

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY**

BETWEEN:

**VECKENSTEDT HOLDINGS INC., HERB VECKENSTEDT,
FRED PIPER, JOAN PIPER, LIPOTH CONSULTING, AND PAUL
LIPOTH**

Plaintiffs

- and -

**INTEGRA INVESTMENT SERVICE LTD. AND
RUNDLE DEVELOPMENT CO-OPERATIVE**

Defendants

THIRD REPORT OF THE RECEIVER OF

**INTEGRA INVESTMENT SERVICE LTD.,
AURORA RIVER TOWERS INC.,
CARLING SPRINGS VILLAGE INC., AND
CARLING DEVELOPMENT (B.C.) INC.**

ERNST & YOUNG INC.

NOVEMBER 7, 2006

INTRODUCTION

1. On August 18, 2006, the Plaintiffs applied for and obtained an Order (the “IR Order”) pursuant to s. 13(2) of the *Judicature Act*, R.S.A. 2000, c. J-2, as amended. Pursuant to the IR Order, Ernst & Young Inc. was appointed Interim Receiver of certain records of Integra Investment Service Ltd. (“Integra”), more fully described in Schedule A of the IR Order.
2. On September 8, 2006, the Plaintiffs obtained a Receivership Order pursuant to s. 13(2) of the *Judicature Act* (the “Receivership Order”). Pursuant to the Receivership Order Ernst & Young Inc. was appointed Receiver and Manager (the “Receiver”) of the following corporations:
 - a. Integra;
 - b. Aurora River Towers Inc.;
 - c. Carling Springs Village Inc.; and
 - d. Carling Development (B.C.) Inc.(collectively referred to as the “Integra Companies”).
3. The purpose of this third report of the Receiver (the “Third Report”) is to provide this Honourable Court with an update in respect of:
 - a. the pending sale of the Rundle Development Co-operative (“RDC”) properties known as the 500 Block and the 600 Block and collectively the “RDC Properties” (described below in greater detail);
 - b. the Receiver’s calculation of the amounts outstanding pursuant to the mortgages administered by Integra pertaining to the RDC Properties; and
 - c. the activities of the Receiver to confirm the calculation of the amounts outstanding with respect to the mortgages administered by Integra pertaining to the RDC Properties.

BACKGROUND

4. The Integra Companies were in the business of promoting investment opportunities that included the selling of securities in specific real estate projects and pooling funds raised from individual investors primarily to make investments against secured mortgages in these real estate projects.
5. Essentially, the Integra Companies operated as a mortgage broker that coordinated the raising of funds from investors (the "Investors") with the raised funds being advanced to borrowers (the "Loans"). The Loans were made on both a secured and unsecured basis with the secured Loans being secured by mortgages, general security agreements and guarantees.
6. As indicated in the Second Report of the Receiver Investor advances were to be paid directly to legal counsel and were to be held in trust and released to the ultimate borrower once appropriate conditions were met (i.e. security received, etc).
7. The Receiver understands that the security received with respect to the RDC Properties was generally in the form of a mortgage between RDC and Integra or RDC and Integra/Canadian Western Trust ("CWT"). Olympia Trust Company ("OTC") became a co-mortgagee with regard to certain RDC Property mortgages because part of the Integra mortgage balance was transferred to OTC. Integra is a co-mortgagee with regard to all of the RDC Properties.
8. Investors were able to advance funds to participate in these mortgages inside or outside of an RRSP. RRSP Investors advanced funds to OTC and CWT. OTC and CWT in turn paid these funds to legal counsel in trust. Non-RRSP Investors were to advance monies directly to legal counsel, although a small portion of investors advanced funds directly to Integra.
9. The Receiver has reviewed the calculations of the amounts owing under the RDC mortgages based on the records currently available to it. As discussed in further detail below, certain information that would assist in the review of the pay-out calculations is currently not available. However given the pending sale of the RDC Properties the Receiver has attempted to the extent possible, to confirm the pay-out amounts. Further analysis of the payout amounts will be completed by the Court-Appointed Inspector of RDC and this analysis will be reported to the Court.

- | Property | Mortgage Principle per Integra Schedules | | | Mortgage
Amounts
Outstanding | Mortgage Amt per
Land Titles
Certificate | Difference | Notes |
|------------------|--|---------------------|-------------------|------------------------------------|--|-------------------|-------|
| | Integra | OTC* | CWT* | | | | |
| 500 Block | | | | | | | |
| 514 - 12 Ave | \$ 187,500 | \$ 297,500 | \$ - | \$ 485,000 | \$ 485,000 | \$ - | |
| 518 - 12 Ave | 205,000 | 195,000 | - | 400,000 | 500,000 | 100,000 | 1 |
| 520 - 12 Ave | 176,500 | 330,500 | 153,000 | 660,000 | 660,000 | - | |
| 525 - 11 Ave | 407,000 | 110,000 | 158,000 | 675,000 | 675,000 | - | |
| 600 Block | | | | | | | |
| 603 - 11 Ave | 519,000 | 31,500 | 80,000 | 630,500 | 850,000 | 219,500 | 2 |
| 606 - 12 Ave | 155,000 | 495,000 | - | 650,000 | 650,000 | - | |
| 610 - 12 Ave | 202,000 | 273,000 | - | 475,000 | 475,000 | - | |
| 620 & 624 12 Ave | 642,500 | 613,000 | - | 1,255,500 | 1,126,500 | (129,000) | 3 |
| 626 - 12 Ave | 245,000 | 80,000 | - | 325,000 | 325,000 | - | |
| 628 - 12 Ave | 478,000 | 84,500 | - | 562,500 | 610,000 | 47,500 | 4 |
| Total | \$ 3,217,500 | \$ 2,510,000 | \$ 391,000 | \$ 6,118,500 | \$ 6,356,500 | \$ 238,000 | |
- * RRSP investors
- Notes:**
1. Mortgage Documentation indicates mortgage amount is \$400,000.
 2. Land Titles Certificate indicates the Integra Mortgage is \$738,500 and the Olympia and CWT Mortgage is \$111,500. The Land Titles Certificate amounts reflect the total amount of anticipated funding for the project and not the actual funds advanced.
 3. The Receiver is investigating this discrepancy.
 4. This difference is due to the removal of three investors who did not participate in the syndicated mortgage, according to information provided by OTC.

RECEIVER'S CALCULATION OF THE MORTGAGE AMOUNTS OUTSTANDING

14. A summary of the Receiver's calculation of the outstanding mortgage balances owing including accrued interest to November 15, 2006 for the 600 Block and November 30, 2006 for the 500 Block to Integra, OTC and CWT is attached as Appendix A.
15. The Receiver calculation of the mortgage payout figures by individual Investor for each of the RDC Properties are attached as Appendix B comprised of Schedules 1-10.
16. The mortgage payout figures are based on the Integra Schedules, as defined and discussed below. The Receiver also calculated interest to November 15, 2006 for the 600 Block and November 30, 2006 for the 500 Block as these are the current closing dates for the sale of the RDC Properties. Interest was calculated on a compound basis for the unpaid portion of interest. The Receiver was advised by OTC and CWT that March 15, 2005 was the last payment date under the mortgages for the RRSP Investor and this is consistent with the Receiver's review of the Integra books and records. The Receiver's review of the Integra books and records indicates that interest payments to the non-RRSP Investors was to June 2004. However it is possible that additional interest payments were made by RDC beyond June 2004 that were paid from the Mackin Accounts, the Receiver is unable to confirm this at this time as it does not have copies of the Mackin Accounts.

ACTIVITIES OF THE RECEIVER TO CONFIRM THE MORTGAGE AMOUNTS OUTSTANDING

17. The Receiver was advised and understands that Integra/RDC retained the services of the following three legal firms to facilitate these mortgages:
 - a. Mackin Law, counsel Micheal J. Mackin
 - b. Dawe Law Office, counsel John C. Anderson
 - c. Donald N. Larson Professional Corporation, counsel Donald N. Larson

These legal firms were to facilitate the receipt and disbursements of trust funds relating to investments in the RDC Properties.

18. The Receiver was able to obtain the relevant trust account records for Dawe Law Office ("Dawe Accounts") and Donald N. Larson ("Larson Accounts"). The Receiver has requested the trust account records of Mackin Law ("Mackin Accounts") but to date the Receiver has not received these records. The Receiver was advised that the Mackin Accounts were at the Law Society and the Receiver's counsel has requested these records from the Law Society but to date the Receiver's counsel has not received these records. The Receiver understands that Mr. Mackin is no longer residing in Calgary. The Receiver has been in contact with Mr. Mackin through e-mail and has sent Mr. Mackin a list of questions with regard to Integra including questions pertaining to details of his trust accounts. At this time it is uncertain whether or not the Receiver will receive a copy of the Mackin Accounts and what accounts if any, are in the possession of the Law Society.

Confirmation of Mortgage schedules prepared by Integra

19. The Receiver obtained a copy of the mortgage schedules prepared by the former accountant of Integra, Rose Wiebe (the "Integra Schedules"). These schedules indicate the amount invested by each individual investor into the various properties included in the 500 Block and 600 Block. The Receiver was advised by Rose Wiebe that she prepared these schedules based upon the copies of each cheque that was deposited directly into the various lawyers trust accounts.
20. The Receiver performed the following tasks to confirm the information contained in the Integra Schedules:
- a. Requested a statement from OTC and confirmed the amounts by individual investor contained in the statement from OTC to the figures in the Integra Schedules. The Receiver was able to confirm 100% of the Investor balances contained in the Integra Schedules to the OTC statement;¹
 - b. Requested a statement from CWT. CWT request that the Receiver provide CWT with a list of the individual investors by property and CWT undertook to confirm the information contained in the Integra Schedules. The Receiver received confirmation of this information on November 3, 2006. Based on the information provided by CWT the

Receiver was able to confirm 100% of the Investor balances contained in the Integra Schedules;

- c. Confirmed the deposits from Investors indicated in the Integra Schedules to the amounts deposited into the Dawe Accounts;
- d. Confirmed the deposits from the Investors indicated in the Integra Schedules to the amounts deposited into the Larson Accounts;
- e. Reviewed the Land Titles Certificates and mortgage documents obtained by the Receiver's counsel and confirmed the amounts contained in the certificates to the amounts contained in the Integra Schedules; and²
- f. Performed a preliminary review of the RDC records and located promissory notes between RDC and Integra supporting the value of the mortgages for 606-12 Ave SW, 610-12 Ave SW, 620-12 Ave SW and 626-12 Ave SW. Attached as Appendix C are copies of the promissory notes located by the Receiver.

Receiver's Comments on the Integra Schedules

21. Typically the Receiver would undertake to confirm that all of the individual investor amounts indicated in the Integra Schedules were deposited into the various trust accounts. As described above the Receiver was only able to confirm the funds deposited into the Dawe Accounts and the Larson Accounts, which account for approximately 60% of the cash invested by the Investors in the RDC Properties outside of an RRSP. Since the Receiver did not receive the relevant Mackin Accounts, the Receiver has not been able to confirm the additional 40% of non-RRSP cash invested by the Investors in the mortgages registered against the RDC Properties.

¹ In confirming the OTC figures to the Integra Schedules the Receiver learned that three of the investors did not participate in the syndicated mortgage. This information was not reflected on the Integra Schedules and the Receiver has adjusted the schedules to remove these individuals.

² As indicated on page 4 of this report, the mortgage amounts differ from the Land Titles Certificates with regard to four of the properties.

22. Of the 60% of non-RRSP cash that the Integra Schedules indicated were deposited into the Dawe Accounts and the Larson Accounts the Receiver was able to confirm all but \$45,000³. The Receiver continues this \$45,000 discrepancy.
23. As mentioned above the Receiver was also able to confirm 100% of the RRSP Investors with OTC and CWT.
24. In aggregate the Receiver was able to confirm (through schedules provided by OTC/ CWT and verification of amounts indicated in the trust accounts) 81.3% of the mortgage principle amounts which equates to \$4,979,000 indicated on the Integra Schedules. The remaining \$1,639,500 comprises amounts deposited directly through the Mackin Accounts.
25. Although the Receiver was not able to confirm the amounts deposited into the Mackin Accounts, the Receiver's analysis and review, as described above, did not indicate any material discrepancies in the Integra Schedules. Accordingly, the Receiver has used the figures contained in the Integra Schedules to produce the payout statements included as Appendix A and Appendix B for the purpose of providing required discharges of the Integra mortgages in connection with the sale of the RDC Properties.
26. To date the Receiver has focused on confirming the flow of funds from the Investors to the various trust accounts. The Receiver is still working on confirming the flow of funds from the various trust accounts to RDC.

³ The Receiver has not been able to confirm the following amounts: \$20,000 related to property 518-12 Ave SW; \$15,000 related to 606-12 Ave SW and \$10,000 related to 620,624 – 12 Ave SW.

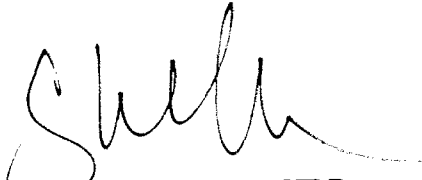
RECOMMENDATION

27. The Receiver recommends that this Honourable Court approve the Receiver's payout statements attached as Appendix A and authorize the Receiver to discharge the Integra mortgages with regard to the RDC Properties based on these payout statements.

All of which is respectfully submitted this 7th day of November 2006.

ERNST & YOUNG INC.

**Solely in its capacity as Court Appointed Receiver
of Integra Investment Service Ltd, Aurora River Towers Inc.,
Carling Springs Village Inc. and Carling Development (B.C.) Inc.**

A handwritten signature in black ink, appearing to read 'D. Helkaa', with a large, stylized initial 'D'.

Deryck Helkaa, CA•CIRP
Vice-President

Summary of RDC Mortgage Amounts Outstanding
as at November 15, 2006 - 600 Block and November 30, 2006 - 500 Block

Integra Investments Service Ltd.

Property	Principle	Interest	Total	Per Diem
514 - 12 Ave	\$ 187,500.00	\$ 61,477.69	\$ 248,977.69	\$ 81.86
518 - 12 Ave	205,000.00	67,215.60	272,215.60	89.50
520 - 12 Ave	176,500.00	57,870.99	234,370.99	77.05
525 - 11 Ave	407,000.00	133,447.56	540,447.56	177.68
603 - 11 Ave	519,000.00	166,750.01	685,750.01	225.45
606 - 12 Ave	155,000.00	49,800.10	204,800.10	67.33
610 - 12 Ave	202,000.00	64,900.78	266,900.78	87.75
620 & 624 12 Ave	642,500.00	206,429.45	848,929.45	279.10
626 - 12 Ave	245,000.00	78,716.29	323,716.29	106.43
628 - 12 Ave	478,000.00	153,577.08	631,577.08	207.64
Total	\$ 3,217,500.00	\$ 1,040,185.55	\$ 4,257,685.55	\$ 1,399.79

Olympia Trust Company

Property	Principle	Interest	Total	Per Diem
514 - 12 Ave	\$ 297,500.00	\$ 67,317.05	\$ 364,817.05	\$ 119.94
518 - 12 Ave	195,000.00	44,123.78	239,123.78	78.62
520 - 12 Ave	330,500.00	108,364.67	438,864.67	144.28
525 - 11 Ave	110,000.00	36,066.91	146,066.91	48.02
603 - 11 Ave	31,500.00	6,935.99	38,435.99	12.64
606 - 12 Ave	495,000.00	108,994.07	603,994.07	198.57
610 - 12 Ave	273,000.00	60,111.88	333,111.88	109.52
620 & 624 12 Ave	613,000.00	134,976.49	747,976.49	245.91
626 - 12 Ave	80,000.00	17,615.20	97,615.20	32.09
628 - 12 Ave	84,500.00	18,606.06	103,106.06	33.90
Total	\$ 2,510,000.00	\$ 603,112.11	\$ 3,113,112.11	\$ 1,023.49

Canadian Western Trust Company

Property	Principle	Interest	Total	Per Diem
514 - 12 Ave				
518 - 12 Ave				
520 - 12 Ave	\$ 153,000.00	\$ 50,165.79	\$ 203,165.79	\$ 66.79
525 - 11 Ave	158,000.00	51,805.20	209,805.20	68.98
603 - 11 Ave	80,000.00	17,615.20	97,615.20	32.09
606 - 12 Ave				
610 - 12 Ave				
620 & 624 12 Ave				
626 - 12 Ave				
628 - 12 Ave				
Total	\$ 391,000.00	\$ 119,586.19	\$ 510,586.19	\$ 167.86

514 - 12 Ave RDC
Arms Length 1st Mortgage
Cash & RRSP 485,000.00

Investor	Interest		Total
<i>Integra</i>	Cash	July 15 '04 - Nov 30.06	
Garvin W Pierce Med Corp	\$ 50,000.00	\$ 16,394.05	\$ 66,394.05
Gosselin, Gerald & Joyce	\$ 30,500.00	\$ 10,000.37	\$ 40,500.37
Henderson, William	\$ 30,000.00	\$ 9,836.43	\$ 39,836.43
Hooyenga, Harry & Betty	\$ 50,000.00	\$ 16,394.05	\$ 66,394.05
Horner, Yvonne	\$ 10,000.00	\$ 3,278.81	\$ 13,278.81
McCann, Kevin & Stephanie	\$ 17,000.00	\$ 5,573.98	\$ 22,573.98
Total Integra	\$ 187,500.00	\$ 61,477.69	\$ 248,977.69

<i>RRSP Olympia</i>	RRSP	Mar 15 '05- Nov 30.06	Total
Bilodeau, Heather	\$ 20,000.00	\$ 4,525.52	\$ 24,525.52
Lee, OiChi	\$ 10,000.00	\$ 2,262.76	\$ 12,262.76
Macleod, Carole	\$ 20,000.00	\$ 4,525.52	\$ 24,525.52
Macleod, Ronald	\$ 15,000.00	\$ 3,394.14	\$ 18,394.14
Macleod, Ronald	\$ 19,500.00	\$ 4,412.38	\$ 23,912.38
Miller, Patrick	\$ 23,000.00	\$ 5,204.34	\$ 28,204.34
Pack, Phillip	\$ 80,000.00	\$ 18,102.07	\$ 98,102.07
Ralph, Richard	\$ 44,500.00	\$ 10,069.27	\$ 54,569.27
Siebold, Mary Jane	\$ 10,500.00	\$ 2,375.90	\$ 12,875.90
Vrba, Cenek	\$ 30,000.00	\$ 6,788.27	\$ 36,788.27
Trylinski, Cheryl	\$ 15,000.00	\$ 3,394.14	\$ 18,394.14
Ziegler, Jody	\$ 10,000.00	\$ 2,262.76	\$ 12,262.76
Total RRSP	\$ 297,500.00	\$ 67,317.05	\$ 364,817.05

Total RDC Owing as of November 15, 2006

	Integra	OTC	Total
Principle	\$ 187,500.00	\$ 297,500.00	\$ 485,000.00
Interest	\$ 61,477.69	\$ 67,317.05	\$ 128,794.74
Total	\$ 248,977.69	\$ 364,817.05	\$ 613,794.74

518 - 12 Ave RDC

Syndicated 1st Mortgage

Cash & RRSP 400,000.00

Investor <i>Integra</i>	Cash	Interest	Total
		July 15 '04 - Nov 30, 06	
Crocus Flats Ltd	\$ 40,000.00	\$ 13,115.24	\$ 53,115.24
Crocus Flats Ltd	\$ 4,000.00	\$ 1,311.52	\$ 5,311.52
Crone, James & Myra	\$ 15,000.00	\$ 4,918.21	\$ 19,918.21
Elliott, Kathleen	\$ 20,000.00	\$ 6,557.62	\$ 26,557.62
Gooch, Dennis & Darlene	\$ 16,000.00	\$ 5,246.10	\$ 21,246.10
Hart, Oliver & Doreen	\$ 50,000.00	\$ 16,394.05	\$ 66,394.05
Luca, Charles	\$ 50,000.00	\$ 16,394.05	\$ 66,394.05
Risseeuw, Eileen	\$ 10,000.00	\$ 3,278.81	\$ 13,278.81
Total Integra	\$ 205,000.00	\$ 67,215.60	\$ 272,215.60

<i>RRSP - Olympia</i>	RRSP	Mar 15 '05- Nov 30, 06	Total
Andrews, Rudy	\$ 40,000.00	\$ 9,051.03	\$ 49,051.03
Donovan, Penny	\$ 15,000.00	\$ 3,394.14	\$ 18,394.14
Edwards, Doug	\$ 10,000.00	\$ 2,262.76	\$ 12,262.76
Edwards, Vera	\$ 10,000.00	\$ 2,262.76	\$ 12,262.76
Evasiuk, Mike	\$ 30,500.00	\$ 6,901.41	\$ 37,401.41
Hill, Jason	\$ 15,000.00	\$ 3,394.14	\$ 18,394.14
Jane, Lisa	\$ 10,000.00	\$ 2,262.76	\$ 12,262.76
Maslen, Shirley	\$ 20,000.00	\$ 4,525.52	\$ 24,525.52
Michaud, Laurier	\$ 14,500.00	\$ 3,281.00	\$ 17,781.00
Sale, Roger	\$ 30,000.00	\$ 6,788.27	\$ 36,788.27
Total Olympia	\$ 195,000.00	\$ 44,123.78	\$ 239,123.78

Total RDC Owning as of November 15, 2006

	Integra	OTC	Total
Principle	\$ 205,000.00	\$ 195,000.00	\$ 400,000.00
Interest	\$ 67,215.60	\$ 44,123.78	\$ 111,339.39
Total	\$ 272,215.60	\$ 239,123.78	\$ 511,339.39

520 - 12 Ave RDC

Arms Length 1st Mortgage

Cash & RRSP 660,000.00

Investor	Interest		
<i>Integra</i>	Cash	July 15 '04- Nov 30,06	Total
Arens, Jean	\$ 25,000.00	\$ 8,197.02	\$ 33,197.02
Berg, Marvin	\$ 20,000.00	\$ 6,557.62	\$ 26,557.62
Clyburn, Lance	\$ 16,500.00	\$ 5,410.04	\$ 21,910.04
Negrave, Helen	\$ 10,000.00	\$ 3,278.81	\$ 13,278.81
Richards, Katherine	\$ 50,000.00	\$ 16,394.05	\$ 66,394.05
Royko, Nathaniel & Eva	\$ 20,000.00	\$ 6,557.62	\$ 26,557.62
Townsend, David	\$ 15,000.00	\$ 4,918.21	\$ 19,918.21
Townsend, David	\$ 20,000.00	\$ 6,557.62	\$ 26,557.62
	\$ 176,500.00	\$ 57,870.99	\$ 234,370.99

<i>RRSP Olympia</i>	RRSP	Mar 15 '05- Nov 30,06	Total
Andrews, Rudy	\$ 12,500.00	\$ 4,098.51	\$ 16,598.51
Apfeld, John	\$ 40,000.00	\$ 13,115.24	\$ 53,115.24
Bartz-Rasmuson, Lois	\$ 20,000.00	\$ 6,557.62	\$ 26,557.62
Berg, Marvin	\$ 10,000.00	\$ 3,278.81	\$ 13,278.81
Brinson, Jason	\$ 10,000.00	\$ 3,278.81	\$ 13,278.81
Budd, Julie	\$ 10,000.00	\$ 3,278.81	\$ 13,278.81
Maxwell, David	\$ 12,500.00	\$ 4,098.51	\$ 16,598.51
Downey, Jeremy	\$ 13,000.00	\$ 4,262.45	\$ 17,262.45
Hann, Paula	\$ 25,000.00	\$ 8,197.02	\$ 33,197.02
Melanson, Rose	\$ 20,000.00	\$ 6,557.62	\$ 26,557.62
Miller, Lisa	\$ 10,000.00	\$ 3,278.81	\$ 13,278.81
Parsons, Ada	\$ 38,000.00	\$ 12,459.48	\$ 50,459.48
Rasmuson, Merle	\$ 44,500.00	\$ 14,590.70	\$ 59,090.70
Rasmuson, Merle	\$ 25,000.00	\$ 8,197.02	\$ 33,197.02
Reid, Shirley	\$ 10,000.00	\$ 3,278.81	\$ 13,278.81
Ross, Brent	\$ 10,000.00	\$ 3,278.81	\$ 13,278.81
Tkachuk, Ron	\$ 20,000.00	\$ 6,557.62	\$ 26,557.62
Olympia Total	\$ 330,500.00	\$ 108,364.67	\$ 438,864.67

<i>RRSP CWT</i>	RRSP	Mar 15 '05- Nov 30,06	Total
Huberdeau, Ovide	\$ 24,000.00	\$ 7,869.14	\$ 31,869.14
Royko, Eva	\$ 30,000.00	\$ 9,836.43	\$ 39,836.43
Royko, Nathaniel	\$ 99,000.00	\$ 32,460.22	\$ 131,460.22
CWT Total	\$ 153,000.00	\$ 50,165.79	\$ 203,165.79

RDC Owing as of November 15, 2006

	Integra	OTC	CWT
Principle	\$ 176,500.00	\$ 330,500.00	\$ 153,000.00
Interest	\$ 57,870.99	\$ 108,364.67	\$ 50,165.79
Total	\$ 234,370.99	\$ 438,864.67	\$ 203,165.79

525 - 11 Ave RDC
Arms Length 1st Mortgage
Cash & RRSP 675,000.00

Investor <i>Integra</i>	Cash	Interest	Total
		July 15 '04- Nov 30,06	
Bayes, Susan	\$ 22,000.00	\$ 7,213.38	\$ 29,213.38
718284 AB Ltd(Harold Skiba)	\$ 24,000.00	\$ 7,869.14	\$ 31,869.14
Bremault, Patricia & Mitsue Noda	\$ 20,000.00	\$ 6,557.62	\$ 26,557.62
Crocus Flats Ltd	\$ 14,000.00	\$ 4,590.33	\$ 18,590.33
Feboretz, Garry & Betty	\$ 13,000.00	\$ 4,262.45	\$ 17,262.45
Gosselin, Gerald & Joyce	\$ 19,500.00	\$ 6,393.68	\$ 25,893.68
Great Divide Mktg Ltd (B Kirkwood)	\$ 10,000.00	\$ 3,278.81	\$ 13,278.81
Henry, Bruce & Carol	\$ 25,000.00	\$ 8,197.02	\$ 33,197.02
Hill, Duane	\$ 10,000.00	\$ 3,278.81	\$ 13,278.81
Levesque, Rejean	\$ 28,000.00	\$ 9,180.67	\$ 37,180.67
Lipoth, Paul	\$ 30,000.00	\$ 9,836.43	\$ 39,836.43
Maggipinto, Lorraine	\$ 30,000.00	\$ 9,836.43	\$ 39,836.43
Munro, Rose	\$ 16,500.00	\$ 5,410.04	\$ 21,910.04
Reister, Cheryl	\$ 60,000.00	\$ 19,672.86	\$ 79,672.86
Reister, Cheryl	\$ 15,000.00	\$ 4,918.21	\$ 19,918.21
Schaffner, Thomas & Shirley	\$ 50,000.00	\$ 16,394.05	\$ 66,394.05
White, Maureen	\$ 20,000.00	\$ 6,557.62	\$ 26,557.62
	\$ 407,000.00	\$ 133,447.56	\$ 540,447.56

<i>RRSP Olympia</i>	RRSP	March 15,05 - Nov 30,06	Total
Denis, Michel	\$ 20,000.00	\$ 6,557.62	\$ 26,557.62
LeBlanc, Bertriz	\$ 20,000.00	\$ 6,557.62	\$ 26,557.62
LeBlanc, Jacques	\$ 30,000.00	\$ 9,836.43	\$ 39,836.43
Skjonsberg, Alfred	\$ 15,000.00	\$ 4,918.21	\$ 19,918.21
Zdyb, Larry	\$ 25,000.00	\$ 8,197.02	\$ 33,197.02
Olympia Total	\$ 110,000.00	\$ 36,066.91	\$ 146,066.91
			\$ -
<i>RRSP CWT</i>	RRSP	March 15,05 - Nov 30,06	Total
Deitz, Dale	\$ 10,000.00	\$ 3,278.81	\$ 13,278.81
Fenwick, Gerry	\$ 24,000.00	\$ 7,869.14	\$ 31,869.14
Fischl, Mary Louise	\$ 11,000.00	\$ 3,606.69	\$ 14,606.69
Guzda, Kenneth	\$ 15,000.00	\$ 4,918.21	\$ 19,918.21
Guzda, Arlene	\$ 10,000.00	\$ 3,278.81	\$ 13,278.81
Huberdeau, Ovide	\$ 10,000.00	\$ 3,278.81	\$ 13,278.81
Henry, Carol	\$ 13,000.00	\$ 4,262.45	\$ 17,262.45
Lepp, Helen	\$ 10,000.00	\$ 3,278.81	\$ 13,278.81
Lyon, H. Dwight	\$ 10,000.00	\$ 3,278.81	\$ 13,278.81
Lyon, Wendy	\$ 10,000.00	\$ 3,278.81	\$ 13,278.81
Malmberg, Dale	\$ 10,000.00	\$ 3,278.81	\$ 13,278.81
Malmberg, Sharon	\$ 10,000.00	\$ 3,278.81	\$ 13,278.81
Tarleton, Roberta	\$ 15,000.00	\$ 4,918.21	\$ 19,918.21
CWT Total	\$ 158,000.00	\$ 51,805.20	\$ 209,805.20

Total RDC Owing as of November 15, 2006

	Integra	OTC	CWT
Principle	\$ 407,000.00	\$ 110,000.00	\$ 158,000.00
Interest	\$ 133,447.56	\$ 36,066.91	\$ 51,805.20
Total	\$ 540,447.56	\$ 146,066.91	\$ 209,805.20

603- 11 Ave RDC
Arms Length 1st Mortgage
Cash & RRSP 850,000.00

Investor <i>Integra</i>	RRSP	Interest	Total
	Cash	July 15 '04- Nov 15,06	
271724 Alta Ltd	\$ 15,000.00	\$ 4,819.36	\$ 19,819.36
Davenport, Francsra	\$ 10,000.00	\$ 3,212.91	\$ 13,212.91
Fenwick, Pearl	\$ 20,000.00	\$ 6,425.82	\$ 26,425.82
Wayne Hart (Deitz' client)	\$ 10,000.00	\$ 3,212.91	\$ 13,212.91
Hengel, Pat	\$ 70,000.00	\$ 22,490.37	\$ 92,490.37
Jackson, Aleith	\$ 10,000.00	\$ 3,212.91	\$ 13,212.91
Jackson, Philip	\$ 30,000.00	\$ 9,638.73	\$ 39,638.73
Jackson, Aleith	\$ 20,000.00	\$ 6,425.82	\$ 26,425.82
Jackson, Philip	\$ 30,000.00	\$ 9,638.73	\$ 39,638.73
Luketic, Denise	\$ 70,000.00	\$ 22,490.37	\$ 92,490.37
Mark Almeda Consulting Inc	\$ 20,000.00	\$ 6,425.82	\$ 26,425.82
Oriole Energy Eastern Ltd	\$ 20,000.00	\$ 6,425.82	\$ 26,425.82
Perras, Alain	\$ 10,000.00	\$ 3,212.91	\$ 13,212.91
Quan, Bryan	\$ 24,000.00	\$ 7,710.98	\$ 31,710.98
Quan, Martha	\$ 50,000.00	\$ 16,064.55	\$ 66,064.55
Raffan, Doug	\$ 15,000.00	\$ 4,819.36	\$ 19,819.36
Ruggles, Lynn & Roberta	\$ 20,000.00	\$ 6,425.82	\$ 26,425.82
Sangster, David & Lisette	\$ 25,000.00	\$ 8,032.27	\$ 33,032.27
White, Clifford & Frances	\$ 40,000.00	\$ 12,851.64	\$ 52,851.64
Williams, Mel	\$ 10,000.00	\$ 3,212.91	\$ 13,212.91
Total Integra	\$ 519,000.00	\$ 166,750.01	\$ 685,750.01

<i>RRSP Olympia</i>	RRSP	March 15,05 - Nov 15,06	Total
Duckering, Ken	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Kosinki, Wendy	\$ 6,500.00	\$ 1,431.24	\$ 7,931.24
Wu, Minnie	\$ 15,000.00	\$ 3,302.85	\$ 18,302.85
Total - Olympia	\$ 31,500.00	\$ 6,935.99	\$ 38,435.99

<i>RRSP CWT</i>	RRSP	March 15,05 - Nov 15,06	Total
Ron Deitz' client			
Dick, Nancy	\$ 30,000.00	\$ 6,605.70	\$ 36,605.70
Holst, Ron	\$ 50,000.00	\$ 11,009.50	\$ 61,009.50
Total CWT	\$ 80,000.00	\$ 17,615.20	\$ 97,615.20

Total RDC Owing as of November 15, 2006

	Integra	OTC	CWT	Total
Principle	\$ 519,000.00	\$ 31,500.00	\$ 80,000.00	\$ 630,500.00
Interest	\$ 166,750.01	\$ 6,935.99	\$ 17,615.20	\$ 191,301.20
Total	\$ 685,750.01	\$ 38,435.99	\$ 97,615.20	\$ 821,801.20

606 - 12 Ave RDC
Syndicated 1st Mortgage
Cash & RRSP 660,000.00

Investor <i>Integra</i>	Cash	Interest	Total
		July 15 '04- Nov 15,06	
Crone, James & Myra	\$ 125,000.00	\$ 40,161.37	\$ 165,161.37
Fink, Anthony & Kokts-Porietis, Sylvia	\$ 15,000.00	\$ 4,819.36	\$ 19,819.36
Henry, Carol	\$ 15,000.00	\$ 4,819.36	\$ 19,819.36
			\$ -
Total Integra	\$ 155,000.00	\$ 49,800.10	\$ 204,800.10

<i>RRSP - Olympia</i>	RRSP	March 15,05 - Nov 15,06	Total
Davis, Cindy	\$ 13,000.00	\$ 2,862.47	\$ 15,862.47
Elliot, Kathleen	\$ 70,000.00	\$ 15,413.30	\$ 85,413.30
Evasiuk, Mike	\$ 13,500.00	\$ 2,972.57	\$ 16,472.57
Marier, Yvon	\$ 20,000.00	\$ 4,403.80	\$ 24,403.80
Rodgers, Ross	\$ 12,500.00	\$ 2,752.38	\$ 15,252.38
Symchysem, Darlene	\$ 107,000.00	\$ 23,560.33	\$ 130,560.33
Symchysem, Darlene	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Symchysem, Darlene	\$ 249,000.00	\$ 54,827.32	\$ 303,827.32
Total Olypmia	\$ 495,000.00	\$ 108,994.07	\$ 603,994.07

Total RDC Owing as of November 15, 2006

	Integra	OTC	Total
Principle	\$ 155,000.00	\$ 495,000.00	\$ 650,000.00
Interest	\$ 49,800.10	\$ 108,994.07	\$ 158,794.17
Total	\$ 204,800.10	\$ 603,994.07	\$ 808,794.17

610 - 12 Ave RDC
Syndicated 1st Mortgage
Cash & RRSP 475,000.00

Investor <i>Integra</i>	Cash	Interest	Total
		July 15 '04- Nov 15.06	
Gourdeau, Paul & Mary	\$ 10,000.00	\$ 3,212.91	\$ 13,212.91
Hart, Dale Wayne	\$ 100,000.00	\$ 32,129.10	\$ 132,129.10
Schindel, Wesley & Beverley	\$ 20,000.00	\$ 6,425.82	\$ 26,425.82
Skjonsberg, Alfred & Florrie	\$ 20,000.00	\$ 6,425.82	\$ 26,425.82
Webster, Earl POA Jean Adams	\$ 26,000.00	\$ 8,353.57	\$ 34,353.57
Webster, Earl POA Jean Adams	\$ 15,000.00	\$ 4,819.36	\$ 19,819.36
Williams, Bryn & Sylvia	\$ 11,000.00	\$ 3,534.20	\$ 14,534.20
Total Integra	\$ 202,000.00	\$ 64,900.78	\$ 266,900.78

<i>RRSP - Olympia</i>	RRSP	March 15.05 - Nov 15.06	Total
Arndt, Norma	\$ 18,000.00	\$ 3,963.42	\$ 21,963.42
Collins, JoAnn	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Collins, Leslie	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Crone, Myra	\$ 45,000.00	\$ 9,908.55	\$ 54,908.55
Dirks, Andrew	\$ 25,000.00	\$ 5,504.75	\$ 30,504.75
Filipowski, Ewa	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Gauthier, Jacques	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Hanna, Catherine	\$ 23,000.00	\$ 5,064.37	\$ 28,064.37
Kinley, Marlene	\$ 20,000.00	\$ 4,403.80	\$ 24,403.80
Nash, Anthony	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Nash, Eta	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Rasmuson, Merle	\$ 13,500.00	\$ 2,972.57	\$ 16,472.57
Sacrey, Rose	\$ 18,500.00	\$ 4,073.52	\$ 22,573.52
Seyts, Linda	\$ 20,000.00	\$ 4,403.80	\$ 24,403.80
Tarcon, Steve	\$ 30,000.00	\$ 6,605.70	\$ 36,605.70
Total Olympia	\$ 273,000.00	\$ 60,111.88	\$ 333,111.88

Total RDC Owing as of November 15, 2006

Principle

Interest

Total

	Integra	OTC	Total
	\$ 202,000.00	\$ 273,000.00	\$ 475,000.00
	\$ 64,900.78	\$ 60,111.88	\$ 125,012.66
	\$ 266,900.78	\$ 333,111.88	\$ 600,012.66

620, 624-12 Avenue SW
Syndicated 1st Mortgage
Cash & RRSP 1,470,000

Investor	Cash	Interest	Total	Note
		July 15 '04- Nov 15,06		
Integra				
As-Pro Bldg Services Ltd	\$ 10,000.00	\$ 3,212.91	\$ 13,212.91	
Crone, James & Myra	\$ 30,000.00	\$ 9,638.73	\$ 39,638.73	
Edwards, Doug & Vera	\$ 50,000.00	\$ 16,064.55	\$ 66,064.55	
Edwards, Doug & Vera	\$ 250,000.00	\$ 80,322.74	\$ 330,322.74	
Gossenberger, Elfriede	\$ 10,000.00	\$ 3,212.91	\$ 13,212.91	
Gossenberger, Elfriede	\$ 175,000.00	\$ 56,225.92	\$ 231,225.92	
Henry, Carol	\$ 17,500.00	\$ 5,622.59	\$ 23,122.59	
Leochko, Mike	\$ 20,000.00	\$ 6,425.82	\$ 26,425.82	
Liu, Raymond	\$ 10,000.00	\$ 3,212.91	\$ 13,212.91	
Mignault, Jackie	\$ 10,000.00	\$ 3,212.91	\$ 13,212.91	
Rennich, Henry	\$ 10,000.00	\$ 3,212.91	\$ 13,212.91	
Rennich, Paulina	\$ 10,000.00	\$ 3,212.91	\$ 13,212.91	
Skjonsberg, Alfred & Florrie	\$ 20,000.00	\$ 6,425.82	\$ 26,425.82	
Skjonsberg, Florrie	\$ 20,000.00	\$ 6,425.82	\$ 26,425.82	
Total Integra	\$ 642,500.00	\$ 206,429.45	\$ 848,929.45	

RRSP - Olympia	RRSP	March 15,05 - Nov 15,06	Total
Berg, Marvin	\$ 20,000.00	\$ 4,403.80	\$ 24,403.80
Berg, Mary	\$ 15,000.00	\$ 3,302.85	\$ 18,302.85
Berger, Bruce	\$ 30,000.00	\$ 6,605.70	\$ 36,605.70
Berger, Deborah	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Berryman, Craig	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Cooke, Maxine	\$ 23,000.00	\$ 5,064.37	\$ 28,064.37
Durda, Darrin	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Edwards, Doug	\$ 13,000.00	\$ 2,862.47	\$ 15,862.47
Edwards, Susan	\$ 18,000.00	\$ 3,963.42	\$ 21,963.42
Edwards, Vera	\$ 13,500.00	\$ 2,972.57	\$ 16,472.57
Fernandes, Brandon	\$ 20,000.00	\$ 4,403.80	\$ 24,403.80
Filipowski, Eva	\$ 6,500.00	\$ 1,431.24	\$ 7,931.24
Filipowski, Eva	\$ 15,000.00	\$ 3,302.85	\$ 18,302.85
Graff, Allan	\$ 30,000.00	\$ 6,605.70	\$ 36,605.70
Hasiuk, Ed	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Hasiuk, Suzanne	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Knopp, Duke	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Leahy, Jim	\$ 20,000.00	\$ 4,403.80	\$ 24,403.80
Leclerc, Michael	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Nault, Carol	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Nobert, LII	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Orlando, Thomas	\$ 40,000.00	\$ 8,807.60	\$ 48,807.60
Race, Robert	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Ronneseth, Ken	\$ 11,000.00	\$ 2,422.09	\$ 13,422.09
Rittinger, Randy	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Schwann, Joseph	\$ 13,500.00	\$ 2,972.57	\$ 16,472.57
Schwann, Sandra	\$ 13,500.00	\$ 2,972.57	\$ 16,472.57
Skjonsberg, Florrie	\$ 42,000.00	\$ 9,247.98	\$ 51,247.98
Szabo, Attila	\$ 60,000.00	\$ 13,211.40	\$ 73,211.40
Vaclavek, Sheila	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
VanderMey, Peter	\$ 16,500.00	\$ 3,633.14	\$ 20,133.14
Veckenstedt, Herb	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Vrba, Cenek	\$ 17,500.00	\$ 3,853.33	\$ 21,353.33
Vrba, Cenek	\$ 15,000.00	\$ 3,302.85	\$ 18,302.85
Weigel, George	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Ziegler, Edith	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Ziegler, Jody	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
	\$ 613,000.00	\$ 134,976.49	\$ 747,976.49

Total RDC Owing as of November 15, 2006

	Integra	OTC	Total
Principle	\$ 642,500.00	\$ 613,000.00	\$ 1,255,500.00
Interest	\$ 206,429.45	\$ 134,976.49	\$ 341,405.94
Total	\$ 848,929.45	\$ 747,976.49	\$ 1,596,905.94

Note:

1. The Receiver was not able to confirm this entire amounts to the Dawe Accounts or the Larson Accounts. The Receiver was

626 RDC
Syndicated 1st Mortgage
Cash & RRSP 325,000.00

Investor	Cash	Interest	Total
<i>Integra</i>		July 15 '04- Nov 15,06	
Christman, Larry	\$ 10,000.00	\$ 3,212.91	\$ 13,212.91
Crocus Flats Ltd (Carol Henry)	\$ 50,000.00	\$ 16,064.55	\$ 66,064.55
Edwards, Doug & Vera	\$ 20,000.00	\$ 6,425.82	\$ 26,425.82
Gossenberger, Elfriede	\$ 30,000.00	\$ 9,638.73	\$ 39,638.73
Goudreau, Paul & Mary	\$ 20,000.00	\$ 6,425.82	\$ 26,425.82
Henry, Carol	\$ 20,000.00	\$ 6,425.82	\$ 26,425.82
POGO Ceramics Ltd.	\$ 37,000.00	\$ 11,887.77	\$ 48,887.77
Risdon, Hazel	\$ 40,000.00	\$ 12,851.64	\$ 52,851.64
271724 Alta Ltd	\$ 18,000.00	\$ 5,783.24	\$ 23,783.24
Total Integra	\$ 245,000.00	\$ 78,716.29	\$ 323,716.29

<i>RRSP - Olympia</i>	RRSP	March 15,05 - Nov 15,06	Total
Hassan, Fauzia	\$ 15,000.00	\$ 3,302.85	\$ 18,302.85
Hewitt, Mark	\$ 15,000.00	\$ 3,302.85	\$ 18,302.85
Reid, Shirley	\$ 50,000.00	\$ 11,009.50	\$ 61,009.50
Total Olympia	\$ 80,000.00	\$ 17,615.20	\$ 97,615.20

Total RDC Owing as of November 15, 2006

	Integra	OTC	Total
Principle	\$ 245,000.00	\$ 80,000.00	\$ 325,000.00
Interest	\$ 78,716.29	\$ 17,615.20	\$ 96,331.49
Total	\$ 323,716.29	\$ 97,615.20	\$ 421,331.49

628- 12 Ave RDC
Arms Length 1st Mortgage
Cash & RRSP 485,000.00

Investor	Cash	Interest	Total
		July 15 '04- Nov 15,06	
Integra			
Astasiewicz, Richard	\$ 20,000.00	\$ 6,425.82	\$ 26,425.82
395492 AB Ltd(Ricahard Caron)	\$ 30,000.00	\$ 9,638.73	\$ 39,638.73
Cummins, Eleanor	\$ 25,000.00	\$ 8,032.27	\$ 33,032.27
Hallgrimson, Glenn & Bea	\$ 20,000.00	\$ 6,425.82	\$ 26,425.82
Hawkins, William	\$ 39,000.00	\$ 12,530.35	\$ 51,530.35
Hovila, Matthew	\$ 117,500.00	\$ 37,751.69	\$ 155,251.69
Kulak, Leslie	\$ 100,000.00	\$ 32,129.10	\$ 132,129.10
White, Clifford & Frances	\$ 66,500.00	\$ 21,365.85	\$ 87,865.85
Wilson, Perry	\$ 60,000.00	\$ 19,277.46	\$ 79,277.46
Total Integra	\$ 478,000.00	\$ 153,577.08	\$ 631,577.08

RRSP Olympia	RRSP	March 15,05 - Nov 15,06	Total
Brown, Frank	\$ 10,000.00	\$ 2,201.90	\$ 12,201.90
Downey, Arvilla	\$ 27,500.00	\$ 6,055.23	\$ 33,555.23
Downey, Nathan	\$ 27,000.00	\$ 5,945.13	\$ 32,945.13
Duckering, Ken	\$ 20,000.00	\$ 4,403.80	\$ 24,403.80
Total Olympia	\$ 84,500.00	\$ 18,606.06	\$ 103,106.06

Total RDC Owning as of November 15, 2006

	Integra	OTC	Total
Principle	\$ 478,000.00	\$ 84,500.00	\$ 562,500.00
Interest	\$ 153,577.08	\$ 18,606.06	\$ 172,183.14
Total	\$ 631,577.08	\$ 103,106.06	\$ 734,683.14

APPENDIX C

SCHEDULE "C"
TO THE LOAN AGREEMENT

PROMISSORY NOTE

AMOUNT: CAN\$300,000.00

DUE: MARCH 15, 2007

FOR VALUE RECEIVED the undersigned, **RUNDLE DEVELOPMENT COOPERATIVE** (hereinafter the "Borrower"), hereby promises to pay **INTEGRA INVESTMENT SERVICE LTD.** (hereinafter the "Lender"), to bearer or order at 723, 933 - 17th Avenue S.W., Calgary, Alberta, the sum of **THREE HUNDRED THOUSAND DOLLARS (CAN\$300,000.00)** on March 15, 2007 together with interest on any unpaid balance, all interest calculated at the rate of Twelve (12%) percent per annum calculated and payable (interest only) monthly, not in advance, and compounded monthly.

In the event of default by the Borrower in making any principal or interest payment hereunder, the entire balance then outstanding hereunder shall immediately become due and payable.

The Borrower and each party liable hereon does hereby waive presentment, notice of dishonor, protest and notice of protest of this promissory note.

The Borrower may after December 1, 2003, prepay to the Lender, to bearer or to order part or all of the principal balance then remaining unpaid together with any interest accrued thereon without any bonus or penalty.

DATED and executed at Calgary, Alberta, this 28th day of February, 2003

RUNDLE DEVELOPMENT COOPERATIVE

Per: 
MEL MASCHMEYER

SCHEDULE "C"
TO THE LOAN AGREEMENT

PROMISSORY NOTE

AMOUNT: CAN\$475,000.00

DUE: DECEMBER 15, 2007

FOR VALUE RECEIVED the undersigned, **RUNDLE DEVELOPMENT COOPERATIVE** (hereinafter the "Borrower"), hereby promises to pay **INTEGRA INVESTMENT SERVICE LTD.** (hereinafter the "Lender"), to bearer or order at 800, 933 - 17th Avenue S.W., Calgary, Alberta, the sum of **FOUR HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (CAN\$475,000.00)** on December 15, 2007 together with interest on any unpaid balance, all interest calculated at the rate of Twelve (12%) percent per annum calculated and payable (interest only) monthly, not in advance, and compounded monthly.

In the event of default by the Borrower in making any principal or interest payment hereunder, the entire balance then outstanding hereunder shall immediately become due and payable.

The Borrower and each party liable hereon does hereby waive presentment, notice of dishonor, protest and notice of protest of this promissory note.

The Borrower may after December 15, 2004, prepay to the Lender, to bearer or to order part or all of the principal balance then remaining unpaid together with any interest accrued thereon without any bonus or penalty.

DATED and executed at Calgary, Alberta, this 1st day of December, 2003

RUNDLE DEVELOPMENT COOPERATIVE

Per: _____

MEL MASCHMEYER

SCHEDULE "C"
TO THE LOAN AGREEMENT

PROMISSORY NOTE

AMOUNT: CAN\$650,000.00

DUE: DECEMBER 15, 2007

FOR VALUE RECEIVED the undersigned, **RUNDLE DEVELOPMENT COOPERATIVE** (hereinafter the "Borrower"), hereby promises to pay **INTEGRA INVESTMENT SERVICE LTD.** (hereinafter the "Lender"), to bearer or order at 800. 933 - 17th Avenue S.W., Calgary, Alberta, the sum of **SIX HUNDRED FIFTY THOUSAND DOLLARS (CAN\$650,000.00)** on December 15, 2007 together with interest on any unpaid balance, all interest calculated at the rate of Twelve (12%) percent per annum calculated and payable (interest only) monthly, not in advance, and compounded monthly.

In the event of default by the Borrower in making any principal or interest payment hereunder, the entire balance then outstanding hereunder shall immediately become due and payable.

The Borrower and each party liable hereon does hereby waive presentment, notice of dishonor, protest and notice of protest of this promissory note.

The Borrower may after December 15, 2004, prepay to the Lender, to bearer or to order part or all of the principal balance then remaining unpaid together with any interest accrued thereon without any bonus or penalty.

DATED and executed at Calgary, Alberta, this 10th day of December, 2003

RUNDLE DEVELOPMENT COOPERATIVE

Per: _____

MEL MASCHMEYER

12-12-2007

PROMISSORY NOTE

AMOUNT: CAN\$325,000.00

DUE: SEPTEMBER 30, 2007

FOR VALUE RECEIVED the undersigned, **RUNDLE DEVELOPMENT COOPERATIVE** (hereinafter the "Borrower"), hereby promises to pay **INTEGRA INVESTMENT SERVICE LTD.** (hereinafter the "Lender"), to bearer or order at 800, 933 - 17th Avenue S.W., Calgary, Alberta, the sum of **THREE HUNDRED TWENTY-FIVE THOUSAND DOLLARS (CAN\$325,000.00)** on September 30, 2007 together with interest on any unpaid balance, all interest calculated at the rate of Twelve (12%) percent per annum calculated and payable (interest only) monthly, not in advance, and compounded monthly.

In the event of default by the Borrower in making any principal or interest payment hereunder, the entire balance then outstanding hereunder shall immediately become due and payable.

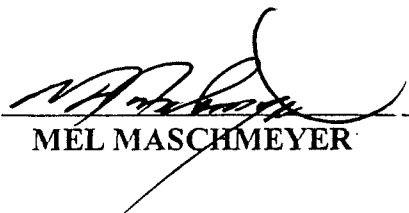
The Borrower and each party liable hereon does hereby waive presentment, notice of dishonor, protest and notice of protest of this promissory note.

The Borrower may after October 1, 2004, prepay to the Lender, to bearer or to order part or all of the principal balance then remaining unpaid together with any interest accrued thereon without any bonus or penalty.

DATED and executed at Calgary, Alberta, this 20th day of August, 2003.

RUNDLE DEVELOPMENT COOPERATIVE

Per: _____


MEL MASCHMEYER

IN THE COURT OF QUEEN'S BENCH
OF ALBERTA

JUDICIAL DISTRICT OF CALGARY

BETWEEN:

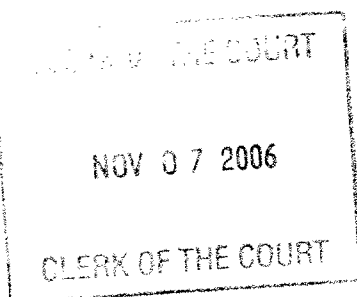
**VECKENSTEDT HOLDINGS INC., HERB
VECKENSTEDT, FRED PIPER, JOAN
PIPER, LIPOTH CONSULTING, AND PAUL
LIPOTH**

Plaintiffs

- and -

**INTEGRA INVESTMENT SERVICE LTD.
AND
RUNDLE DEVELOPMENT COOPERATIVE**

Defendants



**RECEIVERSHIP ORDER:
INTEGRA INVESTMENT SERVICE LTD.,
AURORA RIVER TOWERS INC.,
CARLING SPRINGS VILLAGE INC., AND
CARLING DEVELOPMENT (B.C.) INC.**

THIRD REPORT OF THE RECEIVER

BORDEN LADNER GERVAIS LLP
Barristers and Solicitors
1000, 400 - 3rd Ave SW
Calgary, Alberta T2P 4H2

Attention: Josef Kruger
Telephone: (403) 232-9563
Fax: (403) 266-1395