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

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 5, 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 tenth report of the Receiver (the "Tenth Report") is to:

    (a) Report to this Court on a matter related to funds held in Integra's Trust Account (defined below); and

    (b) Provide the Court the Receiver's recommendation.

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

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

BACKGROUND

7. 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 (the "Investors") to make loans against secured mortgages in these real estate projects.

8. The Integra Companies, acting as a bare trustee, advanced the Investors' funds to borrowers (the "Loans") with the Loans being secured by mortgages, general security agreements and guarantees.

9. Investors were able to advance funds to participate in these mortgages inside or outside of an RRSP. RRSP Investors advanced funds to Olympia Trust Company ("OTC") and Canadian Western Trust ("CWT") who acted as the bare trustee for RRSP Investors. OTC and CWT in turn paid these funds to Integra's legal counsel in trust. Cash Investors (i.e. Non-RRSP Investors) were to advance monies directly to legal counsel, although a small portion of Investors advanced funds directly to Integra. Integra acted as bare trustee for the Cash Investors. Pursuant to the mortgage documents, Integra acted as administrator for both the RRSP Investors and the Cash Investors.

10. The Fourth Report of the Receiver dated May 22, 2007 (the "Fourth Report") provides a detailed background of the Integra Companies.

FUNDS REMAINING IN THE INTEGRA TRUST ACCOUNT

11. The Serendipity Project is described in detail in the Fourth Report of the Receiver.

12. The mortgage investors in the Serendipity Project (the "Mortgage Investors") were paid out in July 2006 just prior to the Receivership. Integra paid out the Mortgage Investors by transferring funds through an electronic funds transfer ("EFT") from Integra's trust account kept at the Toronto Dominion Bank at 1029-17 Avenue, Calgary, AB ("Integra's Trust Account") to the individual Mortgage Investors' bank accounts.

13. One of the EFT's was returned to Integra's Trust Account in August 2006 as the account information was incorrect. The EFT returned was in the amount of $15,914.79.

14. The Receiver was able to determine that the EFT which was returned to the Integra Trust Account related to Paul and Mila Prout, two individual investors (the "Prout's").

15. At the time the EFT was returned to the Integra Trust Account, the Integra Trust Account balance was $600.37. The Receiver is not able to determine what the amount of $600.37 relates to.

16. Since August 3, 2006 when the EFT in the amount of $15,914.79 was returned to the Integra Trust Account there has been minimal activity in this account, mainly monthly interest amounts are credited to the account.

17. The Integra Trust Account balance as of September, 2008 was $16,527.22, as indicated in the bank statement attached as Exhibit 1.

18. Mr. Ron Dietz, financial advisor to the Prout's, has demanded return of the funds being held in Integra's Trust Account on several occasions.

19. In response to the Prout's demands, the Receiver wrote two letters to TD Canada Trust ("TD") requesting release of the balance of funds held in Integra's Trust Account.

20. TD responded to the Receiver's second letter in writing via its counsel, Miller Thompson LLP, indicating that in their view TD was entitled to set-off the funds in the Integra Trust Account against the secured claim TD filed in the Receivership. A copy of the letter is attached as Exhibit 2 to this report.

21. The Receiver accepted TD's secured claim in the Integra Receivership, but the Receiver's counsel noted in its reply to TD that the funds held in Integra's Trust Account are being held on behalf of the Prout's as Integra acted as merely a bare trustee on behalf of the Prout's and the Receiver has determined that the majority of the funds which remain in the Integra Trust Account represent the returned payout to the Prout's. The Receiver's counsel's letter dated April 22, 2008 is attached as Exhibit 3.

22. TD has not responded to the Receiver's counsel's letter of April 22, 2008 with respect to this matter which requested TD's cooperation in releasing the funds held in Integra's Trust Account.

23. The Receiver has been advised by its counsel that TDs' right to set-off is not valid, because the returned EFT in the amount of $15,914.79 (which represents the majority of the funds held in Integra's Trust Account at TD) is being held in trust on behalf of the Prout's.

RECOMMENDATION

24. The Receiver requests advice and directions from this Honourable Court and recommends that:

   (a) TD be directed to release the funds held in Integra's Trust Account to the Receiver; and

   (b) that the Receiver be authorized to distribute $15,914.79 to the Prout's within 15 days of receipt of the funds from TD.

All of which is respectfully submitted this 5th 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

TD Canada Trust

CALGARY 17TH
1029 17 AVE SW
CALGARY, AB T2T 0A9
Tel: 1-866-222-3456

0171/ 1-5/ 30-09/ / 0/ 9/ 1861

INTEGRA INVESTMENT SERVICE LTD
IN TRUST
OREST KONOWALCHUK
ERNST & YOUNG INC
440 2 AVE SW SUITE 1000
CALGARY AB T2P 5E9

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

Account Type
BUSINESS MANAGER ACCOUNT

Statement From - To
AUG 29/08 - SEP 30/08
Page 1 of 1

DESCRIPTION	CHEQUE/DEBIT	DEPOSIT/CREDIT	DATE	BALANCE
BALANCE FORWARD			AUG29	16,526.54
INTEREST CREDIT		0.68	SEP30	16,527.22

0 CHQS ENCLOSED NEXT STATEMENT DATE IS OCT 31/08
MONTHLY AVER. CR. BAL. $16,526.56
MONTHLY MIN. BAL. $16,526.54
DEP CONTENT- CASH 0 ITEMS 0 UNC BATCH 0

	No.	Amount
Credits	1	0.68
Debits	0	0.00

Accounts issued by: THE TORONTO-DOMINION BANK
2017

Exhibit 2

MILLER THOMSON LLP
Barristers & Solicitors
Patent & Trade-Mark Agents

2700, Commerce Place
10155-102 Street
Edmonton, AB, Canada T5J 4G8
Tel: 780.429.1751
Fax: 780.424.5866
www.millerthomson.com

FAX TRANSMISSION COVER

To:	**Donna Comerford** **Ernst & Young Inc.**	**Fax:**	**403.290.4265**
From:	Barrett K. Westerlund 780.429.9705 bwesterlund@millerthomson.com	**File:**	90257.5
Date:	October 9, 2007	**Pages** (including this cover):	18

If you have any problems with this transmission, please contact:
Sharon at 780.429.9414

MESSAGE

Please find the attached.

1388844.1

Edmonton Calgary Vancouver Toronto Markham Montréal London Kitchener-Waterloo Guelph
Affiliations Worldwide

MILLER THOMSON LLP
Barristers & Solicitors
Patent & Trade-Mark Agents

2700 Commerce Place
10155-102 Street
Edmonton, AB, Canada T5J 4G8
T: 780.429.1751
F: 780.424.5866
www.millerthomson.com

Barrett K. Westerlund
Direct Line: 780.429.9705
bwesterlund@millerthomson.com

File: 90257.5

October 9, 2007

DELIVERED VIA FAX 403.290.4265

Ernst & Young Inc.
1000 Ernst & Young Tower
440 - 2nd Avenue SW
CALGARY, Alberta
T2P 5E9

Attention: Donna Comerford

Dear Madam:

Re: The Toronto-Dominion Bank (the "Bank") v. Integra Investment Service Ltd. et al.

Further to your correspondences to the Bank dated May 15 and September 11, 2007 (copies attached), we confirm our representation of the Bank with respect to this matter. Future correspondences are properly directed to us.

In this regard, we note that Ernst & Young Inc. became the Court-Appointed Receiver of Integra Investment Service Ltd. on September 8, 2006. Pursuant to paragraph 9 of such Receivership Order, "all rights and remedies (including, without limitation, set off rights) against the Integra companies, the Receiver, or affecting the property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this court, ..."

Further to its Proof of Claim, Ernst & Young Inc. accepted the Bank's claim of $49,981.07 (the "Indebtedness") on a secured basis; same was based upon a General Security Agreement dated June 6, 2002, registered at Alberta's Personal Property Registry by registration number 02061430332, encompassing "all present and after acquired personal property" including, without restriction, accounts (copies of all relevant materials are appended hereto).

But for the stay triggered by your Receivership Order as aforementioned, the Bank might otherwise proceed to "set off" the Indebtedness with those monies you identify in Account #7566-5209002 (Branch #0171).

May we please receive the Receiver's soonest position in this regard?

Yours truly,

MILLER THOMSON LLP

Per:

Barrett K. Westerlund
BKW/sv

Encl.
cc TD Canada Trust
Attention: Laura Kim
1388754.1

ERNST & YOUNG

Ernst & Young Inc.
Ernst & Young Tower
1000, 440 2nd Avenue S W
Calgary, Alberta T2P 5E9

Phone: (403) 290-4100
Fax: (403) 290-4265

VIA FACSIMILE: 403-244-5549

May 15, 2007

Toronto Dominion Bank
1029 17th Ave. S.W.
Calgary, AB T2T 0A9

Attention: Business Accounts

Re: Integra Investment Service Ltd. ("Integra")

As communicated in previous correspondence, Ernst & Young Inc. was appointed by the court of Queen's Bench of Alberta as Receiver of Integra on September 8, 2006. Attached please find a copy of the Receiver Order.

In connection with this appointment, we hereby request that the balance of funds in account number 7566-5209002 (branch no. 0171) in the amount of $16,515.48, be forwarded to the Receiver by bank draft at the above address and the account closed. We also request that you forward the final statement of account and any further correspondence to the address above.

Should you have any questions, please contact the undersigned.

Yours very truly,

ERNST & YOUNG INC.
Solely in its capacity as Court-Appointed Receiver of
Integra Investment Service Ltd.

Per:
Donna Comerford
Donna Comerford
Office: (403) 290-4100 ext 4070
Cell: (613) 447-6330

ERNST & YOUNG

■ Ernst & Young Inc.
Ernst & Young Tower
1000, 440 2nd Avenue S.W.
Calgary, Alberta T2P 5E9

■ Phone: (403) 290-4100
Fax. (403) 290-4265

Fax Sheet

Date:	September 11, 2007	Time:	
Attention:	Eyren	From:	Donna Comerford
Company:	TD Canada Trust	Phone:	403-206-5421
Fax #	244-5549	# of Pages (including this one):	19

Re: **Integra Investment Service Ltd. – Request for funds**

Eyren,

As discussed earlier today, attached is the fax originally sent to the TD Canada Trust branch on May 15, 2007 and then to the Business Accounts section on June 6, 2007.

We have not received the funds from the account as requested, nor have we received any correspondence or communication from TD Canada Trust on this matter.

We would appreciate you following up on this request and advising us soon as possible.

You can reach me directly at the number indicated above or on my cell phone at 613-447-6330.

Thank you,

Ernst & Young Inc.
Solely in it's capacity as Court-Appointed Receiver of
Integra Investment Service Ltd.

Per

Donna Comerford

Proof of Claim
(Section 50.1, subsections 65.2(4), 81.2(1), 102(2), 124(2), 128(1), and paragraphs 51(1)(e) and 66.14(b) of the Act)

(All notices or correspondence regarding this claim must be forwarded to the following address): The Toronto - Dominion Bank, c/o its Solicitors, Miller Thomson LLP, Att'n: Barrett K. Westerlund, #2700 Commerce Place, 10155 - 102 St., Edmonton, AB, T5J 4G8, (780) 429-9705 (ph.), (780) 424-5866 (fax.)

In the matter of the receivership of **Integra Investment Service Ltd., Aurora River Tower Inc., Carling Springs Village Inc. and Carling Development (B.C.) Inc. ("Integra" and collectively the "Integra Companies")** of Calgary, Alberta and the claim of The Toronto - Dominion Bank, creditor.

I, Barrett Westerlund (Miller Thomson LLP) *(name of creditor or representative of the creditor)*, of Edmonton, AB *(city and province)*, do hereby certify:

1. That I am a creditor of (check all that apply):

   ☑ **Integra Investment Service Ltd.**

   ☐ **Aurora River Tower Inc.**

   ☐ **Carling Springs Village Inc.**

   ☐ **Carling Development (B.C.) Inc.**

(*or* that I am SOLICITORS *(state position or title)* of THE TORONTO DOMINION BANK *(name of creditor)*).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of receivership, namely the **8th day of September 2006**, and still is, indebted to the creditor in the sum of $49,981.07, as specified in the statement of account (*or* affidavit *or* solemn declaration) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (*The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.*)

4. Check and complete appropriate category:

   ☐ A. UNSECURED CLAIM OF $__________

That in respect of this debt, I do not hold any assets of the debtor as security and
(Check either (i) or (ii) description.)

(i) ☐ Regarding the amount of $__________, I do not claim a right to a priority.

(ii) ☐ Regarding the amount of $____________, I claim a right to a priority under section 136 of the Act.

(Set out on an attached sheet details to support priority claim.)

☐ B. CLAIM OF LANDLORD FOR DISCLAIMER OF A LEASE $____________

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are attached as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based)

☐ C. SECURED CLAIM OF $ 49,981.07

That in respect of this debt, I hold assets of the debtor valued at $ Ø as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

☐ D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF $____________.

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of $____________.

(Attach a copy of sales agreement and delivery receipts.)

5. That, to the best of my knowledge, I am (*or* the above-named creditor is) (*or* am not *or* is not) related to the debtor within the meaning of section 4 of the Act.

6. That the following are the payments that I have received from, and the credits that I have allowed to, the debtor within the three months (*or, if the creditor and the debtor are related within the meaning of section 4 of the Act,* within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (*Provide details of payments and credits.*)

Dated at EDMONTON, AB, this 6 day of JULY, 2007.

Witness

Creditor

Phone Number: (780) 429-9705
Fax Number : (780) 424-5866
E-mail Address : bwestelund@millerthomson.com

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

NOTICE OF ACCEPTANCE

INTEGRA INVESTMENT SERVICE LTD.

Claim Reference Number: 1-023

TO: Toronto Dominion Bank.
(Name of Creditor)

Pursuant to paragraph 2(f) of the Claims Process Order of the Court of Queen's Bench of Alberta dated June 4, 2007 (the "Order"), the Receiver hereby acknowledges and accepts your proof of claim as submitted.

No further information is required to be submitted.

DATED this 24 day of August, 2007

ERNST & YOUNG INC.
Court-Appointed Receiver of Integra Investment Service Ltd.

TD Canada Trust
Small Business Banking

Security Agreement/Assignment

SECURITY VERIFIED

Date: June 6, 02 (mm/dd/yyyy)

Customer: INTEGRA INVESTMENT SERVICE LTD

Branch: 0171

SECURITY INTEREST

In consideration of us dealing with or continuing to deal with you, you grant to us a continuing security interest (and an assignment in the case of Book Debts and Life Insurance) in the Collateral indicated below. The security interest on all Collateral is a fixed charge. If no Collateral is indicated, you will be deemed to have granted us a security interest on All Assets and Undertakings.

All Assets and Undertakings	All Equipment	Deposits and Credit Balances	Life Insurance
Inventory	Specified Goods	Securities	Book Debts

INDEBTEDNESS AND LIABILITY SECURED

You agree that the obligations secured by the security interest and assignment are all of your indebtedness and liability to us, direct and indirect, absolute and contingent, whenever incurred, and including without limitation, existing indebtedness, future advances and your liability for the costs and expenses and other obligations described in this Agreement. The indebtedness and liability secured are called "Obligations" in this Agreement.

1. DEFINITIONS OF COLLATERAL

ALL ASSETS AND UNDERTAKINGS - all of your present and after acquired personal property and undertakings including without limitation, Inventory, All Equipment, Specified Goods, Deposits and Credit Balances, Securities, (all as defined herein), all intangible and intellectual property, and all real and immovable property both freehold and leasehold, except for the last day of the term of any lease. If you have checked this box you will also be deemed to have given us an assignment of book debts pursuant to the paragraph entitled Book Debts.

INVENTORY - all presently owned and after acquired goods and other property held for sale or lease or that have been leased or that are to be furnished under a contract of service, or that are raw materials, work in process, or materials used or consumed in your business or profession.

ALL EQUIPMENT - all presently owned and after acquired equipment of a type or kind described in the Schedule, and all goods that are owned by you, (other than Inventory and consumer goods).

SPECIFIED GOODS - the goods described on the Schedule.

DEPOSITS AND CREDIT BALANCES - all monies and credit balances which are now or may hereafter be on deposit with or standing to your credit with us, and/or with any of our subsidiaries and affiliates, up to the amount set out on the Schedule, (or all deposit and credit balances, if no amount is set out on the Schedule) and any amount of interest due or accruing due to you in connection with the deposit or credit balance.

SECURITIES - the securities and instruments described on the Schedule and all replacements and substitutions therefor and all dividends and interest thereon, and renewals thereof.

2. LIFE INSURANCE

You absolutely assign and transfer to us the life insurance policy described on the Schedule, and any amounts held by the insurer as pre-paid premiums or for the payment of future premiums or for any other purpose (collectively called "Life Insurance"). This assignment is and shall be a continuing security to the Bank for the Obligations. All money or other form of payment received by you in payment of the Life Insurance shall be received and held by you in trust for us. You represent that there are no irrevocable or preferred beneficiaries on the Life Insurance or that if there are, each such beneficiary has signed the Schedule.

3. BOOK DEBTS

You absolutely assign and transfer to us all debts, accounts, choses in action, claims, demands, and moneys now due, owing, accruing, or which may hereafter become due, owing or accruing to you, together with all rights, benefits, security interests, mortgages, instruments, rights of action, deeds, books and records and documents now or hereafter belonging to you in respect of or as security for any of the foregoing, (collectively called "Book Debts"). This assignment is and shall be a continuing security to the Bank for the Obligations. All money or any other form of payment received by you in payment of any Book Debts shall be received and held by you in trust for us.

4. COLLATERAL

The property over which you have granted us a security interest, and the Book Debts and Life Insurance assigned to us, together with the Proceeds, are herein called the "Collateral".

5. PROCEEDS

You grant us a fixed charge on all of your property in any form derived directly or indirectly from any use or dealing with Collateral or that indemnifies or compensates for Collateral destroyed or damaged (all of which property is herein collectively called "Proceeds"). Proceeds shall be received and held by you in trust for us.

6. COSTS AND EXPENSES

You agree to pay the costs and expenses we incur to enforce this Agreement, register this Agreement or notice of it, repossess, maintain, preserve, repair or sell the Collateral, or appoint a consultant, receiver, receiver and manager or agent, and to pay interest thereon. You also agree to pay all legal costs and fees (including in-house legal fees, charges and expenses), incurred by us to do any of the above or to defend any legal claim or counterclaim by you or others respecting the manner of our enforcement of or our right to enforce this Agreement. You will pay the legal fees on a solicitor and own client basis.

7. FREE AND CLEAR

You are or will be the owner of the Collateral free from any mortgage, lien, charge, security interest or encumbrance, unless the Bank agrees otherwise in writing. You will keep the Collateral free and clear of all taxes, assessments, and security interests. You will not sell, give away, part with possession of or otherwise dispose of any part of the Collateral, (except Inventory sold in the normal course of business) without our prior written consent.

8. MAINTAINING THE COLLATERAL

You will care for, protect and preserve the Collateral and will not permit its value to be impaired. You will, at your cost, keep the Collateral insured. If requested, you will provide us with a copy of the insurance policy. The insurance policy will name us as loss payee. We may, in our absolute discretion, pay any premium due on any insurance policy, including any life insurance policy forming part of the Collateral, and the amount of any premium we pay will be added to and form part of the Obligations. We shall be entitled to inspect the Collateral wherever located and to make inquiries and tests concerning the Collateral. You will pay all expenses in connection with such inspection, inquiries and tests.

9. LOCATION OF COLLATERAL

You will keep the Collateral at the location or locations set out on the Schedule. You will not remove the Collateral from this location (except in the ordinary course of your business) without our prior written consent. If the Schedule is not completed, you will keep the Collateral at the address shown below your signature to this Agreement.

10. DEFAULT

You shall be in default if:

(a) you or any other person liable for the Obligations is in default under any agreement relating to the Obligations or any part thereof;

(b) you or any other person liable for the Obligations is in default under any other loan, debt or obligation owed to anyone else;

(c) you fail to perform any of the terms or conditions of this Agreement;

(d) you become insolvent or the subject of bankruptcy or insolvency proceedings, or commit an act of bankruptcy;

(e) any statement made by you to induce us to extend credit to you was false in any material respect when made, or becomes false;

(f) anyone takes possession of or applies to any court for possession of the Collateral, or anyone claims to have rights in the Collateral superior to our rights;

(g) you are declared incompetent by a court, or you die, or, if you are a partnership, a partner dies;

(h) we believe, on reasonable grounds, that the Collateral, or any part thereof, will decline speedily in value; or

(i) any other event occurs which causes us in good faith to deem ourselves insecure, or to believe that the Collateral, or any part thereof, or the value therefore, is or about to be placed in jeopardy.

11. REMEDIES

If you are in default, we may require you to repay any or all of the Obligations in full, whether matured or not, and we may enforce this Agreement by any method permitted by law, and we may exercise any rights and remedies under applicable law, and we may appoint any person, including our employee, to be an agent, a receiver or receiver and manager (the "Receiver") of the Collateral. We and the Receiver shall be entitled to:

(a) seize and possess the Collateral;

(b) carry on your business;

(c) dispose of the Collateral;

(d) foreclose on the Collateral;

(e) in the case of Life Insurance, exercise any rights or options available to you under the Life Insurance, including surrender;

(f) demand, sue for and receive Book Debts, give effectual receipts and discharges for the Book Debts, compromise any Book Debts which may seem bad or doubtful to us and give time for payment thereof with or without security;

(g) make any arrangement or compromise in our interest, or

(h) take any other action deemed necessary to carry into effect the provisions of this Agreement.

The Receiver shall be your agent and you shall be solely responsible for the Receiver's actions. We shall not be in any way responsible for any misconduct or negligence on the part of the Receiver. The rights and powers in this paragraph are in supplement of and not in substitution for any other rights we may have from time to time.

12. POWER OF ATTORNEY

You irrevocably appoint us your attorney, with power of substitution and appointment, to sign for you, at our option, all documents necessary or desirable to permit us to exercise any of our rights and remedies under this Agreement and to complete the Schedule below or to attach an additional Schedule, with the right to use your name and to take proceedings in your name.

13. NON WAIVER BY THE BANK

Any breach by you of this Agreement or the occurrence of a default may only be waived by the Bank in writing. Any waiver by us does not mean that any subsequent breach or default is also waived. Any failure by the Bank to notify you of a default shall not be deemed to be a waiver of the default. No course of conduct or omission on our part or on your part shall give rise to any expectation by you that we will not insist on strict compliance with the terms of this Agreement.

14. DEALING WITH SECURITY INTEREST

We may take and give up any of the security interest or modify or abstain from perfecting or taking advantage of any of the security interest and otherwise deal with any of the security interest as we shall see fit without prejudice to your liability or to our rights under this Agreement or at law.

15. PAYMENTS

We shall have the right to appropriate any payment made by you to any of your Obligations as we see fit, and to revoke or alter any such appropriation.

16. DEFINITIONS

In this agreement "you", "your" and "yours" refer to the Customer named above. "We", "our", "ours" and "us" refer to The Toronto-Dominion Bank. The "Schedule" means the Schedule set out below or attached to this Agreement. The terms "accounts", "goods", "instrument", "intangible", "security", and "future advance" as used herein shall have the same meaning given to those terms in the Personal Property Security Act.

17. CONTINUING EFFECTIVENESS

This Agreement shall be a continuing agreement in every respect, securing the payment of the Obligations. If any part of this Agreement is invalid or void, the remaining terms and provisions of this Agreement shall remain in full force and effect.

18. NON-SUBSTITUTION

The security interest is in addition to and not in substitution for any other security interest now or hereafter held by us.

19. ACKNOWLEDGEMENT & WAIVER

You acknowledge receipt of a copy of this Agreement. You waive any right you may have to receive a copy of any financing statement, verification statement, or similar document we register or that we may receive by way of confirmation of a security registration in respect of this Agreement or any agreement amending, supplementing or replacing it.

20. ENTIRE AGREEMENT

You acknowledge that this is the entire agreement between you and us and there are no other written or oral representations or warranties which apply to the Collateral or to this Agreement. This Agreement may only be amended by an agreement in writing signed by us.

21. BINDING AGREEMENT

This Agreement is binding on your heirs and successors and assigns. Each person who signs this Agreement is jointly and severally liable under this Agreement. This Agreement shall continue in full force and effect notwithstanding any change in the composition of or membership of any firm or corporation which is a party hereto. You and we agree that it is the intention of you and us that the security interest created in this Agreement shall attach immediately upon executing this Agreement.

SCHEDULE

SPECIFIED GOODS

DEPOSITS AND CREDIT BALANCES

AMOUNT $ ____________

SECURITIES

LIFE INSURANCE

ISSUER: ____________

LIFE INSURED ____________ FACE AMOUNT: ____________ POLICY NO. ____________

I am an irrevocable beneficiary under the Life Insurance policy assigned hereunder and I hereby consent to this assignment.

Beneficiary's Signature X
Print Name:

LOCATION OF COLLATERAL

Customer's Signature X Customer's Signature X

Address: 2035 - 52 AVENUE SW

CALGARY, ALBERTA T3E 1K2

ALBERTA REGISTRIES
PERSONAL PROPERTY REGISTRY
P.O. BOX 2022
EDMONTON, ALBERTA
T5J 4M5

S E A R C H R E S U L T

BUSINESS DEBTOR SEARCH
FOR: INTEGRA INVESTMENT SERVICES LTD.

SEARCH ID #: X9723377
DATE OF SEARCH: 09 MAR 2007 TIME OF SEARCH: 15:03:58

EXACT MATCH ON: DEBTOR NO. 0001
REGISTRATION NUMBER: 05010513082 TYPE: SECURITY AGREEMENT
REGISTRATION DATE: 05 JAN 2005 EXPIRY DATE: 11:59 PM ON 05 JAN 2010
REGISTRATION STATUS: CURRENT REMOTE REGISTRATION

DEBTOR DETAILS

BLOCK

0001 NAME: INTEGRA INVESTMENT SERVICES LTD. STATUS:CURRENT
ADDR: 933 17TH AVE SW
CALGARY AB T2T 5R6

SECURED PARTY DETAILS

BLOCK

0001 NAME: XEROX CANADA LTD. STATUS:CURRENT
ADDR: 33 BLOOR ST. E. 3RD FLOOR
TORONTO ON M4W 3H1

GENERAL COLLATERAL DETAILS

BLOCK DESCRIPTION

0001 COLLATERAL CLASSIFICATION: EQUIPMENT; OTHER;
STATUS:CURRENT
0002 ALL PRESENT AND FUTURE OFFICE EQUIPMENT AND SOFTWARE SUPPLIED OR
STATUS:CURRENT
0003 FINANCED FROM TIME TO TIME BY THE SECURED PARTY (WHETHER BY
STATUS:CURRENT
0004 LEASE, CONDITIONAL SALE OR OTHERWISE), WHETHER OR NOT
STATUS:CURRENT
0005 MANUFACTURED BY THE SECURED PARTY OR ANY AFFILIATE THEREOF.
STATUS:CURRENT

ALBERTA REGISTRIES
PERSONAL PROPERTY REGISTRY
P.O. BOX 2022
EDMONTON, ALBERTA
T5J 4M5

S E A R C H   R E S U L T

BUSINESS DEBTOR SEARCH
FOR: INTEGRA INVESTMENT SERVICES LTD.

SEARCH ID #: X9723377
DATE OF SEARCH: 09 MAR 2007 TIME OF SEARCH: 15:03:58

INEXACT MATCH ON: DEBTOR NO. 0001
REGISTRATION NUMBER: 02061430332 TYPE: SECURITY AGREEMENT
REGISTRATION DATE: 14 JUN 2002 EXPIRY DATE: 11:59 PM ON 14 JUN 2007
REGISTRATION STATUS: CURRENT REMOTE REGISTRATION

DEBTOR DETAILS

BLOCK

0001 NAME: INTEGRA INVESTMENT SERVICE LTD STATUS:CURRENT
ADDR: 2035 - 52 AVE SW
CALGARY AB T3E 1K2

SECURED PARTY DETAILS

BLOCK

0001 NAME: THE TORONTO DOMINION BANK STATUS:CURRENT
ADDR: 1029 17TH AVE SE
CALGARY AB T2T 0A9

GENERAL COLLATERAL DETAILS

BLOCK DESCRIPTION

0001 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY.

STATUS:CURRENT

ALBERTA REGISTRIES
PERSONAL PROPERTY REGISTRY
P.O. BOX 2022
EDMONTON, ALBERTA
T5J 4M5

S E A R C H   R E S U L T

BUSINESS DEBTOR SEARCH
FOR: INTEGRA INVESTMENT SERVICES LTD.

SEARCH ID #: X9723377
DATE OF SEARCH: 09 MAR 2007 TIME OF SEARCH: 15:03:58

INEXACT MATCH ON: DEBTOR NO. 0001
REGISTRATION NUMBER: 04042816274 TYPE: SECURITY AGREEMENT
REGISTRATION DATE: 28 APR 2004 EXPIRY DATE: 11:59 PM ON 28 APR 2007
REGISTRATION STATUS: CURRENT REMOTE REGISTRATION

DEBTOR DETAILS

BLOCK

0001 NAME: INTEGRA INVESTMENT SERVICE LTD. STATUS:CURRENT
ADDR: 700, 933-17 AVENUE SW
CALGARY AB T2T 5R6

0002 NAME: INTEGRA BUSINESS CENTRE INC. STATUS:CURRENT
ADDR: 700, 933-17 AVENUE SW
CALGARY AB T2T 5R6

SECURED PARTY DETAILS

BLOCK

0001 NAME: CITICORP VENDOR FINANCE, LTD. STATUS:CURRENT
ADDR: 123 FRONT ST W 16TH FLOOR
TORONTO ON M5J 2M3

GENERAL COLLATERAL DETAILS

BLOCK DESCRIPTION

0001 ONE (1) CTX670BAS8X16 TELEPHONE SYSTEM WITH ACCESSORIES
STATUS:CURRENT

0002 WITH ALL ATTACHMENTS, ACCESSORIES AND PROCEEDS THEREOF
STATUS:CURRENT

ALBERTA REGISTRIES
PERSONAL PROPERTY REGISTRY
P.O. BOX 2022
EDMONTON, ALBERTA
T5J 4M5

S E A R C H   R E S U L T

BUSINESS DEBTOR SEARCH
FOR: INTEGRA INVESTMENT SERVICES LTD.

SEARCH ID #: X9723377
DATE OF SEARCH: 09 MAR 2007   TIME OF SEARCH: 15:03:58

SOLICITOR: PROCURA REAL ESTATE SERVICES LTD,
ADDR: BOX 3, 880-16TH AVENUE SW
CALGARY   AB T2T 1J9
PHONE: 403-245-8171   REFERENCE #:
PROPERTY HAS BEEN SEIZED UNDER LANDLORDS DISTRESS

DEBTORS ASSOC. WITH THE SEIZURE

BLOCK

0001 NAME: INTEGRA INVESTMENT SERVICE LTD.   STATUS:CURRENT
ADDR: SUITE 700, 933-17TH AVENUE SW
CALGARY   AB T2T 5R6

CIVIL ENFORCEMENT AGENCY

NAME AND ADDRESS

BISON BAILIFF SERVICES LTD.
3402 8 STREET SE
CALGARY   AB T2G 5S7

REGISTRATION TYPE		DATE	REGN.NBR.	VALUE
SEIZURE	LRO	04 OCT 2005	05100530277	$36,052.20

CREDITOR DETAILS

BLOCK

0001 NAME: MESA WEST CAPITAL CORP   STATUS:CURRENT
ADDR: C/O BOX 3-880, 16TH AVENUE SW
CALGARY   AB T2T 1J9

ALBERTA REGISTRIES
PERSONAL PROPERTY REGISTRY
P.O. BOX 2022
EDMONTON, ALBERTA
T5J 4M5

S E A R C H   R E S U L T

BUSINESS DEBTOR SEARCH
FOR: INTEGRA INVESTMENT SERVICES LTD.

SEARCH ID #: X9723377
DATE OF SEARCH: 09 MAR 2007   TIME OF SEARCH: 15:03:58

PROPERTY HAS BEEN SEIZED UNDER LANDLORDS DISTRESS

(CONTINUED)

OTHER PROPERTY SEIZED :

BLOCK DESCRIPTION

0001 FOR A LIST OF ITEMS SEIZED PLEASE CONTACT BISON BAILIFF SERVICES
STATUS:CURRENT

0002 AT 800-234-9614
STATUS:CURRENT

PARTICULARS DETAILS

BLOCK

0001 ADDITIONAL INFORMATION STATUS:CURRENT
SEIZED AND LEFT ON SITE

ALBERTA REGISTRIES
PERSONAL PROPERTY REGISTRY
P.O. BOX 2022
EDMONTON, ALBERTA
T5J 4M5

S E A R C H R E S U L T

BUSINESS DEBTOR SEARCH
FOR: INTEGRA INVESTMENT SERVICES LTD.

SEARCH ID #: X9723377
DATE OF SEARCH: 09 MAR 2007 TIME OF SEARCH: 15:03:58

INEXACT MATCH ON: DEBTOR NO. 0002
REGISTRATION NUMBER: 06082826402 TYPE: SECURITY AGREEMENT
REGISTRATION DATE: 28 AUG 2006 EXPIRY DATE: 11:59 PM ON 28 AUG 2009
REGISTRATION STATUS: CURRENT REMOTE REGISTRATION

DEBTOR DETAILS

BLOCK

0001 NAME: COOKE,MAXINE ELAINE STATUS:CURRENT
ADDR: 16 WOLFWILLOW RIDGE S.W.
CALGARY AB T3Z 2Z4 BIRTHDATE: 20 JAN 1956

0002 NAME: INTEGRA INVESTMENT SERVICE LTD. STATUS:CURRENT
ADDR: 16 WOLFWILLOW RIDGE S.W.
CALGARY AB T3Z 2Z4

0003 NAME: GLOVER,MAXINE ELAINE STATUS:CURRENT
ADDR: 16 WOLFWILLOW RIDGE S.W.
CALGARY AB T3Z 2Z4 BIRTHDATE: 20 JAN 1956

0004 NAME: COOK,MAXINE E. STATUS:CURRENT
ADDR: 16 WOLFWILLOW RIDGE S.W.
CALGARY AB T3Z 2Z4 BIRTHDATE: 20 JAN 1956

SECURED PARTY DETAILS

BLOCK

0001 NAME: JENNIX,ROY MARSHALL STATUS:CURRENT
ADDR: 26 HIDDEN RANCH HILL N.W.
CALGARY AB T3A 5X7

ALBERTA REGISTRIES
PERSONAL PROPERTY REGISTRY
P.O. BOX 2022
EDMONTON, ALBERTA
T5J 4M5

S E A R C H   R E S U L T

BUSINESS DEBTOR SEARCH
FOR: INTEGRA INVESTMENT SERVICES LTD.

SEARCH ID #: X9723377
DATE OF SEARCH: 09 MAR 2007 TIME OF SEARCH: 15:03:58

INEXACT MATCH ON: DEBTOR NO. 0002
REGISTRATION NUMBER: 06082826402 TYPE: SECURITY AGREEMENT

(CONTINUED)

COLLATERAL: SERIAL NUMBER GOODS

BLOCK	SERIAL NUMBER	YEAR	MAKE AND MODEL	CATEGORY
0001	11FTWW31P26EA17836	2006	FORD F350	MOTOR VEHICLE STATUS:CURRENT
0002	12FTPX18LX2CA31282	2002	FORD FI50	MOTOR VEHICLE STATUS:CURRENT
0003	11FAHP60A52Y127170	2002	FORD THUNDERBIRD	MOTOR VEHICLE STATUS:CURRENT
0004	01FTPW14514KB69236	2004	FORD F150 FX4	MOTOR VEHICLE STATUS:CURRENT
0005	11FAHP60A12Y121530	2002	FORD THUNDERBIRD	MOTOR VEHICLE STATUS:CURRENT
0006	13C3EL45H1YT261577	2000	CHRYSLER SEBRING JX	MOTOR VEHICLE STATUS:CURRENT
0007	11FMEU74806ZA15214	2006	FORD EXPLORER	MOTOR VEHICLE STATUS:CURRENT

ALBERTA REGISTRIES
PERSONAL PROPERTY REGISTRY
P.O. BOX 2022
EDMONTON, ALBERTA
T5J 4M5

S E A R C H   R E S U L T

BUSINESS DEBTOR SEARCH
FOR: INTEGRA INVESTMENT SERVICES LTD.

SEARCH ID #: X9723377
DATE OF SEARCH: 09 MAR 2007 TIME OF SEARCH: 15:03:58

THE FOLLOWING IS A LIST OF MATCHES CLOSELY APPROXIMATING YOUR SEARCH CRITERIA WHICH IS INCLUDED FOR YOUR CONVENIENCE AND PROTECTION

DEBTOR NAME / ADDRESS	REGN. NO.
INTEGRA ENVIRONMENTAL CO. LTD. 5213 37A AVENUE WETASKIWIN AB T9A2N6 SECURITY AGREEMENT	03042825947
INTEGRA ENVIRONMENTAL CO. LTD. 5213 37A AVENUE WETASKIWIN AB T9A2N6 SECURITY AGREEMENT	03042826119

*** RESULT COMPLETE ***

Exhibit 3

Borden Ladner Gervais LLP
Lawyers • Patent & Trade-mark Agents
1000 Canterra Tower
400 Third Avenue S.W.
Calgary, Alberta, Canada T2P 4H2
tel.: (403) 232-9500 fax.: (403) 266-1395
www.blgcanada.com

Josef G.A. Krüger
direct tel.: (403) 232-9563
e-mail: jkruger@blgcanada.com
file no: 413255/05

BORDEN
LADNER
GERVAIS

April 22, 2008

laura.kim@td.com

TD Canada Trust
Account and Recovery Management Group
Liberty Centre, 3000-500 Steeles Avenue East
Markham, Ontario L3R 0X1

Attention: Laura Kim

Dear Madam:

Re: The Toronto Dominion Bank v Integra Investment Service Ltd et al

Veckenstedt Holdings Inc., Herb Veckenstedt, Fred Piper, Joan Piper, Lipoth Consulting, and Paul Lipoth v. Integra Investment Service Ltd. ("Integra") and Rundle Development Cooperative
Action #0601-09869

Mr. Barrett Westerlund of Miller Thomson LLP previously acted in this matter on your behalf.

On May 15, 2007 our client Ernst & Young Inc. in its capacity as the Receiver and Manager of Integra requested TD Bank to forward to it the balance of the funds in Account #7566-5209002 (Branch #0171) in the then amount of $16,518.48.

In response to our clients' aforesaid letter, Mr. Westerlund responded on October 9, 2007 with a letter, a copy of which is attached hereto. Mr. Westerlund somewhat tentatively suggested that TD Bank may be entitled to set-off the amount in Account #7566-5209002 (the "Trust Account") against an amount of $49,981.07 owed to TD Bank. We would respectfully disagree with Mr. Westerlund's statement.

The funds held by TD Bank Trust Account are funds received by Integra in trust on behalf of Paul and Milagros Prout (the "Prouts").

CALGARY • MONTRÉAL • OTTAWA • TORONTO • VANCOUVER

The Prouts' invested an amount of $15,000.00 in Serendipity Development Inc., subject to the provisions of a Co-Lender Loan Administration and Agency Agreement. The latter agreement made it very clear that Integra acted merely as a bare trustee, and that it would deposit into a bank account (in this instance the Trust Account referred to above) all monies received by Integra for the account of the co-lenders such as the Prouts. A copy of the relevant documentation is attached hereto for your consideration. The copy of the Co-Lender Administration and Agency Agreement attached hereto is unsigned, but we understand a signed copy exists and can be obtained.

The funds in the Trust Account should have been returned to the Prouts because the Serendipity project never proceeded. The Prouts have demanded return of the amount in the Trust Account to them.

We would appreciate it if you would give this matter your consideration, and if you would inform us whether TD Bank is prepared to release the funds held in the Trust Account to our client. Upon receipt of such funds, our client intends making an application to the Court supervising the Integra Receivership for an order authorizing it to pay such funds to the Prouts.

Should TD Bank not be prepared to release the funds to our client, the Receiver will apply to the Court for advice and directions, and will serve a copy of such application on you.

Yours truly,

BORDEN LADNER GERVAIS LLP

JOSEF G.A. KRÜGER

Enc.

assistant: Rhonda Lastockin
direct tel: (403)232-9718
e-mail add: rlastockin@blgcanada.com

MILLER THOMSON LLP
Barristers & Solicitors
Patent & Trade-Mark Agents

2700 Commerce Place
10155-102 Street
Edmonton, AB, Canada T5J 4G8
T: 780.429.1751
F: 780.424.5866
www.millerthomson.com

Barrett K. Westerlund
Direct Line: 780.429.9705
bwesterlund@millerthomson.com

File: 90257.5

October 9, 2007

DELIVERED VIA FAX 403.290.4265

Ernst & Young Inc.
1000 Ernst & Young Tower
440 - 2nd Avenue SW
CALGARY, Alberta
T2P 5E9

Attention: Donna Comerford

Dear Madam:

Re: The Toronto-Dominion Bank (the "Bank") v. Integra Investment Service Ltd. et al.

Further to your correspondences to the Bank dated May 15 and September 11, 2007 (copies attached), we confirm our representation of the Bank with respect to this matter. Future correspondences are properly directed to us.

In this regard, we note that Ernst & Young Inc. became the Court-Appointed Receiver of Integra Investment Service Ltd. on September 8, 2006. Pursuant to paragraph 9 of such Receivership Order, "all rights and remedies (including, without limitation, set off rights) against the Integra companies, the Receiver, or affecting the property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this court, ….."

Further to its Proof of Claim, Ernst & Young Inc. accepted the Bank's claim of $49,981.07 (the "Indebtedness") on a secured basis; same was based upon a General Security Agreement dated June 6, 2002, registered at Alberta's Personal Property Registry by registration number 02061430332, encompassing "all present and after acquired personal property" including, without restriction, accounts (copies of all relevant materials are appended hereto).

But for the stay triggered by your Receivership Order as aforementioned, the Bank might otherwise proceed to "set off" the Indebtedness with those monies you identify in Account #7566-5209002 (Branch #0171).

May we please receive the Receiver's soonest position in this regard?

Yours truly,

MILLER THOMSON LLP

Per:

Barrett K. Westerlund
BKW/sv

Encl.
cc TD Canada Trust
Attention: Laura Kim
1388754.1

mail to Peitz/client.

H.H.

☐	RRSP
☐	RRIF
☐	LIRA
☒	CASH

Deitz

Term sheet
Arms Length Mortgage Investment Opportunity
Serendipity Development Inc

PROUT, Paul + Milagros

Date: June 21, 2004

Total loan amount: $ 15,000

Yield to Co-Lender: **12.0%** Annually

INTRODUCTION

Serendipity Development Inc. (the "Borrower") wishes to arrange a mortgage to be secured by residential property located in the City of Calgary in the Province of Alberta for a project known as the "Highland Heights". The SDI is proceeding with a condominium development consisting of approximately 21 – 30 tiered condo units with each unit being approximately 900 - 1,200 sq. ft with 2 & 3 bedrooms units, 1½ baths and underground parking. The project has received development permit and construction drawings have been completed. Integra Investment Service Ltd. on behalf of all Co-Lenders will administer the loan and mortgage.

LOAN SUMMARY

(a) The real estate for the loan will be a mortgage on title to the property legally described as:

Plan 3674S; Block 28;Lots 8 – 13 Inclusive
EXCEPTING THEREOUT ALL MINES AND MINERALS

(b)	Municipal Address:	3918, 4004, 4008 - Centre St N, Calgary, AB
(c)	Completed Project Value:	**$5,184,000.00** (*DP approved*)
(d)	Current Financing:	$829,573.00 (to be discharged)
(e)	Purpose:	To be advanced to discharge existing financing and thereafter on a development and construction progress basis
(f)	Loan Amount:	$ 15000.00
(g)	Contracted Borrower Interest Rate:	**12.0%** per annum, interest only, calculated and paid monthly, not in advance
(h)	Loan Term:	Minimum of **1**, maximum of **3** years
(i)	Anticipated first partial funding:	August 15, 2004

P.P. / MP
(Co-Lender Initials)

CO-LENDER COMMITMENT

To: Integra Investment Service Ltd.

From: PAUL & MILAGROS PROUT (*the "Co-Lender"*)

Re: Loan to Serendipity Development Inc. (*the "Borrower"*) in the sum of $ 15,000.00.

The undersigned Co-Lender hereby acknowledges receipt of a term sheet dated June 21, 2004 from the Borrower, providing details of an Arms Length Mortgage Co-Lending Opportunity referred to as the Serendipity Development Inc. mortgage loan (*the "Loan"*).

The Co-Lender hereby commits to participate in the loan by advancing (*the "Co-Lender Advance"*) the sum of — FIFTEEN — thousand dollars ($ 15,000.00) to fund a portion of the loan. The Co-Lender Advance shall be invested in accordance with the Provisions of the Co-Lender Loan Administration and Agency Agreement to be executed among all of the Co-Lenders and Serendipity Development Inc.

The following terms shall apply to this Co-Lender Mortgage Investment:

(a) Contracted Borrower Rate: **12.0%** per annum paid monthly, not in advance.
(b) Term: minimum (1) and Maximum (3) years at the discretion of the Borrower
(c) Miscellaneous:
- payments shall be interests only on a monthly basis
- to be subordinate to other construction and long-term financing
- may be partially repaid and discharged after one year
- advances will be made to finance the acquisition of the property and then on a development and construction progress basis

Dated at COCHRANE, AB. this 02 day of FEBRUARY, 2005

Per: X Paul Prout [signature] M. Prout [signature]
Co-Lender Signature

Name PAUL & MILAGROS PROUT (ITURROS) Email

Address 44 COCHRANE LAKE TRAIL Telephone 403-932-5342
COCHRANE, AB. T4C 2A8.

ACCEPTANCE

Accepted by Integra Investment Service Ltd. this 3 day of February, 2005.

Integra Investment Service Ltd.

Per: [signature]
Maxine Cooke, President

AGREEMENT TO LEND
AND POWER OF ATTORNEY

THIS AGREEMENT is made as of the date referred to below.

AMONG:

Integra Investment Service Ltd., a corporation incorporated under the laws of the Province of Alberta (*the" Corporation"*)

-and-

The person, corporation or other entity whose name and address is set forth at the bottom of this Agreement (*the" Co-Lender"*)

WHEREAS:

A. The Corporation and the Co-Lender propose to enter into a Co-Lending Loan Administration and Agency Agreement (*the "Agreement"*)

B. The Co-Lender agrees to lend either directly or through his/her RRSP/RRIF the sum of

$ 15,000.00 .

1. In consideration of and upon the Corporation entering into the Agreement, the undersigned:

(a) agrees to be bound by as a party to, the terms of the agreement, as from time to time amended and in effect;
(b) hereby irrevocable nominates, constitutes and appoints the president of the Corporation, from time to time, with full power of substitution, as agent and true and lawful attorney to act for and on behalf of the undersigned with full power and authority in the name, place and stead of the undersigned to execute (under seal or otherwise), swear, acknowledge, deliver and record or file as and where required:

(i) the Agreement and any amendment thereto;
(ii) any instrument or certificate necessary to reflect any amendment to the Agreement;
(iii) any document required in connection with the dissolution or termination of the Agreement;
(iv) any document or other like instrument on behalf of and in the name of the undersigned as may be necessary to reflect the assignment of a unit or units; and
(v) any other instrument or document as may be deemed necessary by the Corporation to carry out fully the provisions of the Agreement in accordance of its terms.

2. The power of attorney granted herein is irrevocable, is a power coupled with an interest and, to the extent permitted by law, is valid and binding on the estate of the undersigned and will be exercisable during any subsequent legal incapacity of the undersigned, will survive the assignment by the undersigned of the whole or any part of the interest of the undersigned in the Agreement and extends to and is binding upon the heirs, executors, administrators and other legal representatives, and the successors and assigns of the undersigned and may be exercised by the Corporation for and on behalf of the undersigned in executing any instrument with a single signature as attorney.

IN WITNESS WHEREOF the parties have executed this Agreement effective the 02 day of FEBRUARY, 2005

Signature of Witness	x Paul Prout M Prout Signature of Co-Lender (*or signing officer of Co-Lender*)
RON DEITZ Name of Witness (*please print*)	PAUL + MILAGROS PROUT (JTWROS). Name of Co-Lender (*please print*)
44 COCHRANE LAKE TRAIL Co-Lender's Address	470-617-028 / 638-025-429 Co-Lender's Social Insurance No. or Federal Tax No.
COCHRANE, AB. T4C 2A8	403-932-5342 Co-Lender's Telephone Number

INVESTOR'S ACKNOWLEDGEMENT & WAIVER

TO: **Serendipity Development Ltd.** ***(the "Borrower")***

AND TO: **Integra Investment Service Inc.** ***(the "Trustee")***

AND TO: **Donald N Larson Professional Corporation, Barrister & Solicitors**

The undersigned is an investor/co-lender either directly or through the undersigned's RRSP/RRIF, in a mortgage in the sum of **$1,200,000.00** granted by Serendipity Development Inc. The undersigned acknowledges that Donald N Larson Professional Corporation, Barrister & Solicitors, has not nor will not act for the undersigned nor has given any legal, investment or other advice whatsoever to the undersigned in respect of any investment made by the undersigned directly or through the undersigned's RRSP/RRIF in a mortgage *(the "Mortgage")* granted by Serendipity Development Inc. on certain lands known as the Serendipity Development Project, which lands are legally described as:

Plan 3674S; Block 28;Lots 8 – 13 Inclusive
EXCEPTING THEREOUT ALL MINES AND MINERALS

Or in respect of the Mortgage and related security, Co-Lending Loan Administration and Agency Agreement, Power of Attorney and each dated effective June 21, 2004. The undersigned further acknowledges that the undersigned has obtained a copy of the Term Sheet, Commitment Letter, and the Co-Lender Loan Administration and Agency Agreement and Power of Attorney each in respect of the above lands, and has either obtained or waived independent legal advice in respect of these agreements and all documents necessarily related thereto.

I have read the foregoing and I am satisfied with its accuracy and content.

Dated at COCHRANE, AB. this 02 day of FEBRUARY, 2005

Witness

Investor's Signature

PAUL & MILAGROS PROUT (JTWROS)
Print name of Investor

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

Security features included. Details on back.

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

MORTGEDGE

MEMO

MP Prout

MP

[redacted]

CO-LENDING LOAN ADMINISTRATION AND AGENCY AGREEMENT

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;

(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.

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**

(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.

(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;

(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.

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. 00354

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).

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

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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 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