

Action No.: 1001-07852
Deponent: Tyrone Schneider
Date Sworn: August 11, 2010

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE 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.

The Petitioners

AFFIDAVIT

I, Tyrone Schneider, of the City of Medicine Hat, in the Province of Alberta, **MAKE OATH AND SAY THAT:**

Introduction

1. I am the president of 1539319 Alberta Ltd., the restructuring consultant to all of the Petitioners (the "Consultant") retained to assist with the restructuring of the Petitioners. As such, I am familiar with the books and records of these proceedings and have personal

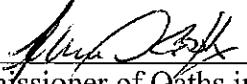
knowledge of the matters herein deposed to except where based upon information and belief, in which case I do verily believe the same to be true.

2. All capitalized terms used in this Affidavit shall have the meaning ascribed to them in my Affidavit in these proceedings on sworn August 10, 2010 unless otherwise indicated in this Affidavit.
3. In paragraph 21 of my Affidavit of August 10, 2010, I referred to the Lamont Purchase Agreement, which was being executed between Sylvan Lake, Bob and Myrna Dipert and Lamont Land Inc.. The Lamont Purchase Agreement is now finalized and executed. A copy of the Lamont Purchase Agreement is attached hereto and marked as Exhibit "A" of this my Affidavit.
4. There were two changes to the text of the executed Lamont Purchase Agreement compared to the form attached to my Affidavit of August 10, 2010. Both changes are minor and are as follows:
 - (a) in section 5.2(c) the word "clear" was added to confirm that agreement means to transfer clear title; and
 - (b) in Schedule "C", a typo in the amount of the vendor take back mortgage was corrected to 3.7 million.
5. The stroked out sections on page 7 of the Lamont Purchase Agreement were not included in the original agreement, and have been struck out from the executed agreement. The Medican Group continues to support this agreement as being in the best interest of itself and its stakeholders.

Relief Sought

6. I make this Affidavit in support of an Application for the relief described in my Affidavit of August 10, 2010.

Sworn before me in the City of Calgary, in)
the Province of Alberta, the 11th day of)
August, 2010.)



A Commissioner of Oaths in and for the)
Province of Alberta)

JOHN D. CRISP
Commissioner of Oaths
My Commission expires March 21, 2012



TYRONE SCHNEIDER

THIS IS EXHIBIT " A " referred to in the Affidavit of Tyrone Schneider Sworn before me this 11 Day of August A.D. 2010
[Signature]
A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA

JOHN D. CRISP
Commissioner of Oaths
My Commission expires March 21, 2012

OFFER TO PURCHASE AND PURCHASE AGREEMENT

BETWEEN:

**MEDICAN (SYLVAN LAKE) DEVELOPMENTS LTD.,
of the City of Medicine Hat, in the Province of Alberta
(hereinafter referred to as the "VENDOR")**

- AND -

**LAMONT LAND INC., Or Nominee,
of the City of Calgary, in the Province of Alberta
(hereinafter referred to as the "PURCHASER")**

- AND -

**BOB DIPERT and MYRNA DIPERT,
of the Town of Sylvan Lake,
in the Province of Alberta
(hereinafter collectively referred to as the "MORTGAGEES")**

PREAMBLE

WHEREAS:

- A. The VENDOR is the registered owner of the lands;
- B. The PURCHASER wishes to purchase the LANDS from the VENDORS, and the VENDORS wish to sell the LANDS to the PURCHASER;
- C. The MORTGAGEES currently have a Vendor's Caveat registered on title to the LANDS evidencing their interest in the LANDS as unpaid vendors in relation to the sale of the LANDS to the VENDOR pursuant to an Agreement for Purchase and Development dated May 10, 2005.

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of these premises and of the terms, conditions and agreements herein contained, the parties do hereby agree as follows:

ARTICLE 1

1.1 Definitions

In this AGREEMENT, unless there is something in the subject matter or context, inconsistent therewith:

- (a) **AGREEMENT means this Purchase Agreement as executed by the parties hereto as the same may be amended from time to time and the expressions "herein", "hereof", "hereto", "above", "below" and similar expressions if used in any article, section or paragraph of this Agreement refer to this Agreement including the**

Schedules hereto and do not refer solely to a particular article, section or paragraph unless specifically stated herein;

- (b) **ADJUSTMENT DATE** means the **CLOSING DATE**;
- (c) **CLOSING DATE** means the **Fifteenth (15th) day following waiver by the PURCHASER of its conditions contained in paragraph 4.1(a) hereof**;
- (d) **ENVIRONMENTAL LAWS** means all applicable international, federal, provincial or municipal laws, by-laws, statutes, regulations, orders, permits or judgments relating to the environment;
- (e) **HAZARDOUS SUBSTANCES** means any substance, product, material or goods which is hazardous to or capable of injuring or interfering with human, animal life, property or the environment and includes, but is not limited to any substance, product, material or good declared to be a contaminant, pollutant, dangerous substance, toxic substance, deleterious substance, waste, special waste or dangerous good in or pursuant to any **ENVIRONMENTAL LAWS**;
- (f) **INITIAL DEPOSIT** means the refundable sum of **ONE HUNDRED THOUSAND DOLLARS (\$100,000.00)** in lawful money of Canada;
- (g) **LANDS** means the lands registered in the Land Titles Office for the North Alberta Land Registration District and described in Schedule "A" and includes all improvements and fixtures thereon;
- (h) **MORTGAGEES' SOLICITORS** means Gary C. Courtney of the law firm **COURTNEY AARBO, Barristers & Solicitors**.
- (i) **PERMITTED ENCUMBRANCES** means all those encumbrances set out in Schedule "C" attached hereto;
- (j) **PURCHASE PRICE** means the sum of **FIVE MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS (\$5,150,000.00)** based on **\$34,490.00 per gross acre** in lawful money of Canada;
- (k) **PURCHASER'S SOLICITORS** means **Burnet Duckworth & Palmer LLP**, their successors in practice or any of them;
- (l) **VENDOR'S SOLICITORS** means the law firm of **FRASER MILNER CASGRAIN LLP**, their successors in practice or any of them.

1.2 Preamble and Schedules Confirmed

The parties hereby confirm and ratify the matters contained and referred to in the Preamble and the various Schedules to this AGREEMENT and agree that the same are expressly incorporated into and form part of this AGREEMENT.

1.3 Schedules

The Schedules to this AGREEMENT are as follows:

- Schedule "A" – The LANDS
- Schedule "B" - Sketch of the Lands and Homestead Lot
- Schedule "C" – The PERMITTED ENCUMBRANCES

ARTICLE 2

2.1 Agreement to Purchase

The PURCHASER hereby agrees to purchase the LANDS from the VENDOR and the VENDOR agrees to sell the LANDS to the PURCHASER for the PURCHASE PRICE, payable at the times and in the manner herein mentioned, subject to the performance and observance of the covenants, terms and conditions herein set out and on the part of the parties to be performed and observed.

2.2 Purchase Price

The Purchase Price in the sum of **FIVE MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS (\$5,150,000.00)** in lawful money of Canada shall be paid in the following manner:

- (a) \$ 100,000.00 (INITIAL DEPOSIT) ONE HUNDRED THOUSAND DOLLARS within two (2) business days following the acceptance of this Offer to Purchase. The INITIAL DEPOSIT is to be held in trust by the PURCHASER'S SOLICITORS, and be invested in an interest-bearing trust account with interest accruing to the benefit of the PURCHASER. The INITIAL DEPOSIT and any accrued interest shall be transferred to the VENDOR'S SOLICITORS immediately following the waiving of the PURCHASER'S conditions herein and is to be held in trust by the VENDOR'S SOLICITORS until CLOSING and subject to the terms of the AGREEMENT. The INITIAL DEPOSIT and any accrued interest shall be credited to the PURCHASER on the CLOSING DATE and be applied in partial payment of the PURCHASE PRICE or any other payment due herein from the PURCHASER to the VENDOR;
- (b) \$1,350,000.00 (CLOSING FUNDS) ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS subject to adjustments shall be payable by way of cash, bank draft, certified cheque or solicitor's trust cheque delivered on the Closing Date as follows:
 - (a) \$1,065,715 to the VENDOR'S SOLICITORS
 - (b) \$ 284,285 to the MORTGAGEES' SOLICITORS
- (c) \$3,700,000.00 (VENDOR TAKE BACK MORTGAGE) THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS by a VENDOR TAKE BACK (VTB) MORTGAGE in favour of the MORTGAGEES registered in first position with the principal paid by way of SEVEN (7) equal

consecutive annual installments of \$528,571.42 on each anniversary date from Closing

The Vendor Take Back Mortgage (VTB) will include the following terms:

- (a) Interest shall be payable on the principal amounts owing pursuant to the VTB at a rate of ZERO PERCENT (0%) per annum; provided that interest at the rate of 2% above the prime lending rate of the Province of Alberta of Alberta Treasury Branches will be payable on any overdue or late payments hereunder.
- (b) The entire balance outstanding under the VTB shall be paid in full on the SEVENTH anniversary of the CLOSING DATE.
- (c) The MORTGAGEES will agree to consent to a land use amendment and subdivision of the LANDS, provided the consent does not unreasonably reduce the security of the VTB.
- (d) The MORTGAGEES will agree to accept partial and/or full repayment of the VTB at any time with no penalty or bonus payable by the PURCHASER.
- (e) To facilitate subdivision of the LANDS, the MORTGAGEES will agree to sign partial discharges of the VTB in exchange for receiving payment equal to \$34,841.00 for each acre contained in the plan of subdivision. The PURCHASER will receive credit in this regard for all monies paid to the MORTGAGEES in accordance with this AGREEMENT. Any payment made under this provision will be credited towards any unpaid annual installments as they come due.
- (f) The VTB will also secure the MORTGAGEES' interest in the Homestead Lot and the Reserved Lots (as hereinafter defined).
- (g) The MORTGAGEES will agree to postpone the VTB to construction financing provided the postponement does not unreasonably reduce the security of the VTB and provided that the lender(s) acknowledge the MORTGAGEES' entitlement to the Homestead Lot and the Retained Lots.
- (h) The FIRST anniversary installment of \$528,571.42 shall be paid as follows:
 - i) \$264,285.71 to the MORTGAGEES
 - ii) \$264,285.71 to the VENDORS

The VTB shall be prepared by the solicitors for the PURCHASER and approved by the solicitors for the MORTGAGEES with the MORTGAGEES' SOLICITORS fees and disbursements for the preparation of the VTB and registration costs of the VTB to be paid by the PURCHASER.

ARTICLE 3

3.1 Title to the LANDS

Title to the LANDS shall be transferred to the PURCHASER on the CLOSING DATE and shall be free and clear of all liens, mortgages, interests, charges, registrations and encumbrances,

save only for the PERMITTED ENCUMBRANCES as hereinafter set out. Non-permitted Encumbrances are to be discharged by the VENDOR'S SOLICITORS.

ARTICLE 4

4.1 PURCHASER'S Conditions

This AGREEMENT is made subject to the following conditions precedent which are inserted for the sole benefit of and may be unilaterally waived by the PURCHASER by written notice to the VENDOR on or before the date stipulated:

- (a) The PURCHASER shall have SIXTY (60) days from the date of acceptance of this AGREEMENT to examine engineering drawings, Development Agreements with the Town of Sylvan Lake, relating to the LANDS and make any other examination and inquiries it deems appropriate and to reasonably satisfy itself in its sole, absolute and unfettered discretion that this transaction is acceptable to it. The VENDOR covenants and agrees to co-operate with the PURCHASER in the aforesaid examinations and inquiries and to provide access to the LANDS for all testing and examination as determined to be necessary by the PURCHASER and copies of all engineering and planning documents in the VENDOR'S possession provided that in all examinations of the LANDS the PURCHASER shall do so at its own risk and shall, if necessary, restore the LANDS to their original condition.

4.2 Conditions of Release of INITIAL DEPOSIT

The INITIAL DEPOSIT shall be held in trust by the PURCHASER'S SOLICITOR until satisfaction of the PURCHASER'S conditions specified in paragraph 4.1(a) at which time it will be released to the VENDOR'S SOLICITOR, in accordance with the provisions of paragraph 2.2(a).

In the event that the PURCHASER'S conditions specified in paragraph 4.1(a) are not satisfied or waived by the date stipulated, the INITIAL DEPOSIT shall be returned to the PURCHASER and this AGREEMENT shall be null and void.

4.3 Default

In the event the PURCHASER fails or refuses for any reason whatsoever to complete the purchase of the Lands as herein provided after all the PURCHASER'S Conditions have been waived (or otherwise than through the default of the VENDOR), this AGREEMENT shall be null and void and the INITIAL DEPOSIT shall be absolutely forfeited to the VENDOR as liquidated damages (being a genuine pre-estimate of damages agreed to by the VENDOR and PURCHASER) and not as a penalty, and the VENDOR shall have no further claim against the PURCHASER, nor shall the PURCHASER forfeit any less than the deposits and this AGREEMENT shall be considered terminated and of no further effect.

ARTICLE 5

5.1 Representations and Warranties by the VENDOR

The VENDOR represents and warrants to the PURCHASER that:

- (a) the VENDOR is the legal and registered owner of the LANDS;
- (b) the VENDOR has sole and absolute right and power to transfer good title to the LANDS to the PURCHASER free and clear of all liens, mortgages, interests, charges, registrations and encumbrances save only for the PERMITTED ENCUMBRANCES;
- (c) there is no construction presently being carried on the LANDS;
- (d) the VENDOR is a resident in Canada purpose of the *Income Tax Act (Canada)* and shall be on the CLOSING DATE;
- (e) the VENDOR has not received any notice of any expropriation or proposed expropriation of the LANDS or part thereof;
- (f) there is not any agreement or option for the purchase of the LANDS other than this AGREEMENT;
- (g) to the best of the VENDOR's knowledge and belief, no HAZARDOUS SUBSTANCES have been released into the environment, or deposited, discharged, placed or disposed of at, beneath on or near the LANDS.

5.2 Warranties and Representations by the PURCHASER

The PURCHASER represents and warrants to the VENDOR and MORTGAGEES that the PURCHASER is a corporation in good standing and has done all necessary corporate acts to execute and deliver this AGREEMENT and will do all such necessary corporate acts as may be required to give full effect to the matters as set out in this AGREEMENT:

- (a) the PURCHASER warrants and represents to take the necessary steps to prepare and register a plan of subdivision to create a title for the MORTGAGEES' homestead lot (the "Homestead Lot") of not more than 1.8 acres in a location as shown on the sketch attached as Schedule "B". The subdivision plan will provide for appropriate legal access. The PURCHASER will obtain approval from the MORTGAGEES for the plan, such approval not to be unreasonably withheld;
- (b) through the normal course of land subdivision and in conjunction with a stage of development, the PURCHASER will identify four (4) lots (the "Reserved Lots") to be created for the MORTGAGEES. The lots will each have a size equal to the lesser of:
 - (i) a frontage of not less than 18 meters and a depth of not less than 40 meters; OR
 - (ii) the maximum residential lot size permitted by the Town of Sylvan Lake within the ultimate subdivision on the Lands;
- (c) In both 5.2 (a) and 5.2 (b) hereto, the clear title to these lots will be transferred to the MORTGAGEES at no cost to the MORTGAGEES at time of plan registration;

~~(d) the MORTGAGEES will continue to be entitled to the rental income from the home present on the Homestead Lot from closing until it is transferred into the MORTGAGEES' names pursuant to clause 5.2 (a);~~

~~(e) the MORTGAGEES will continue to be paid any surface lease payments or farm lease income derived from the lands until the earlier of the payment in full of the MORTGAGE, or the end of the said payments;~~

~~(f) the PURCHASER will apply to the municipal authority to subdivide the Homestead lot no later than March 31, 2011 and will diligently pursue the subdivision of the said lot.~~

ARTICLE 6

6.1 Right to Examine

From the date of acceptance of this AGREEMENT, the PURCHASER shall have the right to examine planning documents, engineering drawings, geotechnical and environmental reports, Development Agreements with the Town of Sylvan Lake and/or Red Deer County relating to the LANDS and make any other examinations and inquiries it deems appropriate and to reasonably satisfy itself in its sole, absolute and unfettered discretion that this transaction is acceptable to it. The VENDOR covenants and agrees to co-operate with the PURCHASER in the aforesaid examinations and inquiries and to provide access to the LANDS for all testing and examinations as determined to be necessary by the PURCHASER and copies of all engineering and planning documents, geotechnical and environmental reports in the VENDOR'S possession provided that in all examinations of the LANDS the PURCHASER shall do so at its own risk and shall, if necessary, restore the LANDS to their original condition.

6.2 Possession

Subject to the PURCHASER complying with all the obligations and the terms of this AGREEMENT, possession of the LANDS shall be given to the PURCHASER on the CLOSING DATE on an "as is, where is" basis.

6.3 Adjustments

All adjustments relating to the PROPERTY and with respect to taxes, utilities, principal and interest and other similar expenses shall be made as of the CLOSING DATE. All amounts, excluding local improvement assessments, which cannot be adjusted on the CLOSING DATE by virtue of the same being unknown at that date shall be adjusted between the parties as soon as possible after the CLOSING DATE. The CLOSING DATE in respect of the LANDS shall be for the VENDOR'S account, both as to income and expense.

6.4 Closing

Subject to the PURCHASER complying with all its obligations hereunder, the VENDOR shall deliver to the PURCHASER five (5) business days prior to the CLOSING DATE the following:

- (a) a registrable Transfer of Land for the LANDS whereby title in fee simple thereto is conveyed to the PURCHASER, free and clear of all liens, mortgages, interests,

charges, registrations and encumbrances, save for the PERMITTED ENCUMBRANCES;

- (b) a Statement of Adjustments having annexed thereto reasonable details of the calculations used by the VENDOR to calculate the credits and debits with respect to the LANDS;
- (c) A Certificate confirming that the VENDOR is not a non-resident under the *Income Tax Act (Canada)*;
- (d) Discharge of all non-permitted encumbrances.

6.5 Conveyances

Conveyances are to be prepared and encumbrances are to be discharged at the expense of the VENDOR, and the VENDOR and PURCHASER each agree to execute promptly, once prepared, any document required to complete the purchase. Registration of documents at the Land Titles Office for the North Alberta Land Registration District and at any other appropriate public Registry Office is to be at the expense of the PURCHASER.

6.6 Right of First Refusal

During the term of the Agreement, before the MORTGAGEES may sell the Homestead Lot to a third party, the MORTGAGEES shall first offer the Homestead Lot to the PURCHASER on the same terms and conditions as are offered by the third party. The PURCHASER shall have Thirty (30) days during which to accept said offer. If the PURCHASER does not accept said offer within said period, the MORTGAGEES shall be free to accept the third-party offer. If the MORTGAGEES does not enter into an agreement with the third party on said terms and conditions and close the transaction within Ninety (90) days, the MORTGAGEES' right to sell the Homestead Lot to the third party shall expire and the procedure described in this Section shall again be applicable.

ARTICLE 7

7.1 No Collection of GST

The PURCHASER represents and warrants to the VENDOR that the PURCHASER is registered pursuant to subdivision (d) of Division V of Part 9 the *Excise Tax Act (Canada)*, as amended (the "Act") for the purposes of remission of GST on taxable supplies made by the PURCHASER and the PURCHASER is not an "individual". In accordance with the terms of Section 132 of the Act. Accordingly, pursuant to the provisions of Section 221(2) of the Act, no amount is required to be remitted or shall be remitted by the PURCHASER to the VENDOR in respect of any GST payable by the PURCHASER in relation to its acquisition of the LANDS. The PURCHASER shall comply with the reasonable requests of the VENDOR'S SOLICITOR for documentation required with respect to G.S.T. and/or any similar or replacement tax.

ARTICLE 8

8.1 Notices

Any notice required to be given hereunder by any party shall be deemed to have been well and sufficiently given if:

- (a) personally delivered to the party to whom it is intended or if such party is a corporation to an officer of that corporation; or
- (b) mailed by prepaid registered mail, telecopied or delivered to the address or telecopier number of the party to whom it is intended as follows:

to the VENDOR:
MEDICAN (SYLVAN LAKE) DEVELOPMENTS LTD.
1870A - 6th Avenue, S.W.
Medicine Hat, Alberta T1A 7X6
Fax: (403) 526 - 3843

to the PURCHASER:
LAMONT LAND INC.
200, 5716 - 1st Street, S.E.
Calgary, Alberta T2H 1H8
Fax: (403) 252 - 7685

to the MORTGAGEES
c/o COURTNEY AARBO, Barristers and Solicitors
1138 Kensington Road NW
Calgary, Alberta T2N 3P3

or to such other address or number as a party may from time to time direct in writing.

Any such notice delivered before 4:30 p.m., local time on a day that is not a Saturday, Sunday or statutory holiday in Alberta (a "Business Day") shall be deemed to have been received on the date of delivery and any notice delivered after 4:30 p.m. local time on a Business Day or after the date it is postmarked. Any notice sent by telecopier before 4:30 p.m. local time on a Business Day shall be deemed to have been received on the date the sender receives the answer back confirming receipt by the recipient; provided, however, that any telecopy received after 4:30 p.m. local time on a Business Day or received on a day other than a Business Day shall be deemed to be received on the next Business Day. If normal mail or communications service is interrupted by strike, slow-down, force majeure or other cause after the notice has been sent the notice will not be deemed to be received until actually received. In the event normal mail service is impaired at the time of sending the notice, then personal delivery or telecopy transmission only shall be effective.

8.2 Tender

The parties acknowledge and agree that any payment of monies required to be made hereunder shall be made in Canadian funds and it shall be sufficient that a negotiable bank draft, certified cheque or solicitor's trust cheque is tendered instead of cash.

8.3 Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether verbal or written, of the parties. There are no general, specific, implied or express warranties, representations or other agreements by or between the parties in connection with the entering into of this Agreement or the subject matter hereof except as specifically set forth herein. Without restricting the generality of the foregoing, the parties hereby expressly waive any warranties, representations of other terms or agreements which might otherwise be implied by the *Sale of Goods Act (Alberta)* as amended from time to time.

ARTICLE 9

9.1 Non-Merger

The covenants, warranties and representations of the parties contained in this AGREEMENT shall not merge but shall survive the CLOSING DATE and the registration of all transfer documentation herein.

ARTICLE 10

10.1 No Collateral Warranties

There are no representations, warranties, collateral agreements or conditions affecting this AGREEMENT or the LANDS other than as expressed herein.

ARTICLE 11

11.1 Governing Law

This AGREEMENT shall be governed by and construed in accordance with the laws of the Province of Alberta.

11.2 Time of Essence

Time shall be of the essence of this AGREEMENT.

11.3 Enurement

This AGREEMENT shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

11.4 Headings

The headings in this matter have been inserted for reference and as a matter of convenience only and in no way define, limit or enlarge the scope of meaning of this AGREEMENT or any provision hereof.

11.5 Assignment



Subject to the MORTGAGEES' and VENDOR'S consent, not to be unreasonably withheld, the PURCHASER shall have the right to assign all or any part of its estate and interest in these presents.

11.6 No Waiver

No consent or waiver, express or implied, by either party to or of any breach or default by the other party in performance by the other party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by such party hereunder. Failure on the part of either party to complain of any act or failure to act of the other party or declare the other party in default, in respect of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder.

11.7 Singular, Plural and Gender

Wherever the singular, plural, masculine, feminine or neuter is used throughout this AGREEMENT the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the fact or context so requires and the provisions hereof and all covenants herein shall be construed to be joint and several when applicable to more than one (1) party.

11.8 CLOSING DATE Extended

The parties acknowledge and agree that if the CLOSING DATE or any date for payment for monies hereunder or fulfillment of any obligation hereunder shall fall on a Saturday, Sunday or statutory holiday the CLOSING DATE or such other date for the payment of such monies or fulfillment of such obligation hereunder shall be deemed postponed and extended to the next following business day.

11.9 Unenforceable Terms

If any term, covenant or condition of this AGREEMENT or the application thereof to any party or circumstance shall be invalid or unenforceable to any extent the remainder of this AGREEMENT or application of such term, covenant or condition to a party or circumstance other than those to which it is held illegal or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this AGREEMENT shall be valid and shall be enforceable to the fullest extent permitted by law.

11.10 Further Assurances

The parties hereto and each of them do hereby covenant and agree to do such things and execute such further documents, agreements and assurances as may be necessary or advisable from time to time in order to carry out the terms and conditions of this AGREEMENT in accordance with their true intent.

11.11 Amendment

This AGREEMENT may be altered or amended in any of its provisions when any such changes are reduced to writing and signed by the parties hereto, but not otherwise.



11.12 Execution in Counterpart and by Facsimile

This Agreement may be executed in any number of counterparts with the same effect as if all signatories to the counterparts had signed one document, all such counterparts shall together constitute, and be construed as, one instrument and each of such counterparts shall, notwithstanding the date of its execution, be deemed to bear the date first written above. A signed counterpart provided by way of a facsimile transmission or in .pdf format shall be as binding on the parties as an originally signed counterpart.

11.13 Acceptance

This AGREEMENT is open for acceptance by the VENDOR and MORTGAGEE until 6:00 P.M. on the 13th day of August, 2010. After that date, the AGREEMENT is null and void and of no further force and effect, and all monies paid as a deposit shall be released to the PURCHASER forthwith.

DATED at the City of Calgary in the Province of Alberta, this 8th day of August, 2010.

LAMONT LAND INC.

Per: _____

DATED at the City of Medicine Hat, in the Province of Alberta, this 11th day of August, 2010.

MEDICAN (SYLVAN LAKE) DEVELOPMENTS LTD.

Per: _____

DATED at Sylvan Lake, in the Province of Alberta, this 11th day of August, 2010.

Witness
Elizabeth Burien

BOB DIPERT

DATED at Sylvan Lake, in the Province of Alberta, this 11th day of August, 2010.

Witness
Elizabeth Burien

MYRNA DIPERT

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Schedule "A"

LANDS

THIS IS SCHEDULE "A" ATTACHED TO AND FORMING PART OF THAT CERTAIN OFFER TO PURCHASE AND PURCHASE AGREEMENT BETWEEN LAMONT LAND INC. AS PURCHASER AND MEDICAN (SYLVAN LAKE) DEVELOPMENTS LTD. as VENDOR:

THE SOUTHWEST QUARTER OF SECTION TWENTY-EIGHT (28)
TOWNSHIP THIRTY-EIGHT (38)
RANGE ONE (1)
WEST OF THE FIFTH MERIDIAN
containing 64.7 hectares (160 acres) more or less

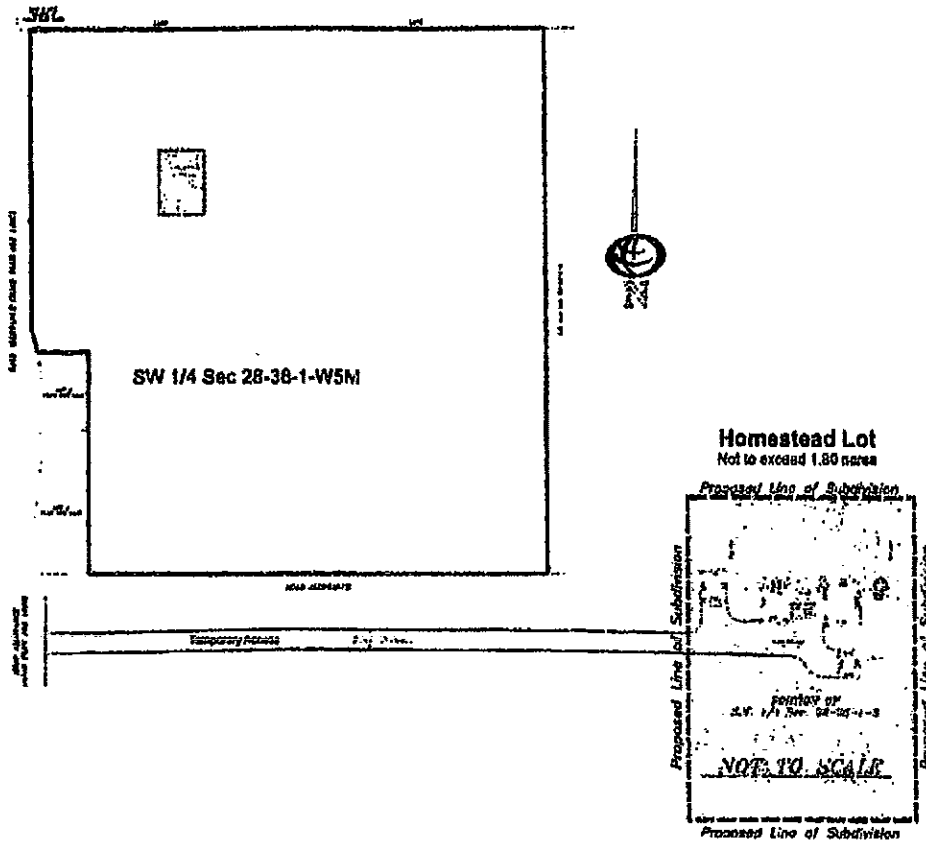
EXCEPTING THEREOUT:

	HECTARES	ACRES MORE OR LESS
A) PLAN 8121585 - SUBDIVISION	1.15	1.84
B) PLAN 8621480 - ROAD	1.279	3.16
C) PLAN 8922408 - DESCRIPTIVE	1.57	3.88

EXCEPTING THEREOUT ALL MINES AND MINERALS

Schedule "B"

Sketch of the Lands, showing the location of the Dipert Homestead



Schedule "C"

PERMITTED ENCUMBRANCES

THIS IS SCHEDULE "B" ATTACHED TO AND FORMING PART OF THAT CERTAIN OFFER TO PURCHASE AND PURCHASE AGREEMENT BETWEEN LAMONT LAND INC. AS PURCHASER AND MEDICAN (SYLVAN LAKE) DEVELOPMENTS LTD. as VENDOR:

<u>Instrument #</u>	<u>Date (D/M/Y)</u>	<u>Description</u>
4960C	30/10/1984	UTILITY RIGHT OF WAY GRANTEE - THE ALBERTA GAS TRUNK LINE CO LTD. AS TO PORTION OR PLAN: 833NY
5988NX	18/02-1965	MORTGAGE OF UTILITY RIGHT OF WAY MORTGAGEE - MONTREAL TRUST COMPANY AFFECTS INSTRUMENT: 4960C
832 125 043	30/05/1983	CAVEAT RE : SURFACE LEASE CAVEATOR - PENN WEST PETROLEUM LTD.. C/O P.O.BOX 1450 STATION 'M' CALGARY ALBERTA T2P2L6 (DATA UPDATED BY: CHANGE OF NAME 952120525) (DATA UPDATED BY: TRANSFER OF CAVEAT 982103922) (DATA UPDATED BY: TRANSFER OF CAVEAT 992160803) (DATA UPDATED BY: CHANGE OF ADDRESS 032398251) (DATA UPDATED BY: CHANGE OF NAME 042083822) (DATA UPDATED BY: CHANGE OF NAME 0721398597)
842 024 258	02/02/1984	CAVEAT RE : RIGHT OF ENTRY ORDER CAVEATOR - PENN WEST PETROLEUM LTD.. C/O P.O.BOX 1450 STATION 'M' CALGARY ALBERTA T2P2L6 ORDER NO. E2305/83 (DATA UPDATED BY: CHANGE OF NAME 952120525) (DATA UPDATED BY: TRANSFER OF CAVEAT 982100339) (DATA UPDATED BY: TRANSFER OF CAVEAT 982161134) (DATA UPDATED BY: CHANGE OF ADDRESS 032398249) (DATA UPDATED BY: CHANGE OF NAME 042083814) (DATA UPDATED BY: CHANGE OF NAME 072139834)
842 140 543	22/08/1984	CAVEAT RE : SURFACE LEASE CAVEATOR - PENN WEST PETROLEUM LTD.. C/O P.O.BOX 1450 STATION 'M' CALGARY ALBERTA T2P2L6 (DATA UPDATED BY: CHANGE OF NAME 952120525) (DATA UPDATED BY: TRANSFER OF CAVEAT 982100339) (DATA UPDATED BY: TRANSFER OF CAVEAT 992160803) (DATA UPDATED BY: CHANGE OF ADDRESS 032398249) (DATA UPDATED BY: CHANGE OF NAME 042083815) (DATA UPDATED BY: CHANGE OF NAME 072140817)

Sr. LAMONT
REGISTERED LAND OFFICER

<u>Instrument #</u>	<u>Date (D/M/Y)</u>	<u>Description</u>
862 023 986	03/02/1986	UTILITY RIGHT OF WAY GRANTEE - ALTAGAS SERVICES INC. P.O. BOX 20005, CALGARY PLACE RPO CALGARY ALBERTA T2P4J2 (DATA UPDATED BY: TRANSFER OF UTILITY RIGHT OF WAY 012245469)
872 080 626	15/04/1987	UTILITY RIGHT OF WAY GRANTEE - PENN WEST PETROLEUM LTD C/O P.O.BOX 1450 STATION 'M' CALGARY ALBERTA T2P2L6 (DATA UPDATED BY: CHANGE OF NAME 952120525) (DATA UPDATED BY: TRANSFER OF UTILITY RIGHT OF WAY 982100327) (DATA UPDATED BY: TRANSFER OF UTILITY RIGHT OF WAY 992180696) (DATA UPDATED BY: CHANGE OF ADDRESS 032400091) (DATA UPDATED BY: CHANGE OF NAME 042063837) (DATA UPDATED BY: CHANGE OF NAME 072141066)
892 220 096	30/08/1989	UTILITY RIGHT OF WAY GRANTEE - ATCO GAS AND PIPELINES LTD. (DATA UPDATED BY: TRANSFER OF UTILITY RIGHT OF WAY 092021241)
892 293 330	09/11/1989	UTILITY RIGHT OF WAY GRANTEE - ALBERTA GOVERNMENT TELEPHONES. AS TO PORTION OR PLAN:8821443 TAKES PRIORITY DATE OF CAVEAT 882001351 06-01-88
902 207 132	12/07/1990	CAVEAT RE : RIGHT OF WAY AGREEMENT CAVEATOR - TAQA NORTH LTD PO BOX 2350, STN M CALGARY ALBERTA T2P2M6 (DATA UPDATED BY: TRANSFER OF CAVEAT 982388139) (DATA UPDATED BY: CHANGE OF NAME 072611447) (DATA UPDATED BY: CHANGE OF NAME 082141873;
032 454 307	22/11/2003	CAVEAT RE : SURFACE LEASE UNDER 20 ACRES CAVEATOR - ARGO ENERGY LTD 750, 330-5 AVENUE SW CALGARY ALBERTA T2P0L4 AGENT - RANDY MACDONALD
042 079 902	25/02/2004	CAVEAT RE : RIGHT OF WAY AGREEMENT CAVEATOR - ARGO ENERGY LTD 750, 330-5 AVENUE SW CALGARY ALBERTA T2P0L4
		MORTGAGE RE: BOB AND MYRNA DIPERT TAKE BACK MORTGAGE IN THE AMOUNT OF \$3,700,000.00

Action No. 1001-07852
Deponent: Tyrone Schneider
Date Sworn: August 11, 2010

**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., AXXESS (GRANDE
PRAIRIE) DEVELOPMENTS LTD., AXXESS (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

AFFIDAVIT

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Barristers and Solicitors

15th Floor Bankers Court

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Calgary, Alberta T2P 0R8

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