, 2011. A comparison of the budget to actual results for the period ending January 21, 2011 is provided as Appendix “C”.
38. An updated projected statement of cash flow to the week ending April 1, 2011 (“Projection”) is provided as Appendix “D”. The notes to the Projection should be read in conjunction with the Projection.
39. 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. The Monitor reviewed the Projection and its underlying assumptions and concluded that it is reasonable in the circumstances.

40. The Company has fully drawn on the \$3.5 million advanced under the debtor-in-possession (“DIP”) financing facility approved by this Honourable Court to continue to operate and fund expenses associated with its restructuring. The DIP financing is provided by Paragon Capital (“Paragon”). The Company plans to repay \$1.0 million to Paragon on January 31, 2011 or sooner in connection with the sale of the Church Lands to Monarch.
41. As previously reported, Paragon agreed to extend the DIP repayment date of December 31, 2010 to February 28, 2011 (“Maturity Date”) provided it obtained a 2% fee (\$70,000) on the total amount of the DIP financing facility payable on December 31, 2010, and an additional fee of \$25,000 payable on February 28, 2011. The Company paid the 2% fee in the week ending January 1, 2011. The Company has requested that Paragon extend the Maturity Date to March 31, 2011. Paragon has agreed to such extension and documentation in connection therewith is being prepared.

MONITOR’S ACTIVITIES

42. In addition to the activities referenced in this Report, the Monitor’s activities since the date of the Seventh Report include:
- Reviewing the Company’s cash flow;
 - Reviewing claims resulting from the Court-approved claims process;
 - Participating in meetings with the Company and certain senior lenders;
 - Reviewing and approving offers for the sale of Units;
 - Reviewing and assessing offers received in respect of certain of the Company’s Development Projects;
 - Reviewing the Chartwell Transaction between 933 and the Company;

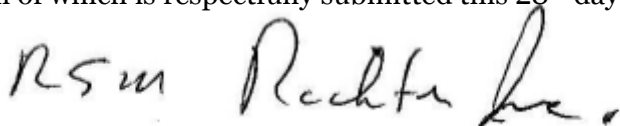
- Discussing the valuation of certain properties owned or previously owned by the Company with appraisers engaged by the Monitor;
- Assisting the Company with the development of its plan of compromise or arrangement;
- Continuing to communicate with creditors;
- Corresponding with certain real estate agents representing the Company; and
- Drafting this Report.

CONCLUSION AND RECOMMENDATION

43. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court make orders granting the relief detailed in Section 4 b) of this Report.

* * *

All of which is respectfully submitted this 28th day of January, 2011.



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

Medican Group of Companies
Summary of Unit Sales from May 26, 2010
As at January 21, 2011
(Unaudited, \$C)

Appendix "A"

Date	Site	Phase	Closing	Suite	Asking Price	Accepted Price
5/28/2010	Axxess Terwillegar	1	6/18/2010	304	230,000.00	222,869.00
5/28/2010	Axxess Terwillegar	1	6/25/2010	104	225,000.00	217,776.00
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	2129	224,900.00	209,677.00
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
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	7/25/2010	2134	184,900.00	174,900.00
6/2/2010	Canvas @ Millrise	4	7/16/2010	2124	179,900.00	169,900.00
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	3	7/30/2010	2412	279,900.00	264,900.00
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
6/21/2010	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
6/29/2010	Canvas @ Millrise	4	8/25/2010	2137	239,900.00	229,900.00
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	307	390,000.00	325,000.00
7/25/2010	Cercle des Cantons	2	8/6/2010	204	270,000.00	230,000.00
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	323	167,000.00	162,000.00
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

Date	Site	Phase	Closing	Suite	Asking Price	Accepted Price
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
9/4/2010	Legend @ Creekbend	2	10/1/2010	421	252,000.00	250,000.00
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
9/25/2010	Canvas @ Millrise	4	12/1/2010	2226	254,900.00	244,900.00
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	11/16/2010	227	251,000.00	218,869.00
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	12/1/2010	2435	254,900.00	244,900.00
10/20/2010	Axxess @ Terwillegar	1	11/26/2010	127	221,898.00	218,023.25
10/21/2010	Axxess @ Terwillegar	1	11/18/2010	230	227,712.00	222,869.00
10/21/2010	Canvas @ Millrise	4	11/16/2010	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	11/12/2010	202	252,000.00	242,250.00
10/26/2010	Axxess @ Terwillegar	1	12/15/2010	227	229,650.36	222,868.22
11/4/2010	Canvas @ Millrise	3	3/1/2011	2102	249,900.00	230,620.00
11/4/2010	Cercle des Cantons	2	11/9/2010	118	333,000.00	333,000.00
11/4/2010	Sanderson Ridge	1	1/17/2011	F309	253,000.00	240,000.00
11/6/2010	Canvas @ Millrise	3	12/31/2010	2119	219,900.00	209,900.00
11/9/2010	Axxess @ Terwillegar	1	2/15/2011	318	212,210.00	208,000.00
11/10/2010	Axxess @ Terwillegar	1	12/1/2010	208	156,977.00	156,008.00
11/12/2010	Canvas @ Millrise	3	12/1/2010	2442	269,900.00	259,900.00
11/13/2010	Sanderson Ridge	1	3/1/2011	B104	339,000.00	336,965.00
11/13/2010	Sanderson Ridge	1	4/1/2010	B206	354,000.00	354,000.00
11/16/2010	Axxess @ Terwillegar	1	11/30/2010	306	173,450.00	170,543.00
11/16/2010	Sanderson Ridge	2	5/1/2010	F134	242,000.00	230,000.00
11/21/2010	Axxess @ Terwillegar	1	12/1/2010	330	231,588.00	228,000.00
11/21/2010	Sanderson Ridge	1	4/30/2010	C407	575,000.00	550,000.00
11/25/2010	Axxess @ Terwillegar	1	2/16/2011	323	167,000.00	167,000.00
11/30/2010	Axxess @ Terwillegar	1	2/1/2011	206	177,000.00	170,000.00
11/30/2010	Axxess @ Terwillegar	1	1/17/2011	406	173,450.00	167,636.00
12/1/2010	Cercle des Cantons	2	12/13/2010	302	355,000.00	297,000.00
12/2/2010	Axxess @ Terwillegar	1	2/1/2011	125	163,760.00	163,760.00
12/3/2010	Sanderson Ridge	1	5/30/2011	B202	349,000.00	343,903.00
12/6/2010	Axxess @ Terwillegar	1	12/27/2010	425	192,830.00	189,923.00
12/6/2010	Axxess @ Terwillegar	1	1/28/2011	213	156,977.00	155,039.00
12/7/2010	Axxess @ Terwillegar	1	1/14/2011	107	154,070.00	154,070.00
12/10/2010	Axxess @ Terwillegar	1	12/22/2010	320	174,350.00	170,543.00
12/10/2010	Canvas @ Millrise	4	1/24/2011	2224	199,900.00	183,900.00

Date	Site	Phase	Closing	Suite	Asking Price	Accepted Price
12/11/2010	Axxess @ Terwillegar	1	2/1/2011	225	186,046.00	182,171.00
12/15/2010	Axxess @ Terwillegar	1	1/20/2011	130	237,402.00	237,402.00
12/15/2010	Axxess @ Terwillegar	1	1/13/2011	315	250,968.00	245,256.00
12/16/2010	Axxess @ Terwillegar	1	1/14/2011	430	250,968.00	242,249.00
12/16/2010	Axxess @ Terwillegar	1	1/14/2011	319	159,883.00	156,237.00
12/16/2010	Sanderson Ridge	1	5/31/2011	B306	362,000.00	357,000.00
12/20/2010	Sanderson Ridge	1	2/28/2011	B302	354,000.00	349,000.00
12/22/2010	Axxess @ Terwillegar	1	1/17/2011	419	173,449.00	167,152.00
12/27/2010	Axxess @ Grande Prairie	3	1/28/2011	112	138,900.00	132,000.00
12/27/2010	Canvas @ Millrise	2	3/1/2011	1242	264,900.00	254,900.00
12/31/2010	Legend @ Creekbend	2	1/28/2011	325	180,000.00	180,000.00
1/5/2011	Axxess @ Terwillegar	1	1/12/2011	421	173,449.00	171,600.00
1/5/2011	Sanderson Ridge	1	3/31/2011	C101	344,000.00	341,000.00
1/5/2011	Sanderson Ridge	1	6/1/2011	B307	357,000.00	352,500.00
1/10/2011	Sanderson Ridge	1	4/29/2011	F303	289,000.00	284,000.00
1/13/2011	Axxess @ Terwillegar	1	3/11/2011	325	188,953.00	185,320.00
1/13/2011	Axxess @ Terwillegar	1	4/1/2011	313	172,480.00	167,635.00
1/17/2011	Axxess @ Terwillegar	1	1/31/2011	117	154,070.00	154,070.00
1/17/2011	Canvas @ Millrise	3	2/11/2011	2413	254,900.00	237,403.10
Total				127	31,480,929.82	29,849,925.03

TERWILLEGAR PROPERTIES LIMITED PARTNERSHIP**Priority funding - Medican (Edmonton Terwillegar) Developments Ltd
Usage since September 21,2010**

Appendix "B"

	<u>Marketing Costs</u>	<u>Operating Costs</u>	<u>Physical Deficiencies</u>	<u>TOTAL</u>
Disbursements :				
Sept 21-30,2010	26,355.64	18,681.26	6,043.69	51,080.59
October 2010	63,759.95	12,239.08	13,643.29	89,642.32
November 2010	43,879.42	11,800.30	14,912.98	70,592.70
December 2010	73,034.87	10,444.81	14,221.62	97,701.30
January 2011	14,505.64	9,133.82	1,511.82	25,151.28
Lent Sept 21,2010- Jan 24,2011	<u>221,535.52</u>	<u>62,299.27</u>	<u>50,333.40</u>	<u>334,168.19</u>

Medican Group of Companies
Cash Flow Variance - Cumulative Results
35 Weeks Ending January 21, 2011
(Unaudited, C\$)

	Notes	Budget	Actual	Variance
Receipts				
Income from Medican Concrete Ltd.	1	2,070,297	2,311,839	241,542
Millrise	2	1,543,295	1,321,295	(222,000)
Heritage Heights (Haven)	3	291,137	176,137	(115,000)
Brenda Strafford Foundation/Okotoks	4	476,800	419,474	(57,326)
Profits from Extencicare Projects	4	1,221,598	1,137,598	(84,000)
Estevan		54,495	54,495	-
Sanderson Phases 1 and 2	5	115,863	54,405	(61,458)
Michener Hill	4	2,227,764	1,960,689	(267,075)
Proceeds from 7th Street Property		175,000	175,000	-
Sale of Diepert Land		250,000	250,000	-
Funding for Lethbridge Fairmont Park		90,606	90,606	-
Proceeds from Sale of Cottonwood		50,000	50,000	-
Legend at Creekbend - Winnipeg	6	273,000	-	(273,000)
Sanderson Church Lands	7	3,200,000	-	(3,200,000)
Repayment on Condo	8	-	181,817	181,817
Sale of MOVE Centre	9	-	200,000	200,000
Edgewood - Brooks Project	10	-	62,269	62,269
Miscellaneous	11	620,399	975,672	355,273
DIP Financing		3,500,000	3,500,000	-
Total Receipts		16,160,254	12,921,296	3,238,958
Disbursements				
Utilities and Supplies	4	780,637	751,068	(29,569)
Preauthorized Payments	4	551,600	566,115	14,515
Preauthorized Payments - Concrete		87,410	87,410	0
Payroll - Hourly	12	1,196,626	1,290,055	93,429
Payroll - Salary		1,781,639	1,786,491	4,852
Payroll - Quebec		23,560	23,560	-
Payroll - Concrete and Expenses	13	1,772,367	1,997,014	224,647
Payroll - Subcontractors	12	602,517	770,469	167,952
Payroll - Remittances		1,144,249	1,108,746	(35,503)
WCB	4	158,318	128,941	(29,377)
Benefits - GWL/LL	14	331,066	278,804	(52,262)
GST	15	143,934	216,925	72,991
Professional Fees	4	1,820,507	845,507	(975,000)
Accounting Fees		159,727	159,727	0
Service Charges		21,307	17,059	(4,248)
Paragon Fees		349,124	349,984	860
Paragon Loan Repayment	16	1,500,000	-	(1,500,000)
Sanderson Trades	5	115,863	88,692	(27,171)
Michener Hill Expenses	4	1,442,979	1,402,245	(40,734)
Contingency	11	655,706	707,893	52,187
Total Disbursements		14,639,136	12,576,704	(2,062,432)
Total Cash In/(Out)		1,521,118	344,592	(1,176,526)
Opening Cash Position		211,033	211,033	-
Closing Cash Position		1,732,151	555,625	(1,176,526)

Medican Group of Companies
Notes to the Cash Flow Variance - Cumulative Results
35 Weeks Ending January 21, 2011
(Unaudited, C\$)

1. Actual income in respect of Concrete was greater than projected.
2. Decrease resulting from certain changes to the Millrise construction contract.
3. Approximately \$63,000 is now forecasted to be received the week ending January 28, 2011. The remaining difference is a result of over budgeted receipts.
4. Timing difference
5. Projected amount included the reimbursement of marketing and other costs that did not materialize.
6. Timing difference. \$250,000 is projected to be received the week ending February 11, 2011.
7. Timing difference. Church Land sales proceeds were received on January 27, 2011.
8. Represents a loan repayment on a condo.
9. Proceeds available for use from the sale of the MOVE centre
10. Cost plus project is scheduled to be completed in March 2011.
11. Consists of refunds received from WCB, certain utilities, and reimbursements to Medican Construction for expenses incurred on behalf of other Medican entities.
12. Additional employees hired to meet work requirements.
13. The variance is a result of an annual bonus paid to employees, and fluctuations in the amount of work required. These expenses are reimbursed by Medican Concrete (see Note 1).
14. Decrease is a result of eliminating certain employee benefits provided by London Life.
15. Represents GST paid on behalf of related Companies. Construction is reimbursed for these payments.
16. Timing difference (see Note 7).

Medican Group of Companies
 Projected Statement of Cash Flow to the Week Ending April 1, 2011
 (Unaudited, C\$)

	Notes	Actual	28-Jan	4-Feb	11-Feb	18-Feb	25-Feb	4-Mar	11-Mar	18-Mar	25-Mar	1-Apr	Total
		Cumulative to 21-Jan											
Receipts													
Income from Medican Concrete Ltd.	1	2,311,839	-	-	-	-	-	-	-	-	-	170,000	2,481,839
Millrise	2	1,321,295	-	-	-	109,734	-	-	-	-	50,000	-	1,481,029
Heritage Heights (Haven)	3	176,137	63,217	-	-	-	60,000	-	-	-	60,000	-	359,354
Brenda Strafford Foundation/Okotoks	4	419,474	-	83,009	-	-	-	98,000	-	-	115,000	-	715,483
Profits from Extencicare Projects	5	1,137,598	200,000	-	-	-	-	135,000	-	-	-	115,000	1,587,598
Estevan	6	54,495	-	-	-	-	-	-	-	-	-	-	54,495
Sanderson Phases 1 and 2	7	54,405	-	34,287	-	-	-	-	-	-	-	-	88,692
Michener Hill	8	1,960,689	173,918	-	-	-	-	160,000	-	-	263,000	-	2,557,607
Proceeds from 7th Street Property	9	175,000	-	-	-	-	-	-	-	-	-	-	175,000
Sale of Diepert Land	9	250,000	-	-	-	-	-	-	-	-	-	-	250,000
Funding for Lethbridge Fairmont Park	10	90,606	-	-	-	-	-	-	-	-	-	-	90,606
Proceeds from Sale of Cottonwood	9	50,000	-	-	-	-	-	-	-	-	-	-	50,000
Legend at Creekbend - Winnipeg	11	-	-	-	250,000	-	-	-	-	-	-	-	250,000
Sanderson Church Lands	12	-	1,965,000	-	-	-	80,000	-	-	-	80,000	-	2,125,000
Repayment on Condo	13	181,817	-	-	-	-	-	-	-	-	-	-	181,817
Sale of MOVE Centre	9	200,000	-	140,000	-	-	-	-	-	-	-	-	340,000
Edgewood - Brooks Project	14	62,269	2,700	-	-	-	4,200	-	-	-	10,200	-	79,369
Miscellaneous	15	975,672	-	-	50,000	-	-	-	-	-	-	-	1,025,672
DIP Financing	16	3,500,000	-	-	-	-	-	-	-	-	-	-	3,500,000
Total Receipts		12,921,296	2,404,835	257,296	300,000	109,734	144,200	393,000	-	-	578,200	285,000	17,393,562
Disbursements													
Utilities and Supplies	17	751,068	50,297	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	1,071,365
Preauthorized Payments	18	566,115	6,942	26,554	1,527	28,596	4,375	30,713	1,569	28,596	4,375	30,713	730,074
Preauthorized Payments - Concrete	18	87,410	-	11,412	-	3,765	-	11,412	-	3,765	-	11,412	129,175
Payroll - Hourly	19	1,290,055	40,278	-	60,000	-	60,000	-	60,000	-	60,000	-	1,570,333
Payroll - Salary	19	1,786,491	-	82,832	-	148,000	-	148,000	-	148,000	-	148,000	2,461,323
Payroll - Quebec	19	23,560	-	-	-	-	-	-	-	-	-	-	23,560
Payroll - Concrete and Expenses	19	1,997,014	12,133	-	10,000	-	10,000	38,000	16,000	38,000	16,000	38,000	2,175,148
Payroll - Subcontractors	19	770,469	12,789	131,840	16,000	38,000	16,000	54,300	-	32,000	40,000	2,800	1,114,198
Payroll - Remittances	19	1,108,746	-	54,300	-	11,500	40,000	-	-	-	-	40,650	1,255,196
WCB	19	128,941	570	-	-	-	-	-	-	20,000	-	-	149,511
Benefits - GWL/LL	20	278,804	20,061	-	-	20,000	-	-	-	-	20,000	-	338,865
GST	21	216,925	2,067	-	6,000	-	-	-	-	-	-	-	224,992
Professional Fees	22	845,507	900,000	-	-	-	-	-	-	-	-	-	1,745,507
Accounting Fees	23	159,727	18,191	-	9,482	-	20,000	-	-	-	20,000	-	227,400
Service Charges		17,059	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	27,059
Paragon Fees		349,984	-	35,000	-	-	-	45,000	-	-	-	30,000	459,984
Paragon Loan Repayment		-	1,000,000	-	-	-	-	-	-	-	-	-	1,000,000
Sanderson Trades	7	88,692	4,872	-	-	-	-	-	-	-	-	-	93,563
Michener Hill Expenses	8	1,402,245	46,217	-	-	-	-	-	-	-	-	-	1,448,463
Contingency	24	707,893	148,104	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	1,035,997
Total Disbursements		12,576,704	2,263,521	392,939	154,008	300,861	201,375	378,425	128,569	321,361	211,375	352,575	17,281,712
Total Cash In/(Out)		344,592	141,314	(135,642)	145,992	(191,127)	(57,175)	14,575	(128,569)	(321,361)	366,825	(67,575)	111,850
Opening Cash Position		211,033	555,625	696,939	561,297	707,289	516,162	458,987	473,562	344,993	23,632	390,458	211,033
Closing Cash Position		555,625	696,939	561,297	707,289	516,162	458,987	473,562	344,993	23,632	390,458	322,883	322,883

Medican Group of Companies
Notes to the Projected Statement of Cash Flow to the Week Ending April 1, 2011
(Unaudited, C\$)

1. Medican Construction continues to pay Medican Concrete's expenses. Concrete reimburses Construction for these expenses.
2. Estimated draws in connection with the rebuild of the fire damaged project.
3. Estimated draws on the Haven project.
4. Estimated draws on the Okotoks project.
5. The Extencicare funds relate to the Red Deer, Lethbridge, and Edmonton cost plus projects. The Red Deer and Lethbridge projects are substantially completed with minor work required, and the Edmonton Project is expected to be completed by August 2011.
6. The Estevan Project is a cost plus project that has been terminated as it was determined to be uneconomic.
7. CIBC and Imor are advancing funds to complete certain units. Receipts are expected to equal expenses.
8. Funds received from T&E Ventures in connection with its financing arrangements on the Michener Hill project.
9. Proceeds received from the sale of the respective properties.
10. Funds received in accordance with the 1554670/Fairmont Park Financing Agreement.
11. Funds to be received upon closing the sale to 6020658 in respect of the Legend Project.
12. Pursuant to the Letter of Understanding between the Company and Monarch Land Ltd. Funds are net of required holdbacks.
13. Repayment of a loan previously advanced to a family member.
14. Cost plus project funded by T&E Ventures for certain units. The project is scheduled to be completed by March 2011.
15. Consists of refunds received from WCB, certain utilities, and reimbursements to Medican Construction for expenses incurred on behalf of other Medican entities.
16. DIP financing provided by Paragon.
17. Estimated utilities and other Construction expenses including condo marketing expenses. Certain suppliers are paid in advance if credit is not extended.
18. Preauthorized payments include insurance, vehicle leases and equipment leases and include Concrete preauthorized payments. Concrete reimburses Medican Construction for such payments.
19. Estimated payroll and reimbursement of expenses based on current employee/subcontractor compliment.
20. Ongoing monthly employee benefit payments to Great West Life and London Life.
21. GST is paid by the respective development companies through the Medican Construction account.
22. Fees of the Company's legal counsel, the Monitor and its legal counsel. The amounts will vary depending on the nature of the complexities that arise during the CCAA process. Payment of a portion of the fees and disbursements have been deferred because of cash flow constraints.
23. Meyers Norris Penny LLP's accounting fees for preparation of fiscal 2010 financial information, corporate tax returns, and ongoing consulting services.
24. Funds paid on behalf of related companies in connection with amounts received as described in note 15 above.