CLERK OF THE COURT

Clerk's stamp:

MAR 3 1 2011

CALGARY, ALBERTA

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., 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)

DOCUMENT

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

AFFIDAVIT



FRASER MILNER CASGRAIN LLP

Bankers Court 15th Floor, 850 - 2nd Street S.W. Calgary, Alberta T2P 0R8

Attention: David W. Mann / Rebecca L. Lewis Ph. (403) 268-7097/6354 Fx. (403) 268-3100

File No.: 526686-1

AFFIDAVIT OF TYRONE SCHNEIDER (SUPPLEMENTAL) Sworn on March 31, 2011

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 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. This Affidavit is supplemental to my Affidavit sworn March 25, 2011 (the "Extension Affidavit") and all capitalized terms used in this Affidavit shall have the meaning ascribed to them in the Extension Affidavit unless otherwise indicated in this Affidavit.
- 3. In paragraphs 9 through 12 of the Extension Affidavit, I described the Classic Purchase Agreement whereby Classic has agreed to purchase the Valleydale Lots. As part of the consideration for the Classic Purchase Agreement, it was contemplated that Classic would provide a replacement Letter of Credit to the City of Medicine Hat with respect to the top lift paving. This replacement would require the assumptions of certain warranties, which was not originally contemplated by Classic and the Medican Group. As such, the Classic Purchase Agreement has been amended by an Amending Agreement among Valleydale and Classic dated March 28, 2011, a copy of which is attached hereto and marked as Exhibit "A" to this my Affidavit.
- 4. In paragraphs 18 through 23 of the Extension Affidavit, I described the proposed sale of certain units in Phases I and II of the Sanderson Project and a sales mechanism for the remaining condominium units in Phases I and II of the Sanderson Project.
- 5. Attached hereto and marked as Exhibits "B" and "C" to this my Affidavit are an updated list of the units and closing adjustments (including Mrs. Sanderson's unit) that the Medican Group is seeking to have approved, and a Statement of Trust Funds with respect to Mrs. Sanderson's unit, both of which have been approved by the Medican Group, the Monitor, Harbour Mortgage Corp. and IMOR Capital Corp.
- 6. Attached hereto and marked as Exhibit "D" to this my Affidavit is an updated revised price list for the remaining units in Phases I and II of the Sanderson, which will form Schedule "A.1" to the sales process for the remaining units in Phases I and II of the Sanderson Project and has also been approved by the Medican Group, the Monitor, Harbour Mortgage Corp. and IMOR Capital Corp.

Petitioners served by the Medican Group in these proceedings on March 25, 2011.

SWORN BEFORE ME at Calgary, Alberta, this

31st day of March, 2011.

I swear this Affidavit in support of the relief sought by the Petitioners in the Application by the

Commissioner of Oaths in and for the Province

of Alberta

7.

Rebecca Lewis

PRINT NAME AND EXPIRY/LAWYER

/STUDENT-AT-LAW

(Signature)

Tyrone Schneider

(Print Name)

This Amending Agreement made in writing effective this 28th day of March, 2011

BETWEEN:

ESTATES OF VALLEYDALE DEVELOPMENTS LTD.

(the "Seller")

AND:

CLASSIC CONSTRUCTION LTD.

(the "Buyer")

Sworn before me this 3)
Dépoi Maytu AD 2011
AU MISSICNER FOR CATHS
HAND FOR THE PROVINCE OF ALSERTA

THIS IS EXHIBIT " A

Rebecca Lewis
Barrister & Solicitor

The parties hereto are referred to as Seller and Buyer in a Residential Real Estate Purchase Agreement (the "Agreement") signed by the parties on March 24, 2011 relating to the sale of nine lots located in Medicine Hat, Alberta, more particularly described in Schedule "A" attached to the Agreement.

The Seller and the Buyer acknowledge and agree that the following amendments are to be made to the above-mentioned March 24, 2011 Agreement:

- 1. Paragraph 8.1 (e) (4) of the Agreement shall be deleted in its entirety.
- 2. Paragraph 1 of the Addendum to the Agreement shall be deleted in its entirety.
- 3. Paragraph 2 of the Addendum to the Agreement shall be amended to read as follows:

The Buyer agrees to complete the top lift of pavement required for the Project, as set out in the Development Agreement for the Project, <u>by October 31, 2011.</u>

Except as hereby amended, the Residential Real Estate Purchase Agreement dated March 24, 2011 between the parties shall remain in full force and binding on the parties.

This Amending Agreement may be signed in counterparts and signature transmitted by facsimile transmission and shall have the same effect as actual signature.

IN WITNESS WHEREOF the parties to this Amending Agreement have caused this Amending Agreement to be duly executed effective the ______ day of March, 2011.

ESTATES OF VALLEYDALE DEVELOPMENTS LTD.

CLASSIC CONSTRUCTION LTD.

Peri //

-Per:

Sanderson Project - Phase 1 and 2 Proposed Sales Medican Group of Companies (Unaudited, \$C)

Condo Property Harbour per door Total Deposit Estimated Harbour 3,119 3,177 1,000 8,500 3,000 6,801 3,481 25,000 - 282,568 1,593 1,805 1,000 8,500 3,000 6,801 28,999 35,500 - 188,989 3,499 3,500 1,000 8,500 3,000 - 28,450 312,550 - 188,989 3,499 3,500 1,000 8,500 3,000 - 28,450 325,209 - 188,989 2,559 3,500 1,000 8,500 3,000 - 28,660 30,304 - 188,989 3,499 3,500 1,000 8,500 3,000 - 28,660 30,304 - 188,989 3,499 3,500 1,000 8,500 3,000 - 28,660 30,340 - 28,660 30,340 3,499 3,500 1,000	ı									Monarch				Paid to	Estimated
GST fees* taxes* Legal fees* DIP/Admin exit fee bonus Costs* released equity mortgage 3,119 3,177 1,000 8,500 3,000 6,801 34,813 25,000 - 282,568 1,593 1,805 1,000 8,500 3,000 - 28,450 - 188,989 3,499 3,500 1,000 8,500 3,000 - 28,450 - 188,989 3,499 3,500 1,000 8,500 3,000 - 28,450 320,340 - 188,989 2,539 3,500 1,000 8,500 3,000 - 28,660 320,340 - 188,989 3,499 3,500 1,000 8,500 3,000 - 24,596 30,040 - 188,989 3,499 3,500 1,000 8,500 3,000 - 24,596 30,340 - - 20,404 - - - -<					Condo	Property				per door	Total	Deposit	Estimated	Harbour -	Cost to
3,119 3,177 1,000 8,500 3,000 6,801 34,813 25,000 - 282,568 1,593 1,805 1,000 8,500 3,000 - 28,450 - 188,989 3,499 3,500 1,000 8,500 3,000 - 28,450 312,550 3,499 3,500 1,000 8,500 3,000 - 28,660 320,340 2,559 3,500 1,000 8,500 3,000 - 24,596 205,404 3,499 3,500 1,000 8,500 3,000 - 24,596 205,404 3,499 3,500 1,000 8,500 3,000 - 24,596 205,404 3,499 3,500 1,000 8,500 3,000 - 28,660 30,000 290,340 3,499 3,500 1,000 8,500 3,000 - 28,791 326,109 4,990 3,500 1,000 8,500 3,000	Sales Price Commis	્રું	nmissions	GST	fees *	_	Legal fees *	DIP/Admin		pouns	Costs *	released	ednity	mortgage	Complete
1,593 1,805 1,000 8,500 3,000 6,801 28,999 35,500 188,989 3,499 3,500 1,000 8,500 3,000 - 28,450 312,550 3,499 3,500 1,000 8,500 3,000 - 28,791 325,209 2,559 3,500 1,000 8,500 3,000 - 28,660 30,304 2,559 3,500 1,000 8,500 3,000 - 24,596 205,404 3,499 3,500 1,000 8,500 3,000 - 28,660 30,000 290,340 3,499 3,500 1,000 8,500 3,000 - 28,660 30,000 290,340 3,499 3,500 1,000 8,500 3,000 - 28,791 326,109 3,499 3,500 1,000 8,500 3,000 - 28,791 325,209 4,599 3,500 1,000 8,500 3,000 -	351.080	ı	9.216		3.119	3,177	1,000	8,500	3,000	6,801	34,813	25,000		282,568	44,682
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3,499 3,500 1,000 8,500 3,000 - 28,791 325,209 3,499 3,500 1,000 8,500 3,000 - 28,660 30,340 2,559 3,500 1,000 8,500 3,000 - 24,596 205,404 3,499 3,500 1,000 8,500 3,000 - 28,660 30,004 290,340 3,499 3,500 1,000 8,500 3,000 - 28,791 325,209 3,499 3,500 1,000 8,500 3,000 - 28,791 325,209 25,091 4,690 1,000 8,500 3,000 - 28,792 325,209 25,091 4,690 1,000 8,500 3,000 - 28,792 325,209 25,091 4,690 3,500 1,000 8,500 3,000 45,781 480,219 36,451 36,451 36,451 36,451 30,500 2,912,610 471,557 <td>341,000</td> <td></td> <td>8.951</td> <td></td> <td>3,499</td> <td>3,500</td> <td>1,000</td> <td>8,500</td> <td>3,000</td> <td>•</td> <td>28,450</td> <td></td> <td>312,550</td> <td></td> <td>6,644 2</td>	341,000		8.951		3,499	3,500	1,000	8,500	3,000	•	28,450		312,550		6,644 2
3,499 3,500 1,000 8,500 3,000 - 28,660 320,340 2,559 3,500 1,000 8,500 3,000 - 24,596 205,404 3,499 3,500 1,000 8,500 3,000 - 28,660 30,000 290,340 3,499 3,500 1,000 8,500 3,000 - 28,870 328,130 3,499 3,500 1,000 8,500 3,000 - 28,791 325,209 25,091 4,690 3,500 1,000 8,500 3,000 - 28,792 325,209 25,091 4,690 3,500 1,000 8,500 3,000 45,781 480,219 36,451 36,451 36,451 36,451 471,557 471,557	354,000		9,293		3,499	3,500	1,000	8,500	3,000		28,791		325,209		37,774 2
2,559 3,500 1,000 8,500 3,000 - 24,596 205,404 3,499 3,500 1,000 8,500 3,000 - 28,660 30,000 290,340 3,499 3,500 1,000 8,500 3,000 - 28,791 325,209 3,499 3,500 1,000 8,500 3,000 - 28,791 325,209 25,091 4,690 3,500 1,000 8,500 3,000 - 28,792 325,209 36,451 3,500 1,000 8,500 3,000 - 45,781 480,219 36,451 36,482 11,000 93,500 13,602 2,912,610 471,557			9,161		3,499	3,500	1,000	8,500	3,000	•	28,660		320,340		37,908
3,499 3,500 1,000 8,500 3,000 - 28,660 30,000 290,340 3,499 3,500 1,000 8,500 3,000 - 28,870 328,130 3,499 3,500 1,000 8,500 3,000 - 28,791 325,209 25,091 4,690 3,500 1,000 8,500 3,000 - 28,792 325,209 26,091 4,690 3,500 1,000 8,500 3,000 - 45,781 480,219 36,451 36,451 36,452 11,000 93,500 33,000 13,602 335,202 90,500 2,912,610 471,557			6,038		2,559	3,500	1,000	8,500	3,000	•	24,596		205,404		9,362
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3,499 3,500 1,000 8,500 3,000 - 28,791 325,209 3,499 3,500 1,000 8,500 3,000 - 28,792 325,209 25,091 4,690 3,500 1,000 8,500 3,000 45,781 480,219 36,451 36,451 36,482 11,000 93,500 33,000 13,602 335,202 90,500 2,912,610 471,557		5	37.1		3,499	3,500	1,000	8,500	3,000	•	28,870		328,130		96/6
3,499 3,500 1,000 8,500 3,000 - 28,792 325,209 25,091 4,690 3,500 1,000 8,500 3,000 45,781 480,219 36,451 36,451 36,482 11,000 93,500 33,000 13,602 335,202 90,500 2,912,610 471,557		υ,	3,293		3,499	3,500	1,000	8,500	3,000	•	28,791		325,209		42,000
25,091 4,690 3,500 1,000 8,500 3,000 45,781 480,219 36,451 36,451 36,482 11,000 93,500 33,000 13,602 335,202 90,500 2,912,610 471,557			9,293		3,499	3,500	1,000	8,500	3,000	•	28,792		325,209		29,811
36,451 36,482 11,000 93,500 33,000 13,602 335,202 90,500 2,912,610 471,557	526,000		•	25,091	4,690	3,500	1,000	8,500	3,000		45,781		480,219		
			920'98		36,451	36,482	11,000	93,500	33,000	13,602	335,202	90,500	2,912,610	471,557	288,291

1. Units B104 and F309 have been completed. The costs to complete these units have been incurred, however, Trades and

Suppliers have not been paid.

2. Units C101 and B206 are being completed. Trades and Suppliers have not been paid.

3. Estimated completion costs. Work will commence shortly to meet the closing date.

Offer accepted subject to Court approval.
 The unit is designated for Mrs. Sanderson. The amount under "Deposit Released" is GST payable.

* Amounts estimated

5722427.2

THIS IS EXHIBIT "

The referred to in the Affidavit of LYDWL Sclive (direction)

Sworn before me this 3!

DAY OF WALL CHA.D. 2011

ACOMMISSIONER FOR CATHS

WAND FOR THE PROVINCE OF ALSERTA

Rebecca Lewis

Barrister & Solicitor

FINAL STATEMENT OF TRUST RECEIPTS AND DISBURSEMENTS

Sanderson of Fish Creek (Calgary) Developments Ltd.

Sale to Rosamond Sanderson

B310/2332, 2330 Fish Creek Blvd. S.W., Calgary, AB

527712-135/JOP

Date	Description	Received	Disbursed
	Received - Cash to Close	\$526,452.39	
	Paid to RSM Richter - net GST		\$25,090.95
	Paid to the City of Calgary - property taxes and arrears		\$3,291.86
	Paid to Simco Property Management - Feb/Mar/April condo fees		\$1,695.69
	Paid to Monarch Land Ltd Condo fee advance to Jan 31/11		\$2,994.62
	Held at FMC - DIP Admin Charge		\$8,500.00
	Paid to Fraser Milner Casgrain LLP - Estimated Invoice		\$1,000.00
	Paid to HMT Holdings Inc Exit Fee		\$3,000.00
	Paid to HMT Holdings Inc net sale proceeds		\$480,879.27
	Totals	\$526,452.39	\$526,452.39

THIS IS EXHIBIT " C "
referred to in the Affidavit of Tyvow School Cd.

Sworn before me this \$!

Performance AD20()

ACCOMMISSIONER FOR CATHS
THE PROVINCE OF ALBERTA

Rebecca Lewis

Barrister & Solicitor

Medican Group of Companies Sanderson - Harbour/IMOR Phase 1 and 2 Suites Available for Sale (\$Canadian, Unaudited)

								Marketing				
			Estimated Cost to		Condo	Property		and		Harbour		Fetimated
Phase	Suite	Listing Price	Complete	Commissions*	fees *	taxes*	Legal fees* overhead** DIP/Admin	overhead**	DIP/Admin	exit fee	Total Costs	equity
-	D101	344,000	8,041	009'6	3,499	3,500	1,000	4,500	8,500	3.000	41,639	302,361
-	D201	349,000	6,644	9,725	3,499	3,500	1,000	4,500	8,500	3,000	40,368	308,632
-	D203	347,000	8,361	9,675	3,499	3,500	1,000	4,500	8,500	3,000	42,035	304,965
-	D303	353,000	8,041	9,825	3,499	3,500	1,000	4,500	8,500	3,000	41,864	311,136
-	F234	247,000	2,400	7,175	3,499	3,500	1,000	4,500	8,500	3,000	33,573	213,427
	Total Phase 1	1,640,000	33,487	46,000	17,493	17,500	5,000	22,500	42,500	15,000	199,479	1,440,521
2	B101	344,000	23,170	009'6	3,499	3,500	1,000	4,500	8,500	3,000	56,769	287,231
2	B103	339,000	30,416	9,475	3,499	3,500	1,000	4,500	8,500	3,000	63,890	275,110
7	B201	349,000	29,811	9,725	3,499	3,500	1,000	4,500	8,500	3,000	63,534	285,466
7	B203	349,000	30,833	9,725	3,499	3,500	1,000	4,500	8,500	3,000	64,557	284,443
2	B204	349,000	24,155	9,725	3,499	3,500	1,000	4,500	8,500	3,000	57,879	291,121
7	B207	352,000	395	9,800	3,499	3,500	1,000	4,500	8,500	3,000	34,193	317,807
7	C202	349,000	29,811	9,725	3,499	3,500	1,000	4,500	8,500	3,000	63,534	285,466
2	C301	354,000	29,811	9,850	3,499	3,500	1,000	4,500	8,500	3,000	63,659	290,341
2	C302	354,000	•	9,850	3,499	3,500	1,000	4,500	8,500	3,000	33,849	320,151
7	F108	300,000	29,525	8,500	3,499	3,500	1,000	4,500	8,500	3,000	62,023	237,977
2	F208	305,000	29,562	8,625	3,499	3,500	1,000	4,500	8,500	3,000	62,185	242,815
	Total Phase 2	3,744,000	257,488	104,600	38,484	38,500	11,000	49,500	93,500	33,000	626,072	3,117,928
	Grand Total	5,384,000	290,975	150,600	55,977	56,000	16,000	72,000	136,000	48,000	825,551	4,558,449

Total units available for sale

9

* Estimate

** Held in trust by FMC pending verfication of costs and consent of Harbour

THIS IS EXHIBIT " Deferred to in the Affidavit of Lyrbyll Schneider Sworn before me this 3.1.

The property of Ward A.D. 2011

ACCMMISSIONERFOR CATHS
MAN Rebecca Lewis
Barrister & Solicitor