

Clerk's stamp:

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

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND THE JUDICATURE ACT, R.S.A. 2000, c. J-2, AS AMENDED

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MEDICAN HOLDINGS LTD., MEDICAN DEVELOPMENTS INC., R7 INVESTMENTS LTD., MEDICAN CONSTRUCTION LTD., MEDICAN CONCRETE INC., 1090772 ALBERTA LTD., 1144233 ALBERTA LTD., 1344241 ALBERTA LTD., 9150-3755 QUEBEC INC., AXCESS (GRANDE PRAIRIE) DEVELOPMENTS LTD., AXCESS (SYLVAN LAKE) DEVELOPMENTS LTD., CANVAS (CALGARY) DEVELOPMENTS LTD., ELEMENTS (GRANDE PRAIRIE) DEVELOPMENTS LTD., HOMES BY KINGSLAND LTD., LAKE COUNTRY (SITARA) DEVELOPMENTS LTD., MEDICAN (EDMONTON TERWILLEGAR) DEVELOPMENTS LTD., MEDICAN (GRANDE PRAIRIE) HOLDINGS LTD., MEDICAN (KELOWNA MOVE) DEVELOPMENTS LTD., MEDICAN (LETHBRIDGE – FAIRMONT PARK) DEVELOPMENTS LTD., MEDICAN (RED DEER – MICHENER HILL) DEVELOPMENTS LTD., MEDICAN (SYLVAN LAKE) DEVELOPMENTS LTD., MEDICAN (WESTBANK) DEVELOPMENT LTD., MEDICAN (WESTBANK) LAND LTD., MEDICAN CONCRETE FORMING LTD., MEDICAN DEVELOPMENTS (MEDICINE HAT SOUTHWEST) INC., MEDICAN ENTERPRISES INC. / LES ENTREPRISES MEDICAN INC., MEDICAN EQUIPMENT LTD., MEDICAN FRAMING LTD., MEDICAN GENERAL CONTRACTORS LTD., MEDICAN GENERAL CONTRACTORS 2010 LTD., RIVERSTONE (MEDICINE HAT) DEVELOPMENTS LTD., SANDERSON OF FISH CREEK (CALGARY) DEVELOPMENTS LTD., SIERRAS OF EAUX CLAIRES (EDMONTON) DEVELOPMENTS LTD., SONATA RIDGE (KELOWNA) DEVELOPMENTS LTD., SYLVAN LAKE MARINA DEVELOPMENTS LTD., THE ESTATES OF VALLEYDALE DEVELOPMENTS LTD., THE LEGEND (WINNIPEG) DEVELOPMENTS LTD., and WATERCREST (SYLVAN LAKE) DEVELOPMENTS LTD.
(THE PETITIONERS)**

DOCUMENT

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 / Derek M. Pontin
Ph. (403) 268-7097/6301 Fx. (403) 268-3100
File No.: 526686-1

AFFIDAVIT OF TYRONE SCHNEIDER
Sworn on January 10, 2012

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 stated to be based upon information and belief, in which case I do verily believe the same to be true.
2. All capitalized terms used in this Affidavit shall have the meaning ascribed to them in the Affidavit sworn by Mr. Wesley Reinheller and filed in these proceedings on May 25, 2010 (the "**Initial Affidavit**") unless otherwise indicated in this Affidavit.
3. I swear this Affidavit in support of the Application served by the Petitioners in these proceedings (the "**Application**") for an Order substantially in the form attached to the Application as Schedule "B", approving the listing proposal, tendered by Colliers International in respect of the lands known as the Kaleido Phase 4-7 Lands (as defined below), owned by Medican (Westbank) Development Ltd. and Medican (Westbank) Land Ltd. (collectively, the "**Kaleido Companies**").

Approval of the Listing Proposal

4. On November 30, 2011, the Medican Group filed a Plan of Compromise and Arrangement in respect of all of the Petitioners apart from the Kaleido Companies and Sanderson of Fish Creek (Calgary) Developments Ltd.
5. On December 5, 2011, the Court granted an Order lifting the stay of proceedings and granting leave to MCAP Financial Corporation ("**MCAP**") to appoint a receiver in respect of the lands owned by the Kaleido Companies known as the Phase 1-3 Lands.
6. The Kaleido Phase 4-7 Lands are raw land, and were not subject to the lifting of the Stay or leave to appoint a receiver. These lands (the "**Kaleido Phase 4-7 Lands**") are municipally known as 3635 Carrington Road (Phase 4-7), comprising approximately 7.7 acres in the District of West Kelowna, B.C., and legally described as Lot 5058 ODYD, except plans 15774, H18426, Kap46771 and Kap85028. A copy of title to the Kaleido Phase 4-7 Lands are attached hereto and marked as Exhibit "A" to this my Affidavit.
7. The Kaleido Companies and the Monitor have negotiated a listing proposal from Colliers International (the "**Listing Proposal**") whereby the Kaleido Phase 4-7 Lands will be marketed for sale. A redacted copy of the Listing Proposal is attached hereto and marked as Exhibit "B" to this my Affidavit. The redactions were necessary to ensure preservation of the integrity of the marketing process.
8. The salient terms of the Listing Proposal include:
 - (a) the Kaleido Phase 4-7 Lands will be initially listed for \$4,100,000;
 - (b) the listing term will be for six months, exclusive to Colliers International; and

- (c) Colliers International will bear all marketing costs, and will be paid a 3.0% success fee upon the completion of a sale.
9. As the Kaleido Phase 4-7 Lands are raw land, it has been determined by the Petitioners that the maximum benefit from these lands to the Kaleido Companies and their creditors and stakeholders will be realized from sale.
 10. The first secured creditor of the Kaleido Phase 4-7 Lands, the Majoros Family, is in agreement with the Listing Proposal and eventual sale of the Kaleido Phase 4-7 Lands.
 11. The second secured creditor, Monarch Land Ltd., has been advised of the Listing Proposal and, to date, has neither agreed nor objected to the process outlined in the Listing Proposal.
 12. The listing price recommended by Colliers International is commensurate with recent market sales.
 13. The eventual sale of the Kaleido Phase 4-7 Lands, which will be subject to Court approval in accordance with the CCAA, is expected to result in a significant recovery for the Kaleido Companies estate and monetizes a significant asset that otherwise is generating no value for the Kaleido Companies' creditors.
 14. The Listing Proposal compliments the ongoing restructuring of the Petitioners, and, I do verily believe, is reasonable, necessary and in the best interests of the Petitioners and their creditors and stakeholders.
 15. I make this Affidavit in support of an Application for the relief described in paragraph 3, above.

SWORN BEFORE ME at the City of Medicine Hat
Alberta, this 10th day of January, 2012.



Commissioner for Oaths in and for the
Province of Alberta

LUKE M. DAY

Barrister & Solicitor in and for

the Province of Alberta

1870A - 6th Avenue SW

Medicine Hat, Alberta T1A 7X5

(403) 526-3477



(Signature)

Tyrone Schneider

(Print Name)

Date: 09-Jan-2012
Requestor: (PC96238)
Folio: 526686-1

TITLE SEARCH PRINT
ELDOR-WAL REGISTRATIONS (1987) LTD.
TITLE - LB124122

Time: 07:47:43
Page 001 of 004

KAMLOOPS LAND TITLE OFFICE TITLE NO: LB124122
FROM TITLE NO: LB64823

APPLICATION FOR REGISTRATION RECEIVED ON: 17 OCTOBER, 2007
ENTERED: 22 OCTOBER, 2007

REGISTERED OWNER IN FEE SIMPLE:
MEDICAN (WESTBANK) LAND LTD., INC.NO. 0768843
1870A 6TH AVENUE SW
MEDICINE HAT, AB
T1A 7X5

TAXATION AUTHORITY:
DISTRICT OF WEST KELOWNA

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 009-611-789
DISTRICT LOT 5058 OSOYOOS DIVISION YALE DISTRICT EXCEPT PLANS 1577A
H18426, KAP46771 AND KAP85028

LEGAL NOTATIONS:

HERETO IS ANNEXED EASEMENT LB235547 OVER LOT 1 PLAN KAP85028
HERETO IS ANNEXED EASEMENT LB235548 OVER LOT 1 PLAN KAP85028
HERETO IS ANNEXED EASEMENT LB235555 OVER LOT 1 PLAN KAP85028
HERETO IS ANNEXED EASEMENT LB235556 OVER LOT 1 PLAN KAP85028

THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 26 OF THE LOCAL
GOVERNMENT ACT, SEE LB67772

CHARGES, LIENS AND INTERESTS:

NATURE OF CHARGE
CHARGE NUMBER DATE TIME

COVENANT

KF17256 1992-02-28 08:40

REGISTERED OWNER OF CHARGE:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA
AS REPRESENTED BY THE MINISTRY OF ENVIRONMENT AND
REGIONAL DISTRICT OF CENTRAL OKANAGAN
KF17256

REMARKS: INTER ALIA
SECTION 215 LTA

STATUTORY RIGHT OF WAY

KF58811 1992-06-22 15:49

REGISTERED OWNER OF CHARGE:

WESTBANK IRRIGATION DISTRICT
KF58811

REMARKS: INTER ALIA
PART SHOWN ON PLAN KAP47472

THIS IS EXHIBIT " A "
referred to in the Affidavit of

Ty Schneider

Sworn before me this 9

day of January, 2012

[Signature]
A Commissioner for Oaths in and
for the Province of Alberta

LUKE M. DAY

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

Date: 09-Jan-2012
Requestor: (PC96238)
Folio: 526686-1

TITLE SEARCH PRINT
ELDOR-WAL REGISTRATIONS (1987) LTD.
TITLE - LB124122

Time: 07:47:43
Page 002 of 004

MORTGAGE

CA301188 2006-09-29 14:43
REGISTERED OWNER OF CHARGE:
ZOLTAN MAJOROS
MARGARET MAJOROS
GASPAR MAJOROS
VIKTORIA MAJOROS
CA301188
REMARKS: INTER ALIA

MORTGAGE

CA301303 2006-09-29 15:19
REGISTERED OWNER OF CHARGE:
MONARCH LAND LTD.
INCORPORATION NO. A66484
CA301303
REMARKS: INTER ALIA

COVENANT

LA169491 2006-12-08 12:15
REGISTERED OWNER OF CHARGE:
THE CROWN IN RIGHT OF BRITISH COLUMBIA
REGIONAL DISTRICT OF CENTRAL OKANAGAN
LA169491
REMARKS: INTER ALIA
MODIFIED BY LB237622

PRIORITY AGREEMENT

LA169492 2006-12-08 12:15
REMARKS: INTER ALIA
GRANTING LA169491 PRIORITY OVER CA301303

PRIORITY AGREEMENT

LA169493 2006-12-08 12:15
REMARKS: INTER ALIA
GRANTING LA169491 PRIORITY OVER CA301188

COVENANT

LA169494 2006-12-08 12:16
REGISTERED OWNER OF CHARGE:
REGIONAL DISTRICT OF CENTRAL OKANAGAN
LA169494
REMARKS: INTER ALIA

PRIORITY AGREEMENT

LA169495 2006-12-08 12:16
REMARKS: INTER ALIA
GRANTING LA169494 PRIORITY OVER CA301303

PRIORITY AGREEMENT

LA169496 2006-12-08 12:16
REMARKS: INTER ALIA
GRANTING LA169494 PRIORITY OVER CA301188

STATUTORY RIGHT OF WAY

LB25019 2007-03-05 09:25

Date: 09-Jan-2012
Requestor: (PC96238)
Folio: 526686-1

TITLE SEARCH PRINT
ELDOR-WAL REGISTRATIONS (1987) LTD.
TITLE - LB124122

Time: 07:47:43
Page 003 of 004

REGISTERED OWNER OF CHARGE:
BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
LB25019
REMARKS: INTER ALIA

STATUTORY RIGHT OF WAY
LB25020 2007-03-05 09:25
REGISTERED OWNER OF CHARGE:
TELUS COMMUNICATIONS INC.
LB25020
REMARKS: INTER ALIA

PRIORITY AGREEMENT
LB25021 2007-03-05 09:25
REMARKS: INTER ALIA
GRANTING LB25019 PRIORITY OVER CA301188 AND
CA301303

PRIORITY AGREEMENT
LB25022 2007-03-05 09:25
REMARKS: INTER ALIA
GRANTING LB25020 PRIORITY OVER CA301188 AND
CA301303

COVENANT
LB124127 2007-10-17 09:20
REGISTERED OWNER OF CHARGE:
REGIONAL DISTRICT OF CENTRAL OKANAGAN
LB124127

PRIORITY AGREEMENT
LB124128 2007-10-17 09:20
REMARKS: GRANTING LB124127 PRIORITY OVER CA301188
AND CA301303

STATUTORY RIGHT OF WAY
LB124132 2007-10-17 09:21
REGISTERED OWNER OF CHARGE:
REGIONAL DISTRICT OF CENTRAL OKANAGAN
LB124132

COVENANT
LB124133 2007-10-17 09:21
REGISTERED OWNER OF CHARGE:
REGIONAL DISTRICT OF CENTRAL OKANAGAN
LB124133

PRIORITY AGREEMENT
LB124134 2007-10-17 09:21
REMARKS: GRANTING LB124132 PRIORITY OVER CA301188
AND CA301303

PRIORITY AGREEMENT
LB124135 2007-10-17 09:21
REMARKS: GRANTING LB124133 PRIORITY OVER CA301188
AND CA301303

Date: 09-Jan-2012 TITLE SEARCH PRINT Time: 07:47:43
Requestor: (PC96238) ELDOR-WAL REGISTRATIONS (1987) LTD. Page 004 of 004
Folio: 526686-1 TITLE - LB124122

COVENANT

LB237622 2008-09-08 14:08
REMARKS: INTER ALIA
 MODIFICATION OF LA169491

PRIORITY AGREEMENT

LB237623 2008-09-08 14:08
REMARKS: INTER ALIA
 GRANTING LB237622 PRIORITY OVER CA301303

PRIORITY AGREEMENT

LB237626 2008-09-08 14:08
REMARKS: GRANTING LB237622 PRIORITY OVER CA301188

CLAIM OF BUILDERS LIEN

CA1419550 2010-01-12 15:40
REGISTERED OWNER OF CHARGE:
D.E. PILLING & ASSOCIATES LTD.
INCORPORATION NO. BC0269904
 CA1419550
REMARKS: INTER ALIA

CERTIFICATE OF PENDING LITIGATION

CA1862951 2011-01-10 10:12
REGISTERED OWNER OF CHARGE:
D.E. PILLING & ASSOCIATES LTD.
INCORPORATION NO. BC0269904
 CA1862951
REMARKS: INTER ALIA

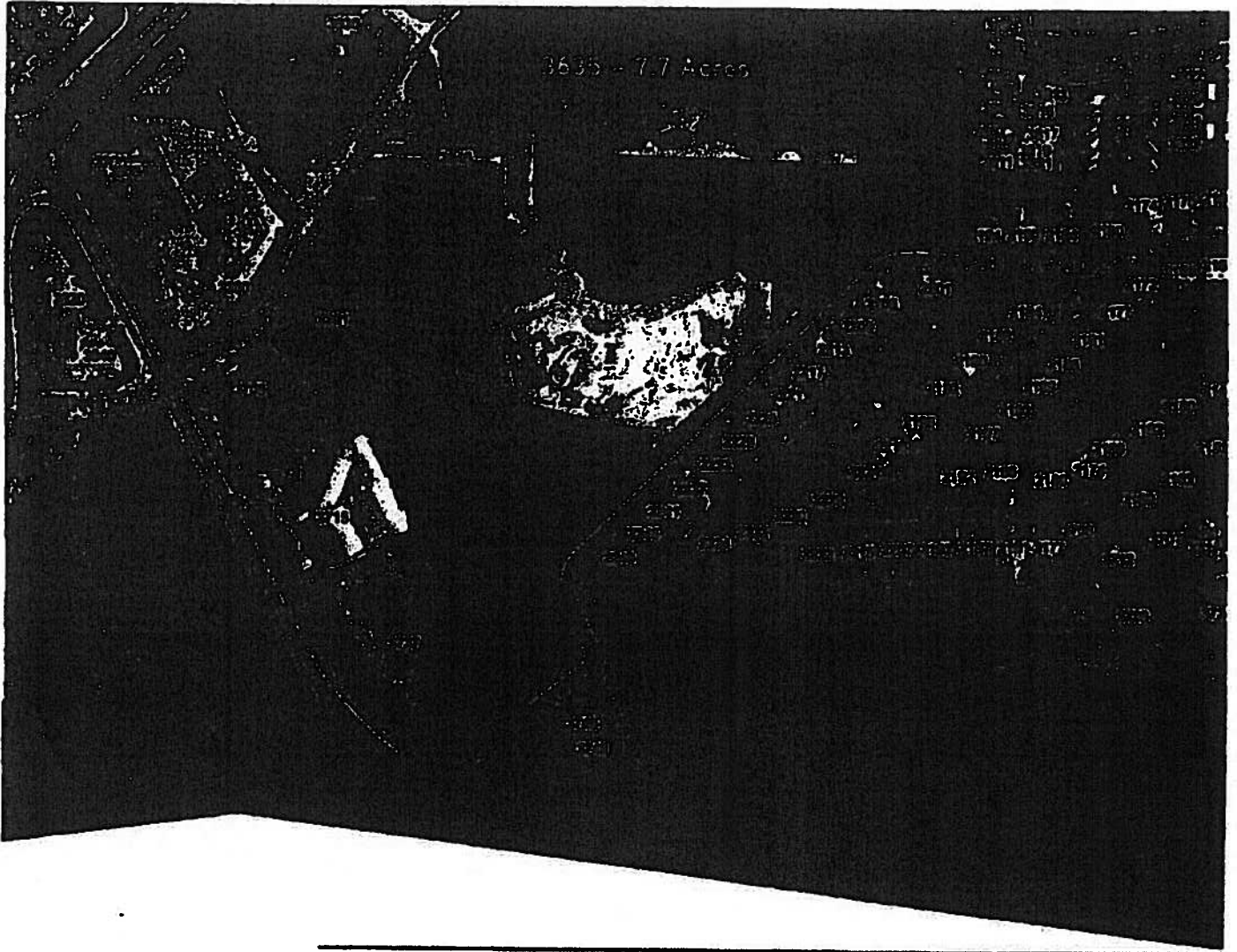
"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28, L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING

TRANSFERS: NONE

PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***



Marketing Proposal

7.7 Acre Multi-Family Development Site at "Kaliedo" Development in West Kelowna BC.

PREPARED BY:
 Chad Biafore, BBA
 Colliers International Centre Group
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 Cell: 250-882-7877
 Email: Chad.Biafore@colliers.com

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 850 - 2nd Street SW
 Calgary, Alberta
 T2P 0R8
 c/o David Mann LL.B., Partner
 Email: david.mann@fmc-law.com

THIS IS EXHIBIT B
 referred to in the Affidavit of
Ty Schneider
 Sworn before me this 9
 day of January, 20 12
[Signature]
 A Commissioner for Oaths in and
 for the Province of Alberta
 1870A - 6th Avenue SW
 Calgary, Alberta T1A 7X5
 Phone: 403-243-3477

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



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Executive Summary

| | |
|---------------------|---|
| Introduction | Colliers International is pleased to present to RSM Richter our marketing proposal for Lot 5058 ODYD except plans 15774, H18426, Kap46771 and Kap85028. This 11.752 acre freehold parcel consists of 4 acres of parkland and 7.752 acres of Multi-family development site that is zoned for 400+ condo units. |
| Valuation | Our comparable sales analysis based on the site's redevelopment to it highest and best use under the current and potential zoning, suggests a current market value in the range of [REDACTED] This does not include a valuation of the park land that is to be transferred to the District of West Kelowna. |
| List Price | We suggest an initial list price \$4,100,000 for the subject property and see what was to transpire. [REDACTED] |
| Marketing Strategy | To pursue the highest achievable price in the shortest attainable timeline, Colliers will seek a transaction via a combination of comprehensive marketing couple with focus on a core group of best buyer candidates. |
| Marketing Program | In order to target all the key objectives, we believe the most effective method of marketing the subject site is through a traditional listing mandate with a set listing price. |
| Terms of Engagement | Colliers would propose a six month exclusive listing term, in which we would bear all marketing costs, and a success fee of 3.00% of the purchase price, plus HST, payable upon completion of the sale. |

Property Analysis

| | |
|--|--|
| Municipal Address | 3635 Carrington Road (Phase 4-7), 7.7 acres in the District of West Kelowna, BC |
| Legal Description | Lot 5058 ODYD except plans 15774, H18426, Kap46771 and Kap85028 |
| PID & Free Form | 009-611-789 |
| Location | The subject property is located just one minute east of the Town Centre and one city block of the 2011 Snyastan shopping centre in West Kelowna. This prime lake view property will have spectacular views of the Valley and Lake Okanagan. The subject was to be phase 4 through 7 of a condominium development. |
| Site Description and Services | This Freehold property is relatively flat and consists of 7.7 acres of developable land of the total 11.7. All phases have municipal water and sewer, power and natural gas available at the property lines and some services have been brought into the property as it was cost effective for later phases. It's our understanding that the site has a Development permit under review at the District of West Kelowna that will allow over 400 condo type units. |
| Zoning and Potential | The Site is zoned and has a Development permit in place for intensive Multiple family development of over 400 units. |
| Environmental and Geotechnical reports | Both reports were completed in 2005 by EBA environmental and Piling Engineering respectively. |



SWOT Analysis

In our view, the Property's strengths and opportunities far outweigh its weaknesses and threats (to be emphasizes in our marketing material)

| Strengths | Weaknesses |
|---|--|
| <ul style="list-style-type: none"> • Substantial lot size (7.7) acres allows for Phased development. The Kaliedo project has had great reviews, with easy access to all amenities in West Kelowna • All retail services within minutes of property however still retains a quiet setting with many nature trails and surrounding orchards | <ul style="list-style-type: none"> • Other multiple family sites have a golf course or on or near water amenity for in an urban setting which will attract end users |
| Opportunities | Threats |
| <ul style="list-style-type: none"> • Historically low interest rates continue which will help buyers for real estate assets. • Older demographic of Canadian people and Okanagan Valley people retiring to Kelowna area and have preferences to a lock and leave products, eg. condo or townhome. | <ul style="list-style-type: none"> • Oversupply of condo units, literally thousands of available units for condos, built and selling at a discount to building costs. • Government policy for sustainable building requirements. |



Property Valuation

We can't talk about multiple family lands in the valley without discussing the number of condominium units in the Okanagan valley that are vacant or for rent. Here in Kelowna we have almost 2 years worth of condo inventory. In West Kelowna the outlook is somewhat better.

Overall, there are a number of distressed large lot holdings and Multi-family properties available for sale not only in the immediate valley but in BC. A number of properties are for sales that are not listed. Most of our large development projects in the Okanagan have a Multi-family site incorporated into their development plan. Almost all have put that site on hold as the oversupply of condo units has made it impossible to produce a profit with this type of product. I can tell you that in Kelowna alone, The Ponds, Wilden, Tower Ranch, Kirshner Mountain, and Black Mountain all fit into this scenario. Additionally our market is at records lows for housing starts, and sales are down 12% from last year and price levels are down 6% from last year. Last year was not a great year for the valley.

In West Kelowna there are at least 400 units available for sale if you combined the court order sales of Copper Sky, court order sales of Tuscan Villas, Rykon's new units at Shannon Lake, Dilworth homes new JV with James Cooper and the outstanding units listed on MLS. Of note is that Tuscan Villas are selling units at under \$200/foot and are marketed at 50% off. At those prices it is difficult to turn a profit at any multiple family project.

Kelowna has at least 1400 units available if you searched all current listings, not included are the new units that are set to hit the market next year such as SOPA square 80 units and the new 100 Conservatory units. Much of these Kelowna condo units are in Urban settings with has traditionally attracted condo buyers. It would be reasonable to suggest prices will not be increasing for condo units in the near future. Almost every Developer who I have spoken with is not proceeding with their condo development and is not looking to acquire land for condo development unless extremely discounted. Actually, many sites are zoned and ready to build upon when the markets rebounds but most feel a 5 year hold will be necessary. Zero (0) multiple family units were started in the entire valley in 2010 for the reasons described above.

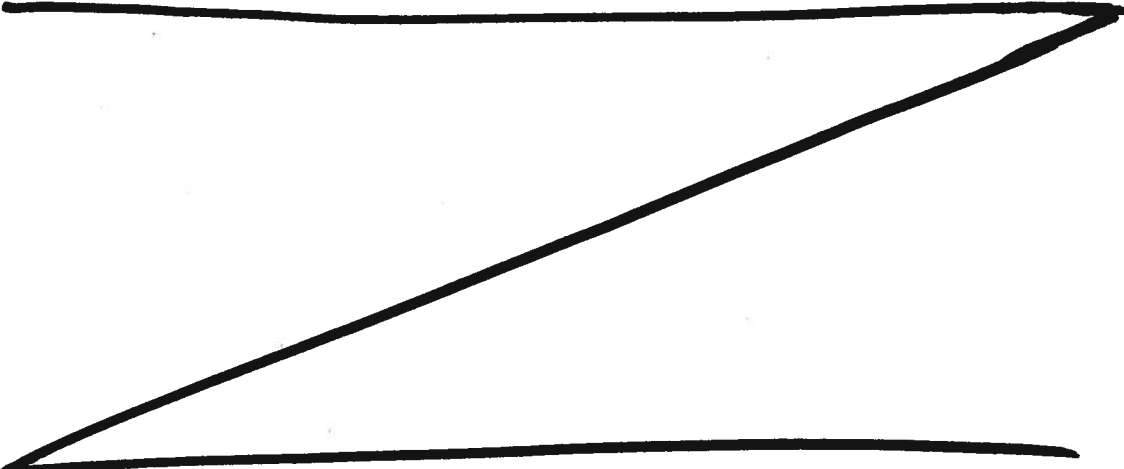
Please see table on the next page that describes the recent few sales of condo sites in the valley. Two of the sites that have sold are on hold and then the plan is to do rental buildings. Others of note are the Clifton Road sites that have all been down-zoned for allow for townhome developments. This will be discussed later in a comparable sales section.

Late last fall the Interior Health Associations put out an RFP for 100 care beds for the Central Okangan. Having been entrenched in that process for several months I can tell you many new over priced listings came to market and only a small handful were put under a "subject to IHA acceptance" contract for purchase.

[REDACTED] Of note is a development in downtown West Kelowna that is proceeding with a 258 condo/townhome project that expects to be in the ground next month.

Please see table on the next for recent land sales. Let's first look at land sales that took place that resulted in down-zoning and of the land and then we will look at sales that have indicated they will hold the property for 3-5 years before building.

The Clifton road sites were down-zoned to provide townhomes instead of condo units. They have had some success with this offering when the townhome units are offered at a starting price of [REDACTED]. However the Clifton site would be considered a very strong comparable site to the subject property in that they are very close to downtown Kelowna and have great valley views. The Clifton sites were level and ready as is the subject site. Additional of note in the table is the Peak Point property that sold for [REDACTED] per acre that would have allowed a condo development, but was down-zoned to provide townhomes. It would be considered a stronger site than the subject in that it is the final phase of a development just across the bridge in West Kelowna, walking distance to schools and walking trails down the street. The site was compacted and ready to build and some units will have lake views.



Therefore analyzing the site's redevelopment or current development situation at it's highest and best use under the current and potential zoning, suggests [REDACTED]

[REDACTED]

[REDACTED] to list the property at \$4,100,000 Million dollars.





Kanagan Land Sales

| Sale Date | Address | City | Notes | Lot Size (acres / sf) | Zoning | Sale Price |
|-----------|------------------------------|--------------|--|-----------------------|--------|-----------------|
| ep-11 | 2551,2555,2583 Lakeshore Rd. | Vernon | In the middle of a lakefront development. Vacation rental planned. Listed and sold by Colliers | 1.74 | C10 | \$1,600,000 |
| uly-11 | Osprey / Raymer Avenue | Kelowna | Worman assembly 12 lots - to be office buildings Sold by Remax Kelowna | 1.67 | C7 | \$4,200,000 |
| une-11 | Casa Loma | West Kelowna | 49 lots in Casa Loma (Kevin Bird); 75' frontages to over 100'; lakeviews : Single family | 14 acres | Res | \$2,300,000 |
| ep-10 | Peak Point | West Kelowna | Originally planned for 48 condos and townhomes- now 36 townhomes only. List and Sold by Colliers | 2.99 | RM5 | \$1,000,000 |
| ul-10 | Wood Lake Campground Condo's | Lake Country | 10 usable acres and 600 condo units - Waterfront property | 13 | C7 | \$5,300,000 |
| ul-10 | 3229 Skyview Lane | West Kelowna | Vacant multi family First Nations land Private sale. | 16 | MF | \$3,131,900.00 |
| un-10 | Lakestone Community | Winfield | 248 acre residential / golf course development site. Private sale | 248 | Res | \$15,000,000.00 |
| un-10 | Lot 4 - Clifton Road | Kelowna | originally planned for 212 condos - downzoned for townhouse - medium density - 87 townhomes. Listed and sold by Colliers | 5.15 485,437 | RM4 | \$2,500,000 |
| un-10 | 335 Gertsmar Road | Kelowna | Property has been rezoned for 13 townhomes. Listed and Sold by Remax Kelowna | .87 37,897 | RM3 | \$775,000 |
| eb-10 | Lot 3 - Clifton Road | Kelowna | Originally planned for 200 condos - downzoned for 100 townhomes . Listed and sold by Colliers | 5.13 \$555,55 | RM3 | \$2,850,000 |



Kelowna and Area Housing Market Overview

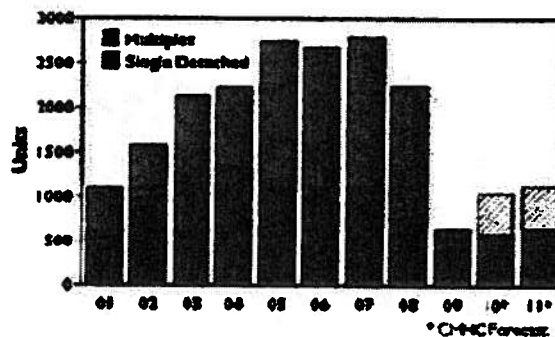
Existing Homes Sales Move Higher in 2011

Demand for existing homes is forecast to pick up in 2011 as the provincial and regional economies record stronger employment growth. Favorable interest rates combined with strong price competition and an ample supply of listings for sale will also support growth in demand. Sales will move higher next year, but gains will be modest. Existing home sales have moderated in recent months after moving up sharply through the second half of 2009 and earlier this year. Expectations of higher interest rates resulted in some purchaser bringing forward their decision to buy, driving up sales last year and the first quarter of 2010. Pent up demand among first time buyers, a key factor underlying last year's upswing, has, to a large extent, been satisfied during the past year. Overall, 2010 existing home sales were close to 2009 levels.

Home buyers will continue to benefit from an ample supply of listings and strong price competition among sellers. The supply of listings among all housing types will remain good through most of 2011. Kelowna's existing home market will move to a balanced market position in 2011 as demand improves and the supply of listings slowly comes down. Moderating demand and rising supply has kept the Kelowna area existing home market in borderline buyers / balanced territory this year.

Existing home prices are forecast to edge up this year and next in line with inflation. An ample supply of listings in combination with modest growth in demand will temper upward pressure on prices. Detached home prices stabilized by mid 2009 after trending down since the previous spring. The average detached home price has moved higher in 2010, but much of the increase is attributed to shifts in the price distribution of sales (more sales of mid and higher priced homes this year than last) rather than true price appreciation.

Housing Starts Edge Higher - Detached Home Sector Leads



Demand has broadened to include more move-up buyers this year. While sales of mid and higher priced homes have risen, the focus of demand among home buyers remains moderately priced homes. Single family homes (detached and semi - detached units) priced at less than \$400,000 captured 33 and 32 percent of sales during the first eight months of 2010 and 2009, respectively, compared to only 22 per cent in 2008.

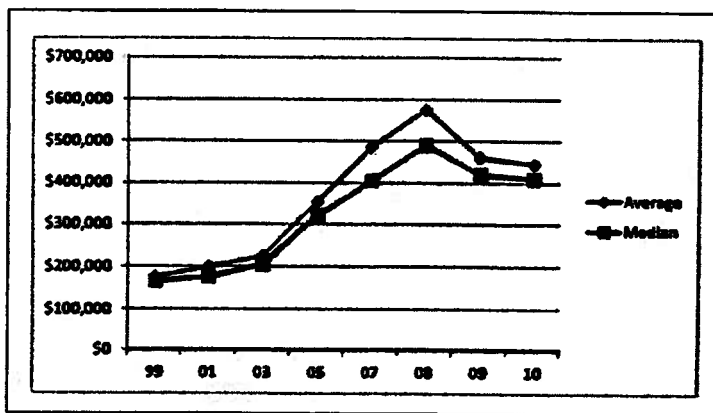
Rutland, Westbank and Glenrosa and the Core area will be the most modestly priced locations. Black Mountain, Glenmore, Peachland and Shannon Lake are the focus of buyers seeking mid



priced, single - detached homes. Southeast Kelowna, Dilworth Mountain, the Mission area and sections of Glenmore, Lakeview Heights and West Kelowna will command the highest prices.

Condo's and townhouses are expected to see stronger growth in demand this year. Condo sales have picked up from the unusually low levels recorded during the first half of 2009. Kelowna's condo sector was slower to rebound last year, recording a more modest uptick in sales than detached homes. Demand for resort homes and second residences, until 2008, the fastest growing segment of Kelowna's condo market, waned as economies across North America experienced slower growth. Stronger competition from resort developments outside the Okanagan region also contributed to fewer sales of this product type in local markets. Lower new and existing home prices resulted in more competition from townhouses and single and semi-detached housing, ownership options previously beyond the price range of many local home buyers. Following a slower third quarter, both apartment condo and townhouse sales are forecast to move higher through year end. Year over year total sales will, like the detached home sector, be slightly lower than 2009 levels. Condo and townhouse prices have stabilized and with the supply listings at near record highs, prices are expected to remain essentially flat through most of 2011.

Single Family Residential House Prices *



| Year | Average | Median |
|------|---------|--------|
| 1999 | \$175 | \$165 |
| 2001 | \$199 | \$175 |
| 2003 | \$225 | \$205 |
| 2005 | \$355 | \$322 |
| 2007 | \$485 | \$405 |
| 2008 | \$575 | \$490 |
| 2009 | \$460 | \$420 |

Source: CMHC & OMREB MLS Multiple Listing Service

New Home Construction Up in 2011

Housing starts, led by the detached home sector, are forecast to move higher in 2010 and 2011.

Lower lot prices and construction costs have allowed builders to compete more effectively with existing homes and attract more buyers this year. The inventory of completed and unoccupied detached homes has steadily declined since mid 2009, clearing the way for higher levels of detached home construction. New home buyers have benefited from an ample supply of building lots this year, a big change from the shortages seen prior to 2008. Lot prices have come down in response to moderating demand and supply. The introduction of the Harmonized Sales Tax

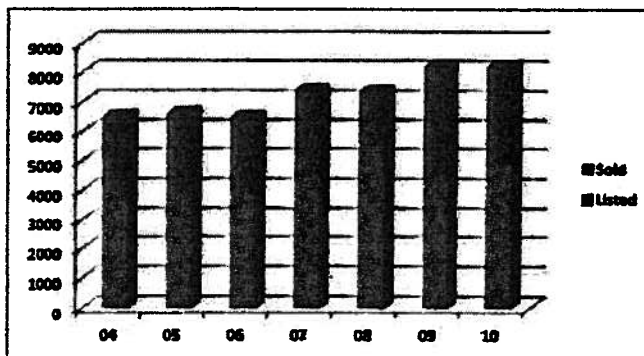
(HST) in mid 2010 resulted in some new home buyers bringing forward their plans to build, boosting detached home construction during the first half of the year. Competition from the existing home market will continue to dampen upward pressure on new home prices in 2011.

Moderately priced homes will remain the focus of new detached home demand in 2010 and 2011. Builders are targeting buyers seeking homes in the \$450,000 - \$550,000 price range. This year, new detached homes have been available for as low as \$400,000, well below the average existing home price. Fewer buyers of resort - oriented homes and second residences have contributed to less demand for higher priced new homes this year. This segment of the new single family home market will continue to face strong price competition from a well supplied resale home market in 2011.

Kelowna's multi-family sector will record more condo and attached home construction in 2011 and fewer rental apartment starts. Expect condo construction to pick up later next year as the inventory of new, completed and unoccupied condo units and supply of existing condo's is slowly drawn down. Condo absorption has improved in response to builder incentives and price reductions, but remains sluggish compared to recent years. The supply of apartment condo's under construction has come down. Less supply under construction positions the condo market for expansion in 2011 and 2012. Demand has shifted more to local buyers from investors and those seeking resort homes and second residences. The attached home sector, including both townhouses and semi detached homes, will follow suit with more starts next year. For now, builders will focus on smaller and phased projects until demand improves and inventories come down.

Rental apartment construction will account for the largest share of multiple family starts in 2010 despite higher vacancy rates during the past year. Developers of multi - family rental housing are building in anticipation of lower vacancy rates. With construction costs coming down, rental construction has become a more viable development opportunity than in recent years. Reduced demand for condo's may free up some building sites for rental construction. Rental apartment starts will total 200 - 250 privately and publically initiated units, the highest annual level since the early 2000s.

Single-Family Sales Vs. Listings -- 2004 through to 2010



| Year | Sold | Listed |
|------|------|--------|
| 04 | 3962 | 2540 |
| 05 | 3846 | 2766 |
| 06 | 3988 | 2497 |
| 07 | 4532 | 2846 |
| 08 | 5580 | 1755 |
| 09 | 4525 | 3663 |
| 10 | 4891 | 3289 |

Marketing Strategy

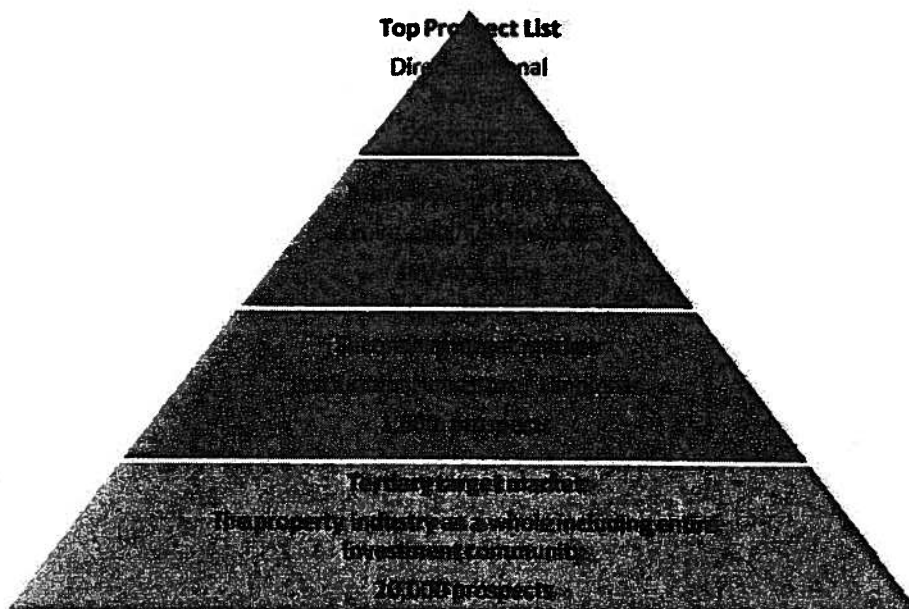
Target Market / Target Groups

Detail the specific primary and secondary target markets.

Primary Market - These are your prime prospects. Based on our research, they are most likely to buy and most willing to pay a price premium and/or move quickly.

Secondary Market - These prospects have potential. They may have a need or desire for a property like yours, but are not committed to take action or have a smaller need in mind with respect to space or rates.

Tertiary Market - This is your broad, early-stage market. It has the largest pool of potential customers, but also includes those that have not fully developed their space requirements.





MARKETING STRATEGY & PROGRAM

Our recommended marketing approach is traditional listing mandate with a set listing price. This marketing strategy achieves:

- Maximum Exposure to the Target Market
- -Transparency of the Marketing Process
- -Highest Price in the Shortest Time Frame

Market Tools

Our primary marketing tools will be comprised of:

Site Signage

Signage is a good promotional medium for all available properties because it captures the broadest local audience and builds awareness. High-quality, high impact and creative signage has the potential to generate and maintain significant interest in the property. Signage will only be erected on site with approval from the Bose Family and is not necessarily required to generate awareness.

Project Brochure

We recommend the production of high-quality, double-sided colour brochures to describe the current property. We use flyers in direct mail campaigns, tour books and packages for agents and consultants.

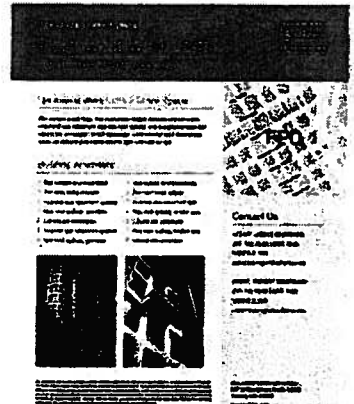
Colliers International can provide current samples of collateral from competing and/or comparative projects within our market and other markets as part of a positioning strategy on this element of the campaign.

Online Listings

We place our listings with all locally and nationally relevant Internet-based listings companies, including LoopNet and colliers.com. This marketing technique casts a wide net around likely prospects in search of a transaction and those who may be only looking, but would benefit from awareness of the property's availability. As part of a go-to-market strategy, online listings are essential to the broadcast-level message and for campaigns that desire immediate, full-market saturation. We recommend a highly targeted online portal presence that will ensure your property is visible on the most searched property listing sites in Canada.



First Last Name
First Last Name
www.colliers.com/vancouver





Advertising & Promotional Efforts

As one of the world's leading real estate services provider, we are continually pursuing new methods in marketing property for our clients. Tried and tested advertising mediums such as property signage and email campaigns remain key to our success. However, our ability to reach the non-typical purchaser through creative efforts has enabled Colliers to emerge as a leading global real estate firm. All costs to market the property are borne 100% by Colliers. Upon direction from the Vendor, we will commence the steps necessary to ensure that the property is presented to the market as quickly as possible. The implemented program will focus on being selective and thorough in those areas most likely to produce prospects while still covering the entire market in a manner that will bring the property to the attention of a less obvious, but possible buyer.

Our marketing strategy will encompass several steps from the identification of our target market right through to the presentation of offers and monitoring of progress in preparation of closing.

E-Business, Marketing and the Internet as a Marketing Distribution Tool

We are experienced and equipped to produce electronic marketing materials in the worldwide standard PDF format that will enable faster distribution of the offering information to the buying audience.

The electronic distribution of offering documents is of particular benefit to our audience of international clients. The email inquiries that typically follow electronic distribution enables the marketing team to capture investor interest quickly and respond with "real-time" updates to the buyers. An additional benefit of electronic commerce is that marketing data can be updated, changed or reconfigured as the marketing program unfolds.

Asia Pacific Marketing

Cecilia Tse is integrated within Colliers' extensive Asia Pacific network, which ensures that the sales offering will be directly circulated to an expansive global market of potential purchasers. Cecilia will also be making personal visit to some of the top developers throughout China and Hong Kong.

Colliers Asia Pacific Team was established to facilitate commercial transactions and the exchange of knowledge between the Canadian and Asian marketplaces. Utilizing extensive experience from working in Vancouver and Hong Kong, Cecilia Tse has attained an in-depth understanding of the needs of Asia-based investors in the BC marketplace. The Asia Pacific team offers bilingual advisory and representation services in acquisitions, dispositions and project marketing and has successfully represented numerous Asian-based investors in Canada.



Email Campaign - sent quarterly to over 500 Developers in Western Canada and US.

(Fall Report planned for November 15th, 2010)

