Action No: 0601-09869

**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

# SUPPLEMENT TO THE TENTH 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 20, 2008**

## INTRODUCTION AND BACKGROUND

1. On August 18, 2006, the Plaintiffs in these proceedings 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. ("EYI") was appointed Interim Receiver of certain records of Integra Investment Service Ltd. ("Integra").

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, EYI was appointed Receiver and Manager (the "Receiver") of the following corporations:

   a. Integra;

   b. Aurora River Towers Inc. ("ART");

   c. Carling Springs Village Inc. ("CSV"); and

   d. Carling Development (B.C.) Inc. ("Carling BC")

   (collectively referred to as the "Integra Companies").

3. By previous Orders of this Honourable Court, Ernst & Young Inc. has also been appointed inspector of the Carling Group (the "Carling Inspector") and of the Rundle Development Cooperative ("RDC" and the "RDC Inspector").

4. The purpose of this supplement to the tenth report of the Receiver (the "Supplement to the Tenth Report") is to provide further information to this Court with respect to the flow of funds from the Prout's to Integra and from Integra in a failed EFT to the Prout's.

5. Capitalized terms not defined in this Supplement to the Tenth Report are as defined in the Receivership Order, or the Receiver's First through Tenth Reports.

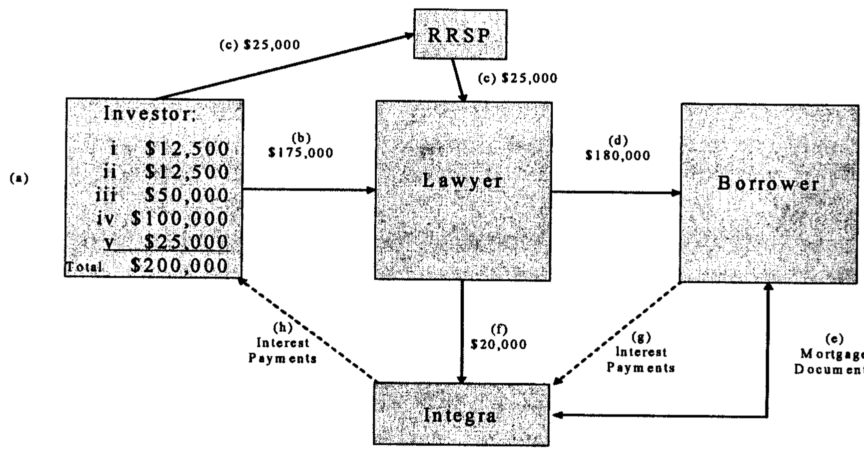
6. All references to dollars in this Supplement to the Tenth Report are in Canadian currency unless otherwise noted.

## BACKGROUND

7. The Receiver described the flow of funds from Investors in its Fourth Report. A brief summary is provided below.

*Illustration of the flow of funds for Integra*

8. The table below provides an illustration of a typical transaction for Integra with respect to a Mortgage Investor (defined below):




Notes to the above table:

a. Integra approaches five Investors to participate in a particular project. Upon signing the appropriate forms (including a term sheet with Integra setting out the terms of the investment) the five Investors advance a total of $200,000;

b. Investors (i) to (iv) advance their funds outside a registered retirement savings plan ("RRSP") and directly to Integra's lawyer to be held in trust;

c. The RRSP Investors advance their respective funds of $25,000 to either Olympia Trust Company ("OTC") or Canadian Western Trust ("CWT"). OTC and CWT administer all the RRSP related investments for Integra. OTC and CWT advance the funds to Integra's lawyer to be held in trust.

d. Integra's lawyer receives $200,000 from the five Investors, and advances the net funds of $180,000 to the Borrower upon satisfactory execution of mortgage/security documentation;

e. Mortgages and other securities would typically be registered by Integra initially, with part of the mortgage being transferred to OTC and CWT as appropriate with the mortgages held by Integra, OTC and CWT all ranking *pari passu (i.e. equally)*;

f. Integra's lawyer would pay Integra the commission for raising the funds for the Borrowers (in this example Integra earns a commission of $20,000 for raising $200,000);

g. Integra would act as the 'bare trustee' for the Investors and interest payments would be made by the Borrower to Integra or funded out of an interest reserve fund; and

h. Integra would flow the interest payments it received from the Borrower to the Investors.

9. The above example illustrates a typical transaction. Serendipity Project (also referred to as the Highland Heights project) was a good example of a project where the above description depicts the flow of funds.

**FLOW OF FUNDS FROM THE PROUT'S**

10. The flow of funds from the Prout's was as follows:

(a) The Prout's signed the appropriate forms, including the co-lending agreement, and on February 2, 2005 they wrote a cheque to Donald Larson Professional Corporation for their investment in the Serendipity Project in the amount of $15,000. A copy of the co-lending agreement is attached as Exhibit 1. A copy of the cheque is attached as Exhibit 2;

(b) On February 15, 2005 Donald Larson received the funds into his trust account. A copy of Mr. Larson's trust account ledger is attached as Exhibit 3;

(c) On February 17, 2008 Donald Larson transferred the funds invested by the Prout's to Integra. A copy of Integra's Trust Account statement for February 2005 is attached as Exhibit 4. A copy of the deposit slip showing a deposit in the amount of $228,000 including $15,000 for the Prout's is attached as Exhibit 5;

(d) On July 18, 2006 Integra received $264,185.55 from Donald Larson representing a payout of the Integra mortgage on the Serendipity property. A copy of the trust account ledger for Donald Larson is attached as Exhibit 6. A copy of the financial summary provided by TD Bank for July 2006 showing a deposit in this amount is attached as Exhibit 7.

(e) On July 28, 2006 Integra sent an Electronic Fund Transfer ("EFT") to the Investors in the Serendipity Project for the total amount of $264,185.55. A copy of the financial summary provided by TD Bank showing the funds transfer is attached at Exhibit 8;

(f) On August 3, 2006 the EFT for the Prout's in the amount of $15,914.79 was returned. The financial summary in Exhibit 8 includes this transaction.

All of which is respectfully submitted this 20th day of November, 2008.

**ERNST & YOUNG INC.**
**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.**

Michelle Grant, CIRP
Vice-President

EXHIBIT 1
1/10

# CO-LENDING LOAN ADMINISTRATION AND AGENCY AGREEMENT

000349

**THIS AGREEMENT** (the "Agreement") dated effective as of the 16th day of August 2004, among those parties listed on Schedule "A" hereto and Integra Investment Service Ltd.

**WHEREAS:**

A. The Co-Lenders have each contributed amounts specified on Schedule "A" hereto the funds held by the Manager, as hereinafter defined or as otherwise hereinafter recorded on the books of the Administrator;

B. The Co-Lenders have contributed the said funds for the purposes of pooling monies to make one or more Mortgages; and

C. The Co-Lenders wish to confirm their mutual understanding with respect to the said funds and to define the rights and obligations one with the other and the Administrator in respect to the said funds.

**NOW THEREFORE IN CONSIDERATION** of the mutual covenants and agreements herein contained the parties hereto agree as follows:

## ARTICLE 1 – INTERPRETATION

1.1 **Definitions** – In this Agreement and any amendment, modification, replacement or restatement of this Agreement, the following terms shall have the following meanings:

(a) "Accountant" means the chartered accountant who is a member in good standing of the Canadian Institute of Chartered Accountants and who is appointed, from time to time, as the accountant to the Mortgage Fund;

(b) "Administrator" means Integra Investment Service Ltd. or any replacement Administrator appointed pursuant to section 10.1;

(c) "Affiliate" means the respect to any person, any of:

(i) a person who is an affiliate or associate (as those terms are defined in the *Securities Act* (Alberta)) or the person;

(ii) a director or officer of a corporation of any person referred to in (i) above; and

(iii) a person who does not deal at arm's length with the person in (i) above within the meaning of the *Income Tax Act* (Canada);

(d) "Borrower" means CommunityFirst Diagnostic Imaging Inc., or its assignee;

(e) "Co-Lenders" means those listed in Schedule "A" hereto or in the records of the Administrator as Co-Lenders who have contributed to the fund, as may be amended from time to time;

(f) "Co-Lenders Certificate" means a certificate representing evidence of each Co-Lender's undivided share of the Mortgage in the form attached hereto as Schedule "B";

(g) "Co-Tenancy" means the Co-Tenancy established by joint ownership by the Co-Lenders of the Mortgage;

EXHIBIT

2/10

000350

(h) "distributable cash" means any amount to be paid to the Co-Lenders pursuant to this Agreement and any amounts to be paid by the Borrower to the Administrator as agent for the Co-Lenders whether the same be repayment of all or any part of the principal amount of the Mortgage or interest on account of the Mortgage;

(i) "Funds" means the funds up to $2,300,000.00 held by the Administrator as agent for the Co-Lenders being the net proceeds derived from the CommunityFirst Diagnostic Imaging Inc. mortgage loan;

(j) "Lands" means the land described in Schedule "C";

(k) "Mortgage" means the mortgage and related security to be granted by the Borrower to the Administrator on behalf of and as bare trustee for the Co-Lenders upon the Funds being advanced;

(l) "Mortgage Fund" means the amount of the Funds held by the Administrator being either in the form of deposits made in Canadian chartered banks in accounts insured by the Canadian Depository Insurance Corporation, or treasury bills and includes the Mortgage to be made by the Co-Lenders to the Borrower to be secured by the Mortgage;

(m) "person" means and individual, body corporate, partnership, joint venture, association, syndicate, trust or unincorporated organization of any nature whatsoever or any trustee, executor, administrator or other legal representative;

(n) "proportionate interest" means the proportionate interest of a Co-Lender in the Mortgage, which is determined by the ratio of the amount contributed by a Co-Lender to the Fund (as set forth in Schedule "A" hereto) to the entire amount contributed by all Co-Lenders to the Fund as set forth in Schedule "A";

(o) "Tenancy Interest" means, when used in relation to a Co-Lender, all of such Co-Lender's right, title and interest in and to the Mortgage Fund and the Mortgage.

1.2 **Schedules** – The following are the schedules to this Agreement:

| | |
|---|---|
| Schedule "A" | List of Co-Lenders and their Contributions to the Fund as amended from time to time as shown on the records maintained by the Administrator |
| Schedule "B" | Co-Lender's Certificate |
| Schedule "C" | Description of the Property, which forms the security for the Mortgage |
| Schedule "D" | Agreement to Lend and Power of Attorney |
| Schedule "E" | Commitment Letter |

1.3 **Currency** – All references to dollar amounts herein shall be references to Canadian dollars.

1.4 **Gender and Number** – Wherever the context requires, words importing the singular will include the plural and vice versa, and words importing the masculine gender will include the female and neuter genders.

1.5 **Headings** – The article and section headings are for convenience of reference only and shall not restrict the interpretation of this Agreement.

1.6 **Applicable Law** – This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada in force therein and each party attorns to the jurisdiction of the courts of the Province of Alberta.

EXHIBIT 1
3/10

000351

1.7 **Entire Agreement** – This Agreement and the Agreement to Lend and Power of Attorney of Co-Lenders subscribing for Tenancy Interests pursuant to this Agreement constitutes the entire agreement between the parties relating to the Co-Tenancy and supersedes all prior or other agreements, understandings, negotiations and discussions, whether written or oral, among the parties with respect thereto.

1.8 **Successors and Assigns** – This Agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

## ARTICLE 2 – ACKNOWLEDGMENT OF CO-TENANCY

2.1 **Co-Tenancy** – The Co-Lenders hereby agree that they hold the Mortgage Fund and the Mortgage as tenants-in-common and the Agreement shall govern and define their respective rights and obligations as Co-Lenders of the Mortgage Fund and the Mortgage.

2.2 **Declaration of Trust** – the Administrator hereby acknowledges that any interest it may have in the Mortgage Fund or Mortgage by virtue of the Fund or Mortgage being in its name shall be as a bare trustee, for and on behalf of the Co-Lenders.

2.3 **Object of the Co-Tenancy** – The object of the Co-Lenders shall be to make the Mortgage for the financing of the CommunityFirst Diagnostic Imaging Centre - *Lake Sundance* project on the Lands in Calgary, Alberta.

2.4 **No Partnership or Joint Venture** – It is not the intention of the Co-Lenders to be partners or to create a partnership or joint venture by this Agreement or any other legal relationship. The Co-Lenders shall not be deemed to have the rights or obligations of partners or any other legal characterization.

## ARTICLE 3 – INTEREST OF THE CO-LENDERS

3.1 **Proportionate Interest** – The ownership of the Mortgage Fund and the Mortgage shall be held by the Co-Lenders in accordance with their proportionate interests.

3.2 **Sharing of Rights and Obligations** – The benefits, advantages and revenues of the Mortgage Fund shall be shared by and any obligations, losses or liabilities incurred or assumed and all costs and expenses arising out of this Agreement or ownership of the Mortgage Fund shall be shared or borne, as the case may be, by the Co-Lenders in but not in excess of their proportionate interests.

3.3 **Indemnity** – Subject to section 3.4, the Co-Lenders shall jointly and severally indemnify and hold harmless each other against and from any liability, obligation, loss, cost or expense incurred or sustained in connection with the Mortgage Fund to the extent of the amount of any liability, obligation, loss, cost or expense which is in excess of the indemnified Co-Lender's proportionate interest.

3.4 **No Indemnity or Wrongful Acts** – Notwithstanding sections 3.2 and 3.3, each Co-Lender shall be indemnified by another Co-Lender who has contravened this Agreement and held harmless against and from all losses, costs, expenses, claims, demands and actions and rights of action which shall or may arise by virtue of anything done or omitted to be done by another Co-Lender, directly, or through its agents, employees or representatives in contravention of this Agreement.

3.5 **Assignment**

EXHIBIT I
4/10

(a) Upon notice to the Administrator of a Co-Lender's intent to assign or transfer a Co-Lender's share (such transaction being hereinafter referred to as a "Transfer") in the Commitment Letter, the Loan, the security documents or this Agreement, the Co-Lender shall, at its expense, execute and deliver such assignment, transfer, direction, notice and other instruments as the Administrator may reasonably request for the purpose of transferring the Co-Lender's share in the Loan and the security documents and the servicing thereof to the Co-Lender's nominee. 00352

(b) No Transfer shall be valid or effective unless the person or party to whom the Transfer has been made will have entered into agreement with the Administrator consenting to the terms hereof and agreeing to assume all of the obligations of and be bound by the terms of this Agreement or to the terms and obligations to the satisfaction of the Administrator.

~~ARTICLE 4 – ADVANCE OF FUNDS TO THE BORROWER~~

4.1 **Advances** - The Co-Lenders shall cause or permit the Administrator to advance or cause to be advanced the Funds on behalf of the Co-Lenders to the Borrower and the Co-Lenders hereby consent and agree to the same.

ARTICLE 5 – DEALINGS WITH A CO-LENDER'S INTEREST

5.1 **Assignment of Co-Tenancy Interest** – Subject to the terms and conditions of the Subscription Agreement and Power of Attorney, no Co-Lender shall be allowed to assign his Co-Tenancy Interest at any time.

5.2 **Delivery of Co-Lender's Certificate** – The Co-Lenders shall cause the Administrator to deliver to each Co-Lender a Co-Lender's Certificate specifying the Co-Lender's proportionate interest in the Mortgage Fund.

5.3 **Pledge of a Tenancy Interest** – A Co-Lender may not mortgage, pledge or hypothecate his Tenancy Interest as security for a loan or an obligation of such Co-Lender.

ARTICLE 6 – BANK ACCOUNT AND DISTRIBUTION OF FUNDS

6.1 **Bank Account** – The Administrator shall establish and maintain an account at a Canadian chartered bank in which it shall keep and deposit, or cause to be kept and deposited, the Mortgage Fund and all monies received by the Administrator for the account of the Co-Lenders including all amounts to be received by the Borrower, from time to time, until such time as the funds are advanced to the Borrower and secured by the Mortgage.

6.2 **Collection and Distribution of Monies** – The Administrator agrees that administration and service with respect to the loan by the Administrator will include:

(a) maintain a loan account;

(b) collect and account for all monies paid to or for the Co-Lenders including all amounts paid by the Borrower in repayment of all, or part of, the Mortgage Fund; and in the case of partial payments, if any, received against release and discharge of the Loan, shall apportion the proceeds against accrued interest, or against reduction of the Loan as it deems in the best interest of maintaining the security;

Exhibit 1
5/10

(c) pay all distributable cash to the Co-Lenders by the 15th day of each month all payments received up to the last day of the preceding month on account of principal and interest in accordance with their proportionate interest; 00353

6.3 **Methods of Payment of Distributions** – All distributions shall be calculated in Canadian currency, and shall be paid by cheque drawn on the Mortgage Fund account to the order of the Co-Lender and mailed by ordinary mail, postage prepaid, to such Co-Lender at his last address appearing on the books of the Mortgage Fund on the distribution date.

ARTICLE 7 – BOOKS AND RECORDS

7.1 **Books of Account** – The Administrator shall keep and maintain full, complete and accurate books of account and records of the records of the Mortgage Fund. Upon two business days written notice to the Administrator, a Co-Lender may inspect copies of the books and records of the Mortgage Funds at the Co-Lender's expense during normal business hours.

7.2 **Appointment of Accountant** – The Administrator may, on behalf of the Mortgage Fund, retain an accountant from time to time, to review and report to the Co-Lenders upon the financial statements of the Fund as at the end of, and for, each fiscal period.

7.3 Annual Reporting – The Administrator shall forward to each Co-Lender as at December 31 in each year except the year 2004;

(a) prior to March 30 of each year commencing in 2005, an annual report for such preceding year containing financial statements of the Mortgage Fund as at the end of, and for, such fiscal year; and

(b) such tax reporting information which, in the opinion of the Administrator will enable such person to report to the income tax consequences of the investment.

7.4 **Cash Distribution Reporting** – The Administrator shall furnish and keep file record of the Co-Lenders on each distribution of monies a statement setting forth the amount of the aggregate monies available for distribution, including a breakdown between interest and principal repayments of the Mortgage Fund, if any, and each Co-Lender's share of the same.

ARTICLE 8 – THE ADMINISTRATOR

8.1 **Appointment** – The Co-Lenders hereby appoint and contract with the Administrator to administer the Co-Lenders' shares, the Mortgage Fund, the Loan and the security documents in accordance with the terms hereof. In accordance with this Article, the Co-Lenders shall be entitled to appoint a new Administrator. On the appointment of the new Administrator, the new Administrator shall be the "Administrator" hereunder for all purposes.

8.2 **Liability of Administrator** – The Administrator shall not assume any liability for nor shall it be held liable or responsible to any Co-Lender, if by reason of any provision of any present or future law of Canada, or any province thereof, the Administrator shall be hindered, prevented or forbidden from doing or performing any act or thing which by the terms of this Agreement it is required to do or perform.

8.3 **Standard of Care** – The Administrator will carry out its duties and obligations honestly, in good faith and in the best interests of the Co-Lenders, exercising the same degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

EXHIBIT 1
6/10

8.4 **Costs** – The co-lending, syndication and other initial costs will be paid by the Administrator and, if possible, reimbursed from the Borrower, but all other disbursements, maintenance or collection charges or costs, if not collectable from the Borrower, will be payable by the Co-Lenders and the Co-Lenders hereby irrevocably authorize the Administrator to deduct the cost of such amounts from any payments made by the Borrower to the Administrator on behalf of the Co-Lenders in respect of the payments under the Mortgage. 000354

8.5 **Payment of the Loan** – The Administrator may, in its sole discretion, accept from the Borrower payment before maturity of all or any part of the outstanding principal and interest owing on the Loan, on and subject to the Commitment Letter.

8.6 **Liability of the Administrator** – The Administrator, in the exercise of any of its duties or powers with respect to the Loan, the Commitment Letter, and the security documents or any collateral acquired in the course of realization thereof, will not be liable for any acts or omissions made in good faith unless such acts or omissions constitute willful misconduct or gross negligence, and the Administrator may act on the advice or information obtained from any barrister, solicitor, appraiser, surveyor, engineer, architect, receiver or other expert retained by it, and will not be responsible for any loss resulting from anything which the Administrator in good faith and reliance upon such advice or information does or refrains from doing, and will be entitled to legal or other advice and employ such assistance as may be necessary for the proper discharge of its duties and pay reasonable compensation for all such legal and other advice or assistance which compensation may be payable by the Co-Lenders in proportion to their proportionate interests. The Administrator will not be bound to supervise the actions of, nor will the Administrator be responsible for any misconduct on the part of any barrister, solicitor, appraiser, surveyor, engineer, architect, receiver or other expert.

8.7 **Trustee of Interests**

(a) The Administrator agrees that it will not hold the Loan as trustee for the Co-Lender, subject to the terms of this Agreement.

(b) All advances of the Loan shall be collected and disbursed on behalf of the parties as their interests appear herein, IN TRUST.

(c) All payments of principal and interest and other monies pursuant to the Loan to the Co-Lenders shall be disbursed by the Administrator to the Co-Lenders in accordance with sections 6.2 and 7.1.

8.8 **Additional Duties**

(a) The Administrator will make available to the Co-Lenders promptly when received such financial or other information as the Administrator has received or obtained in connection with:

(i) the security value of the Loan; and

(ii) the credit-worthiness of the Borrower or otherwise in connection with the Loan and the security documents and which, in the opinion of the Administrator, as a prudent lender, is material;

(b) The Administrator is permitted to syndicate the Loan and security documents on and subject to limited exemptions pursuant to section 87(e) of the *Securities Act* (Alberta).

EXHIBIT I
7/10

(c) The Administrator will not accept subscriptions in excess of the Loan amount and herewith authorizes the Co-Lenders to confirm this fact from time to time with the Administrator's solicitor. 000355

(d) The Administrator will notify all Co-Lenders of any non-arms length, as defined in the *Income Tax Act* (Canada), dealings with the Borrower.

## ARTICLE 9 - LIABILITY OF THE CO-LENDERS

9.1 **Liability of the Co-Lenders** – No Co-Lender shall be subject to any personal liability whatsoever in tort, contract or otherwise to any person in connection with the Mortgage Fund and any such person shall look solely to the Mortgage Fund for satisfaction of claims of any nature arising out of or in connection therewith and the Mortgage Fund only shall be subject to levy or execution. The administrator shall obtain such acknowledgement from third parties it contracts with as Administrator.

## ARTICLE 10 – SUITS BY THE ADMINISTRATOR AND CO-LENDERS

10.1 **Proceedings by the Administrator**

(a) In the event that the Borrower defaults or otherwise fails to perform any covenant pursuant to the terms of the Mortgage, the Administrator, in its sole discretion but after reasonable notice to exercise or pursue including any realization, foreclosure or appointment of a receiver, on and subject to the terms of the security documents and the Commitment Letter. Until instructed by the Co-Lenders, the Administrator shall not be obligated to take any steps or commence any suits, actions or proceedings with respect to any default or failure.

(b) Any action, suit or proceeding instituted by the Administrator shall be brought in the name of the Administrator as agent for the Co-Lenders, subject to the provisions of this Co-Lenders Agreement. In any proceeding brought by the Administrator (and in any proceeding in which a declaratory judgment of a court may be sought as to the interpretation or construction of any provision of this Co-Lenders Agreement, to which the Administrator shall be party) the Administrator shall be held to represent all Co-Lenders and it shall not be necessary to make and Co-Lenders parties to any such action, suit or proceeding.

10.2 **Proceedings by the Co-Lenders** – No Co-Lender shall have any right to institute any suit, action or proceeding for payment of any principal, interest or other compensation owing to the Co-Lenders from the Borrower, or for the appointment of a liquidator or receiver or for a receiving order under applicable bankruptcy or insolvency legislation, or to have the Borrower wound up, or to file or prove a claim in any liquidation or bankruptcy proceeding, or for any other remedy hereunder, unless:

(a) the Co-Lender or Co-Lenders represent not less than 20% of the Mortgage Fund; and

(b) not less than 20% of the Co-Lenders have requested the Administrator to institute an action, suit or proceeding for such purpose; and

(c) such Co-Lenders have given or deposited with the Administrator, when so requested by the Administrator, sufficient funds, security and indemnity satisfactory to the Administrator for the costs, expenses and liabilities to be incurred therein or thereby; and

(d) the Administrator has failed to act within a reasonable amount of time after such notification, request and offer of indemnity, and such notification, request and offer of indemnity are hereby declared, in every such case, at the option of the Administrator, to

EXHIBIT 1
8/10

be conditions precedent to any such proceeding, or for any other remedy hereunder by or on behalf of the Co-Lenders.

000358

No one or more Co-Lender shall have any right in any manner whatsoever to enforce any right hereunder or except in the manner herein provided, and that all powers hereunder shall be exercised and all proceedings at law shall be instituted, had and maintained by the Administrator, except only as herein provided, and only in any event for the equal benefit of all Co-Lenders in proportion to the amounts of which they may respectively be entitled hereunder.

10.3 **Delay in Taking Action** – No delay or omission of the Administrator to exercise any right or power accruing upon any event of default of the Borrower under the Mortgage shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy given hereby to the Administrator may be exercised by it from time to time and as often as may be deemed expedient by it.

10.4 **Waiver of Rights of Action** – In the case where any action, suit or other proceeding shall have been brought by the Administrator, or by any Co-Lender after the failure of the Administrator to act, a majority of the Co-Lenders may direct the Administrator or the person bringing any such action, suit or proceeding to waive the default in respect of which any such action, suit or proceeding shall have been brought, upon payment of the costs, charges and expenses incurred by the Administrator or the person, as the case may be, in connection therewith, and to stay or discontinue, or otherwise deal with, any such action, suit or proceeding, and such direction shall be binding upon the Administrator and such person, and shall be observed by them.

## ARTICLE 11 – TERMINATION OF AGREEMENT

11.1 **Termination** – this Agreement may not be terminated by any party but shall remain in force throughout the term of the Loan and thereafter until such time as all obligations of the Borrower to the Administrator and Co-Lenders have been fulfilled or expire.

11.2 **Termination of Appointment of Administrator** – Any five or more Co-Lenders having a common concern that the actions of the Administrator present a potential risk to their principal invested may request a meeting with the Administrator and the Administrator's solicitor, such meeting to be held at the office of the Administrator's solicitor, wherein upon the Co-Lenders demonstrating reasonable cause for their concern to the Administrator's solicitor and the Administrator refusing to modify its actions to mitigate the risk, the solicitor will then notify all of the other Co-Lenders of a meeting of the Co-Lenders, to be held on 21 days prior written notice to the Administrator and all Co-Lenders, specifying the time and location of such meeting, to terminate the appointment of the Administrator and appoint a new Administrator of the Loan, the Commitment Letter and the security documents so long as there is a consensus of not less than 80% of the individual Co-Lenders representing 80% or more of the Loan amount present at the meeting.

11.3 **Survival** – All representations, warranties and covenant made by the Co-Lenders to the Administrator, unless expressly stated otherwise, shall survive the execution of this Agreement and the funding of the Loan, and continue in full force and effect for the benefit of the Administrator.

## ARTICLE 12 – MISCELLANEOUS

12.1 **Partition** – No Co-Lender shall have the right of partition, or to make any application to or permit any court having jurisdiction over the matter of partition. No Co-Lender shall commence nor prosecute any action for partition, and each Co-Lender shall, in addition to all other rights and remedies in law and in equity, be entitled to a decree or order restraining and enjoining such

EXHIBIT 1
9/10

application, petition, action or proceeding, and the offending Co-Lender shall not plead in defense thereto that there would be an adequate remedy at law, it being recognized and agreed that the injury and damage result from a breach of this section would be impossible to measure monetarily, and each Co-Lender hereby expressly waives any statute, law, rule or regulation which may provide it with the rights to partition. 000357

12.2 **Tax Returns** – Each Co-Lender shall be responsible for filling his or its own respective Canadian and Provincial income tax returns, if required, with the appropriate taxing authorities in such manner as it deems appropriate and without consultation with the other Co-Lenders and any Co-Lender may claim any expenses in its sole discretion, whether or not the other Co-Lenders claim a similar amount.

12.3 **Renewals** – The Loan, the Commitment letter and the security documents shall not be renewed, extended or materially modified without the express written consent of the parties.

12.4 **Notice** – Any notice required to be given hereunder, pursuant to this Agreement, will be valid and effective if delivered or sent by ordinary mail addressed if to a Co-Lender as it appears on the Agreement to lend and Power of Attorney. Any such notice that is sent by mail shall be deemed to have been received on the fifth business day after the date on which the same was posted.

12.5 **Severability** – In case one or more of any of the provisions of this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein, and any other application thereof shall not be in any way affected or impaired thereby and if any part of this Agreement shall be held to be void or unenforceable by a court of competent jurisdiction, such part may be severed or replaced by the widest term that would not be held to be void or unenforceable in respect thereof.

12.6 **Counterpart, Telecopier Execution** – This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement and the execution and the delivery of counterparts of this Agreement by telecopier or facsimile transmission by any part shall be binding upon the parties hereto.

**IN WITNESS WHEREOF** the parties have executed this Agreement as of the date first above written.

| **WITNESS:** | **CO-LENDER:** |
|---|---|
| Per: ______________________ | Per: ______________________ |
| Name: ______________________ | Name: ______________________ |

**ADMINISTRATOR:**

**INTEGRA INVESTMENT SERVICE LTD.**

Per: ______________________
Maxine Cooke, President

EXHIBIT I
10/10

12.2 **Tax Returns** – Each Co-Lender shall be responsible for filling his or its own respective Canadian and Provincial income tax returns, if required, with the appropriate taxing authorities in such manner as it deems appropriate and without consultation with the other Co-Lenders and any Co-Lender may claim any expenses in its sole discretion, whether or not the other Co-Lenders claim a similar amount.

12.3 **Renewals** – The Loan, the Commitment letter and the security documents shall not be renewed, extended or materially modified without the express written consent of the parties.

12.4 **Notice** – Any notice required to be given hereunder, pursuant to this Agreement, will be valid and effective if delivered or sent by ordinary mail addressed if to a Co-Lender as it appears on the Agreement to lend and Power of Attorney. Any such notice that is sent by mail shall be deemed to have been received on the fifth business day after the date on which the same was posted.

12.5 **Severability** – In case one or more of any of the provisions of this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein, and any other application thereof shall not be in any way affected or impaired thereby and if any part of this Agreement shall be held to be void or unenforceable by a court of competent jurisdiction, such part may be severed or replaced by the widest term that would not be held to be void or unenforceable in respect thereof.

12.6 **Counterpart, Telecopier Execution** – This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement and the execution and the delivery of counterparts of this Agreement by telecopier or facsimile transmission by any part shall be binding upon the parties hereto.

**IN WITNESS WHEREOF** the parties have executed this Agreement as of the date first above written.

**WITNESS:**

Per: ______________________

Name: Ron Deitz.

**CO-LENDER:**

Per: ______________________

Name: Paul & Milagros Prout (JTWROS).

**ADMINISTRATOR:**

**INTEGRA INVESTMENT SERVICE LTD.**

Per: ______________________
Maxine Cooke, President

EXHIBIT:

PAUL AND/OR MILAGROS PROUT
44 COCHRANE LAKE TR.
COCHRANE, ALBERTA T4C 2A8

005

DATE Feb. 2, 2005

PAY TO THE ORDER OF Donald N. Larson In Trust $ 15,000.00

—fifteen thousand — /100 DOLLARS

ATB Financial™
P.O. BOX 1079
COCHRANE, ALTA. T4C 1B1

MORTGEDGE

MEMO

MPrato

[redacted]

EXHIBIT 3

## Client Inquiry - Trust Details - By Date

**Client #** 412.006 **Name** INTEGRA INVESTMENT SERVICES LTD. **Resp Lawyer** 1 DONALD LARSON
**Matter:** Highland Heights: Mortgage **Area Law** 22 Financing
**Contact** Roy Jennix/Maxine Cooke **Bus. Phone:**
**Address1** 800, 933-17th Avenue SW **Cell Phone:** **Date Opened** 10/19/04
**Address2** **Fax** **Date last bill** 01/04/05
**Address3** Calgary **E-Mail** **Date last payment** 06/17/05
**Postal** T2T 5R6 **Province** AB **GST** Y **PST** N **Date last active** 04/10/06

**— TRUST DETAILS —**

| Initials | Date | Reference | Description | Type | G/L | Term Due | Regular | Term/Special | Balance | Audit |
|---|---|---|---|---|---|---|---|---|---|---|
| DNL | 10/22/04 | | received from Clifford/Frances White | R | 1200 | | -40000.00 | 0.00 | -40000.00 | 11897 |
| DNL | 10/22/04 | 1239 | Integra Investment Service Ltd. Investor Funds | R | 1200 | | 40000.00 | 0.00 | 0.00 | 11905 |
| DNL | 11/16/04 | | received from Varghese Edatturkaran | R | 1200 | | -20000.00 | 0.00 | -20000.00 | 12035 |
| DNL | 12/02/04 | 1278 | Integra Investment Service Ltd. Investor funds | R | 1200 | | 20000.00 | 0.00 | 0.00 | 12109 |
| DNL | 02/02/05 | | received from Olympia Trust re: Gerald Trylinski | R | 1200 | | -10000.00 | 0.00 | -10000.00 | 12425 |
| DNL | 02/02/05 | | received from Olympia Trust re: Diane Proctor | R | 1200 | | -22500.00 | 0.00 | -32500.00 | 12425 |
| DNL | 02/02/05 | | received from Olympia Trust re; Howard H. Quiring | R | 1200 | | -26000.00 | 0.00 | -58500.00 | 12425 |
| DNL | 02/02/05 | 1326 | Integra Investment Service Ltd. Investor funds (Olympia Trust) | R | 1200 | | 58500.00 | 0.00 | 0.00 | 12426 |
| DNL | 02/02/05 | | received from Jadwiga Pidskalny | R | 1200 | | -100000.00 | 0.00 | -100000.00 | 12427 |
| DNL | 02/02/05 | 1327 | Integra Investment Service Ltd. Investor funds: Pidskalny | R | 1200 | | 100000.00 | 0.00 | 0.00 | 12428 |
| DNL | 02/02/05 | | received from CWT re; Josephine Thompson | R | 1200 | | -67000.00 | 0.00 | -67000.00 | 12431 |
| DNL | 02/02/05 | | received from CWT re: Jeremy Forest | R | 1200 | | -12500.00 | 0.00 | -79500.00 | 12431 |
| DNL | 02/02/05 | 1329 | Integra Investment Service Ltd. Investor funds | R | 1200 | | 79500.00 | 0.00 | 0.00 | 12432 |
| DNL | 02/15/05 | * | received from Paul and Milagro Prout | R | 1200 | | -15000.00 | 0.00 | -15000.00 | 12516 |
| DNL | 02/17/05 | 1348 | Integra Investment Service Ltd. Investor funds: Prout | R | 1200 | | 15000.00 | 0.00 | 0.00 | 12532 |
| DNL | 02/22/05 | | received from Donna Holliday | R | 1200 | | -20000.00 | 0.00 | -20000.00 | 12539 |
| DNL | 02/22/05 | 1352 | Integra Investment Service Ltd. Investor funds | R | 1200 | | 20000.00 | 0.00 | 0.00 | 12540 |
| DNL | 02/25/05 | | received from Byron/Gwen Buehler | R | 1200 | | -10000.00 | 0.00 | -10000.00 | 12567 |
| DNL | 02/25/05 | | received from 718284 Alberta Ltd. | R | 1200 | | -20000.00 | 0.00 | -30000.00 | 12567 |
| DNL | 02/25/05 | 1363 | Integra Investment Service Ltd. Investor funds | R | 1200 | | 30000.00 | 0.00 | 0.00 | 12568 |
| | | | **TOTAL** | | | | **0.00** | **0.00** | **0.00** | |

**TRUST FUNDS BY BANK ACCOUNT**

| BANK ACCOUNT | REGULAR | TERM/SPECIAL |
|---|---|---|
| 1200 | 0.00 | 0.00 |

TD Canada Trust

EXHIBIT 4
1/2

CALGARY 17TH
1029 17 AVE SW
CALGARY, AB T2T 0A9

Tel: 1-866-222-3456

0171/ 2-5/ 28-02/ / 35/ 3/ 1841

INTEGRA INVESTMENT SERVICE LTD
IN TRUST
933 17 AVE SW SUITE 800
CALGARY AB T2T 5R6

| Statement of Account | |
|---|---|
| Branch No. | Account No. |
| 0171 | 7566-5209002 |

| Account Type |
|---|
| BUSINESS MANAGER ACCOUNT |

| Statement From - To |
|---|
| JAN 31/05 - FEB 28/05 |
| Page 1 of 2 |

| DESCRIPTION | CHEQUE/DEBIT | DEPOSIT/CREDIT | DATE | BALANCE |
|---|---|---|---|---|
| BALANCE FORWARD | | | JAN31 | 1,454,505.15 |
| CHQ#00182-9400347748 | 106.58 | | FEB01 | 1,454,398.57 |
| DEPOSIT | | 488,000.00 | FEB02 | |
| CHQ#00190-2600178648 | 160,000.00 | | FEB02 | 1,782,398.57 |
| CHQ#00191-2600414500 | 277,189.72 | | FEB03 | 1,505,208.85 |
| CHQ#00195-2400283421 | 61,808.55 | | FEB04 | 1,443,400.30 |
| CHQ#00192-0200548400 | 80,054.80 | | FEB07 | 1,363,345.50 |
| DEPOSIT | | 265,000.00 | FEB08 | |
| DEPOSIT | | 61,808.55 | FEB08 | |
| CHEQUE ORDER CHARGES | 99.72 | | FEB08 | |
| CHQ#00196-2400032042 | 51,295.80 | | FEB08 | |
| CHQ#00194-0500251208 | 64,544.18 | | FEB08 | 1,574,214.35 |
| SERENDIPITY DEV CHQ | | 30,000.00 | FEB10 | |
| CHQ#00197-2400372462 | 100,000.00 | | FEB10 | 1,504,214.35 |
| PRFD-TPIIS01711-0065 | 115,698.25 | | FEB11 | |
| 2 CHQS: | | 225,000.00 | FEB11 | |
| CHQ INTEGRA INVESTME | | 52,162.50 | FEB11 | |
| TRANSFER | 52,162.50 | | FEB11 | 1,613,516.10 |
| CHQ#00193-2400181223 | 114,078.10 | | FEB14 | |
| CHQ#00214-2400229137 | 52,162.50 | | FEB14 | |
| CHQ#00178-2400350162 | 366.76 | | FEB14 | 1,446,908.74 |
| CHQ#00207-2400571388 | 17,392.85 | | FEB15 | |
| CHQ#00206-2400571389 | 25,444.23 | | FEB15 | 1,404,071.66 |
| CERTIFIED CHQ #00215 | 30,000.00 | | FEB16 | |
| CHQ#00181-2400181948 | 780.00 | | FEB16 | 1,373,291.66 |
| 4 CHQS | | * 228,000.00 | FEB17 | |
| CERTIFIED CHQ #00217 | 396,344.27 | | FEB17 | |
| CHQ#00205-2400213927 | 665.00 | | FEB17 | |
| CHQ#00201-2400213928 | 4,800.00 | | FEB17 | |
| CHQ#00204-2400213929 | 800.00 | | FEB17 | |
| CHQ#00199-2400213930 | 3,055.00 | | FEB17 | |
| CHQ#00203-2400213931 | 1,620.00 | | FEB17 | 1,194,007.39 |

35 CHEQUES ENCLOSED
NEXT STATEMENT DATE IS MAR 31/05
MONTHLY AVER. CR. BAL. $1,453,620.25
MONTHLY MIN. BAL. $1,149,362.46

| | No. | Amount |
|---|---|---|
| Credits | 7 | 1349,971.0 |
| Debits | 24 | 1610,468.8 |

TD CANADA TRUST REMINDS YOU TO NEVER PROVIDE YOUR PASSWORD OR PHONECODE EXCEPT WHEN USING EASYWEB OR CALLING EASYLINE AT 1-866-222-3456.

TD Canada Trust

EXHIBIT "
2/2

CALGARY 17TH
1029 17 AVE SW
CALGARY, AB T2T 0A9

Tel: 1-866-222-3456

0171/ 2-5/ 28-02/ / 35/ 4/

INTEGRA INVESTMENT SERVICE LTD
IN TRUST
933 17 AVE SW SUITE 800
CALGARY AB T2T 5R6

| Statement of Account | |
|---|---|
| Branch No. | Account No. |
| 0171 | 7566-5209002 |

| Account Type |
|---|
| BUSINESS MANAGER ACCOUNT |

| Statement From - To |
|---|
| JAN 31/05 - FEB 28/05 |
| Page 2 of 2 |

| DESCRIPTION | CHEQUE/DEBIT | DEPOSIT/CREDIT | DATE | BALANCE |
|---|---|---|---|---|
| BALANCE FORWARD | | | | |
| CHQ#00200-2400213932 | 2,235.59 | | FEB17 | 1,194,007.39 |
| CHQ#00202-2400213933 | 4,265.00 | | FEB17 | |
| CHQ#00198-2400213934 | 3,910.00 | | FEB17 | |
| CHQ#00216-2400431185 | 34,186.50 | | FEB17 | 1,183,596.80 |
| CHQ#00212-2400524386 | 47.84 | | FEB18 | |
| BATCHED CHQS | | | FEB18 | 1,149,362.46 |
| CHQ#00211-2400453960 | 1,513.70 | 204,210.20 | FEB22 | 1,353,572.66 |
| CHQ#00210-2400457768 | 50.80 | | FEB23 | |
| 3 CHQS | | | FEB23 | 1,352,008.16 |
| DEPOSIT | | 67,500.00 | FEB24 | 1,419,508.16 |
| DEPOSIT | | 220,107.00 | FEB25 | |
| DEPOSIT | | 80,000.00 | FEB25 | |
| CHQ#00213-2600168371 | 124.12 | 22,000.00 | FEB25 | |
| CERTIFIED CHQ #00225 | 45,000.00 | | FEB25 | 1,741,491.04 |
| DEPOSIT | | | FEB28 | |
| TRANSFER | 0.02 | 15,867.32 | FEB28 | |
| CHQ#00222-2500377443 | 107.00 | | FEB28 | |
| CHQ#00223-2500377444 | 40,221.30 | | FEB28 | |
| CHQ#00226-2500377445 | 12,037.50 | | FEB28 | |
| CHQ#00221-2500386410 | 147,178.57 | | FEB28 | |
| CHQ#00218-2500386411 | 17,068.64 | | FEB28 | |
| CHQ#00219-2500386412 | 69,897.75 | | FEB28 | |
| CHQ#00220-2500386413 | 8,025.00 | | FEB28 | |
| CHQ#00208-8000562193 | 114.05 | | FEB28 | |
| SERVICE CHARGE | 42.66 | | FEB28 | |
| STMT PREP FEE | 5.00 | | FEB28 | |
| INTEREST CREDIT | | 81.71 | FEB28 | 1,417,742.58 |

35 CHEQUES ENCLOSED
NEXT STATEMENT DATE IS MAR 31/05
MONTHLY AVER. CR. BAL. $1,453,620.25
MONTHLY MIN. BAL. $1,149,362.46

| | No. | Amount |
|---|---|---|
| Credits | 7 | 609,766.2 |
| Debits | 20 | 386,031.0 |

TD CANADA TRUST REMINDS YOU TO NEVER PROVIDE YOUR PASSWORD OR PHONECODE EXCEPT WHEN USING EASYWEB OR CALLING EASYLINE AT 1-866-222-3456.

EXHIBIT 5

CREDIT ACCOUNT OF:

**INTEGRA INVESTMENT SERVICE LTD.**
**IN TRUST**
**01719 004 75665209002**

DATE
DAY MONTH YEAR
17 02 05

LIST OF CHEQUES
PLEASE LIST FOREIGN CHEQUES ON SEPARATE DEPOSIT SLIP

CHEQUE IDENTIFICATION MCL

| | | |
|---|---|---|
| 1 | LARSON CK 1347 | 54 000 00 |
| 2 | Rosks, Nathaniel 41.5 | |
| 3 | Danyluk, Kim 12.5 | |
| 4 | MCL | |
| 5 | LARSON CK 1346 | 116 000 00 |
| 6 | OVER, James 15K | |
| 7 | PACK, Philip 15K | |
| 8 | CHANDRALAL, Perera 65K | |
| 9 | Vibe Cench 21K | |
| 10 | MCL | |
| 11 | LARSON CK 1345 | 43 000 00 |
| 12 | VENUTO, Brenda & Mauricio 13K | |
| 13 | QUINN, Joseph 20K | |
| 14 | Galino Design Services Ltd 10K | |
| 15 | HH | |
| 16 | LARSON CK 1348 | 15 000 00 |
| 17 | * PRONT, Paul + Milagros | |
| 18 | 15K | |

CHEQUE SUBTOTAL $ 228 000.00

**BUSINESS ACCOUNT DEPOSIT SLIP**

**TD Canada Trust**
1029 - 17TH AVE. S.W. AT 9A
CALGARY, ALBERTA T2T 0A9

CREDIT ACCOUNT OF:
**INTEGRA INVESTMENT SERVICE LTD.**
**IN TRUST**
**01719 004 75665209002**

DATE
DAY MONTH YEAR

INITIALS
DEPOSITOR'S TELLER'S

CASH COUNT
X2
X20
X50
X100
X $1 COIN
CASH SUBTOTAL

01719-004
THE TORONTO DOMINION BANK
9
FEB 17 2005
1029 17TH AVENUE SOUTHWEST
CALGARY, ALBERTA T2T 0A9
01719-004

DEPOSIT
ENTER CREDIT CARD VOUCHER TOTAL
CASH SUBTOTAL
CHEQUE SUBTOTAL 228 000 00
U.S. CASH
RATE
U.S. CHQS.
RATE

DEPOSIT TOTAL $ 228 000.00

⑆01719⑈004⑆ 75665⑈209002⑈

EXHIBIT G

## Client Inquiry - Trust Details - By Date

| | | | |
|---|---|---|---|
| Client # | 412.007 | Name | INTEGRA INVESTMENT SERVICES LTD. |
| Matter: | Serendipity Development Inc. | Resp Lawyer | 1 DONALD LARSON |
| Contact | Roy Jennix/Maxine Cooke | Area Law | 22 Financing |
| Address1 | 800, 933-17th Avenue SW | Bus. Phone: | |
| Address2 | | Cell Phone: | |
| Address3 | Calgary | Fax | |
| Postal | | E-Mail | |
| Province | AB | GST Y | PST N |

| | |
|---|---|
| Date Opened | 11/12/04 |
| Date last bill | 08/31/06 |
| Date last payment | 08/04/06 |
| Date last active | 10/11/06 |

### TRUST DETAILS

| Initials | Date | Reference | Description | Type | G/L | Term Due | Regular | Term/Special | Balance | Audit |
|---|---|---|---|---|---|---|---|---|---|---|
| DNL | 12/10/04 | | Transfer from 412.003 (R) to 412.007 (R) received from David Neale | R | 1200 | | -25000.00 | 0.00 | -25000.00 | 12163 |
| DNL | 01/11/05 | | Transfer from 412.005 (R) to 412.007 (R) transferred to credit of 540927 Alberta Ltd. | R | 1200 | | -50000.00 | 0.00 | -75000.00 | 12309 |
| DNL | 01/14/05 | 1313 | Integra Investment Service Ltd. Investor funds | R | 1200 | | 75000.00 | 0.00 | 0.00 | 12342 |
| DNL | 01/17/05 | | received from Martha Quan | R | 1200 | | -50000.00 | 0.00 | -50000.00 | 12355 |
| DNL | 01/17/05 | | received from Bryan Quan | R | 1200 | | -24000.00 | 0.00 | -74000.00 | 12355 |
| DNL | 01/17/05 | 1319 | Integra Investment Service Ltd. Investor funds: Martha/Bryan Quan | R | 1200 | | 74000.00 | 0.00 | 0.00 | 12356 |
| DNL | 07/18/06 | | received from Re/Max | R | 1200 | | -28890.00 | 0.00 | -28890.00 | 13632 |
| DNL | 07/18/06 | | received from Re/Max | R | 1200 | | -2775.00 | 0.00 | -31665.00 | 13632 |
| DNL | 07/18/06 | | received from William A. Ferguson | R | 1200 | | -1249018.57 | 0.00 | -1280683.57 | 13632 |
| DNL | 07/19/06 | 1468 | The City of Calgary Payment of Taxes | R | 1200 | | 15445.19 | 0.00 | -1265238.38 | 13636 |
| DNL | 07/19/06 | 1469 | ~~Integra Investment Service Ltd. Payout of mortgage~~ | ~~R~~ | ~~1200~~ | | * ~~264185.55~~ | ~~0.00~~ | ~~-1001052.83~~ | ~~13637~~ |
| DNL | 07/19/06 | 1470 | Olympia Trust Company Payout of Mortgage | R | 1200 | | 190977.51 | 0.00 | -810075.32 | 13638 |
| DNL | 07/19/06 | 1471 | Canadian Western Trust Company Payout of mortgage | R | 1200 | | 171879.76 | 0.00 | -638195.56 | 13639 |
| DNL | 08/01/06 | 1474 | Minister of Finance Payment into Court of Queen's Bench per Order of Master Albertat: action No. 0601-08130 | R | 1200 | | 558250.00 | 0.00 | -79945.56 | 13670 |
| DNL | 08/05/06 | 1482 | ProVenture Law LLP Payment of Invoice PO6-643 | R | 1200 | | 10000.00 | 0.00 | -69945.56 | 13695 |
| DNL | 08/05/06 | 1483 | Donald N. Larson PC Payment of Account | R | 1200 | | 19278.05 | 0.00 | -50667.51 | 13696 |
| DNL | 08/05/06 | 1484 | Foster Stock Richmond - In Trust Balance of Trust | R | 1200 | | 11000.00 | 0.00 | -39667.51 | 13697 |
| DNL | 08/05/06 | 1485 | Wise Walden Barkauskas - In Trust Balance of Trust | R | 1200 | | 11000.00 | 0.00 | -28667.51 | 13698 |
| DNL | 08/10/06 | 1489 | Foster Stock Richmond - In Trust Balance of trust: Serendipity Developments Ltd. | R | 1200 | | 13333.75 | 0.00 | -15333.76 | 13706 |
| DNL | 08/10/06 | 1490 | Wise Walden Barkauskas - In Trust Balance of Trust: Serendipity Developments Ltd. | R | 1200 | | 13333.75 | 0.00 | -2000.01 | 13707 |
| DNL | 10/10/06 | | received from Re/Max rocky View | R | 1200 | | -405.00 | 0.00 | -2405.01 | 13886 |
| DNL | 10/10/06 | 1524 | Donald N. Larson PC payment on account | R | 1200 | | 405.00 | 0.00 | -2000.01 | 13887 |
| | | | **TOTAL** | | | | **-2000.01** | **0.00** | **-2000.01** | |

**TRUST FUNDS BY BANK ACCOUNT**

| BANK ACCOUNT | REGULAR | TERM/SPECIAL |
|---|---|---|
| 1200 | -2000.01 | 0.00 |

SC:

APPL: CPA TRAN: EAF ID:

BR #: 8781

DEPOSIT ACCOUNT HISTORY

FINANCIAL ENQUIRY



EXHIBIT 7

July 2006

BR #: 171 ACCOUNT: 5209002 BMA SHORTNAME: INTEGRA TRUS

PERIOD: FROM : 02 / 01 / 2006 TO : 10 / 05 / 2006

| FN | DATE | TRANS DESCRIPTION | TRANS AMOUNT | BALANCE |
|---|---|---|---|---|
| | 05/31/2006 | INTEREST CREDIT | 0.57 CR | 14,138.15 |
| _ | 06/01/2006 | GC 8080-DEPOSIT | 254,869.16 CR | 269,007.31 |
| _ | 06/02/2006 | PRFD-TPIIS01711-0023 | 251,397.25 DR | 17,610.06 |
| _ | 06/15/2006 | CHQ#00458-2600390185 | 2,000.00 DR | 15,610.06 |
| _ | 06/21/2006 | CHQ#00457- GC 8098 | 15,000.00 DR | 610.06 |
| _ | 06/30/2006 | SERVICE CHARGE | 2.43 DR | |
| _ | 06/30/2006 | ITEMS DEP FEE | 0.48 DR | |
| _ | 06/30/2006 | STMT PREP FEE | 5.00 DR | |
| _ | 06/30/2006 | INTEREST CREDIT | 0.93 CR | 603.08 |
| _ | 07/05/2006 | CHQ-Image Fee | 1.50 DR | 601.58 |
| _ | 07/18/2006 | CHQ:DONALD N. LARSON | 264,185.55 CR * | 264,787.13 |

FN==> C - COPY REQUEST, S - SELECT TRANSACTION

USER ID: BATTEK2 PSWD:

1/HELP 3/END 4/MENU 5/PRINT 7/BKWD 8/FWD 12/LOGOFF

IMSTX TDASHF LTRM M0701206 MOD DASHFEO 2006-10-05 11.00

APPL: CPA TRAN: EAF ID:
BR #: 8781 SC: EXHIBIT

DEPOSIT ACCOUNT HISTORY PAGE 6 OF 6 8
FINANCIAL ENQUIRY

August 2006

BR #: 171 ACCOUNT: 5209002 BMA SHORTNAME: INTEGRA TRUS
PERIOD: FROM : 02 / 01 / 2006 TO : 10 / 05 / 2006

| FN | DATE | TRANS DESCRIPTION | TRANS AMOUNT | | BALANCE |
|---|---|---|---|---|---|
| _ | 07/28/2006 | PRFD-TPIIS01711-0025 | 264,185.55 DR | * | 601.58 |
| _ | 07/31/2006 | SERVICE CHARGE | 0.81 DR | | |
| _ | 07/31/2006 | ITEMS DEP FEE | 0.16 DR | | |
| _ | 07/31/2006 | STMT PREP FEE | 5.00 DR | | |
| _ | 07/31/2006 | INTEREST CREDIT | 4.76 CR | | 600.37 |
| _ | 08/03/2006 | TPIIS01711 RETURNS | 15,914.79 CR | * | 16,515.16 |
| _ | 08/31/2006 | SERVICE CHARGE | 0.81 DR | | |
| _ | 08/31/2006 | STMT PREP FEE | 5.00 DR | | |
| _ | 08/31/2006 | INTEREST CREDIT | 0.66 CR | | 16,510.01 |
| _ | 09/29/2006 | INTEREST CREDIT | 0.68 CR | | 16,510.69 |

Sept - 2006

FN==> C - COPY REQUEST, S - SELECT TRANSACTION
USER ID: BATTEK2 PSWD:

1/HELP 3/END 4/MENU 5/PRINT 7/BKWD 8/FWD 12/LOGOFF
IMSTX TDASHF LTRM M0701206 MOD DASHFEO 2006-10-05 11.00