

IN THE MATTER OF THE INTERIM RECEIVERSHIP OF
ASSURED DEVELOPMENTS (PAINTBRUSH) LTD.
FIRST REPORT OF THE COURT APPOINTED INTERIM RECEIVER
ALGER & ASSOCIATES INC.
DECEMBER 9, 2009

Assured Developments (Paintbrush) Ltd.
First Report of the Interim Receiver
Alger & Associates Inc.
December 9, 2009

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Assured Developments (Paintbrush) Ltd.
First Report of the Interim Receiver
Alger & Associates Inc.
December 9, 2009

EXHIBITS

- 1. Interim Receivership Order, Dated November 13, 2009**
- 2. Internal Financial Statements for Assured Developments (Paintbrush) Ltd. as at November 26, 2009.**
- 3. Notice and Statement of the Interim Receiver, dated November 24, 2009**
- 4. Statement of Receipts and Disbursements for the Period November 13, 2009 to December 8, 2009**

INTRODUCTION

1. On November 13, 2009, MCAP Financial Corporation (“MCAP”) successfully made an application to the Court of Queen’s Bench of Alberta (the “Court”) for the appointment of Alger & Associates Inc. (“Alger” or “Interim Receiver”) as Interim Receiver (“Receiver”) for specific properties held by Assured Developments (Paintbrush) Ltd. (“Paintbrush”). The Court granted the Interim Receivership Order, which is attached as Exhibit 1 to this report.
2. Paintbrush is a wholly owned subsidiary of Assured Developments Ltd. The major asset of Paintbrush is a residential real estate development project located in Canmore, Alberta, that is in various stages of construction, from raw land to completed units. Construction on the project commenced in 2006 and ceased in 2009 due to financing problems.
3. The primary secured lenders of the Paintbrush construction project are MCAP, Rose Finance Corp (“Rose”), and Assured Developments Management Inc. (“Assured”) (collectively the “Lenders”). The Lenders are owed approximately \$18 million.
4. This is the Receiver’s First Report and is intended to provide:
 - a. Background to the Paintbrush development project (“Property”);
 - b. Summary of Receiver’s initial activities;
 - c. Requirements to winterize the Property;
 - d. A statement of Receipts and Disbursements; and
 - e. Support for an Order of this Court:
 - i. Approving the Receiver’s initial activities;
 - ii. Extending the Order for a further 60 days;
 - iii. Expanding the powers of the Receiver; and
 - iv. Increasing the Receiver’s borrowing powers to \$400,000.

LIMITATIONS OF REPORT

5. The information contained in this report has been obtained from the records of Paintbrush and is based upon discussions with, and representations made by management, other employees, and consultants. The information has not been audited nor otherwise verified by the Receiver as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles. The reader is cautioned that this report may not disclose all significant matters about Paintbrush. Accordingly, we do not express an opinion or any other form of assurance on the information presented herein. The Receiver may refine or alter its observations as further information is obtained or is brought to its attention after the date of this report.
6. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party because of the circulation, publication, reproduction, or use of this report. Any use, which any party makes of this report, or any reliance on or decisions to be made based on it, is the responsibility of such party.

BACKGROUND

7. In November 2006, Paintbrush approached MCAP to provide funding for the acquisition of land and the construction of a condominium development known as Paintbrush Ridge in the Town of Canmore, Alberta.
8. This development was to be a four phase project, with Phases 1-3 consisting of townhouses and villas (50 units) and Phase 4 consisting of an apartment style condominium (42 units).
9. Paintbrush began construction on Phase 1, which consists of 24 townhouses. Eight of the townhouse are complete with seven sold to individuals and one currently being used as a show home. The remaining 16 townhouses are in various stages of construction.

10. During the period of construction on the Phase 1, Paintbrush faced numerous difficulties and troubles, including but not limited to, cost overruns arising from increased contractor pricing applicable in the booming Alberta construction environment, cost overruns due to change orders, delays in construction and associated increased carrying costs and cost overruns due to Town of Canmore permitting/approval requirements.
11. In May 2009, all construction stopped on Phase 1, however, Paintbrush continued to operate the sales centre and maintain the Property.
12. In October 2009, Paintbrush informed MCAP that it would no longer fund operations and was preparing to abandon the Property.
13. The Receiver has been provided by Paintbrush with various accounting records and an internally prepared balance sheet for Paintbrush as at November 26, 2009, which is attached as Exhibit 2 to this report. The balance sheet identifies the costs spent on the Property to date together with the outstanding liabilities.
14. One of the liabilities relates to customer deposits for as yet uncompleted units in the amount of \$666,670, a portion of which are being held in trust by Paintbrush's legal counsel. There have been certain withdrawals from the trust account(s). At the present time the Order does not cover the trust account(s), which situation the Receiver is attempting to rectify by expanding the Receiver's powers to include the trust account(s).

INITIAL RECEIVER ACTIVITIES

15. On November 13, 2009, the Receiver toured the Property and determined the necessary steps to properly secure the assets located there. The Receiver arranged for the following to occur:

Security

- a) Installation of 5 additional security cameras to ensure video surveillance of the entire Property;

- b) Retention of the security guard on site to protect the Property;
- c) Installation of additional fencing to surround the entire Phase 1 development site;
- d) Site clean-up and installation of a fenced compound to secure additional materials and product currently located on the site;
- e) Installation of new locks to ensure that only security personnel and the Receiver have access; and
- f) Obtained condominium insurance for the eight completed units and ensured that mortgage impairment insurance coverage was in place through the MCAP insurance policy until additional insurance can be obtained.

Operations

- a) Discussed outstanding issues with the Town of Canmore;
- b) Requested estimates to complete the outstanding downspout issues;
- c) Met with various parties to discuss completion of Phase 1 units;
- d) Commenced process to obtain quotations for the builder risk insurance required to complete construction of the Phase 1 units;
- e) Retained an experienced industry consultant to assist the Receiver;
- f) Contacted Alberta New Home Warranty to advise them of our appointment; and
- g) Met with Assured to obtain and review information on the project.

Administration

- a) Registered the Interim Receivership Order on title to the Property;
- b) Notified all the utility companies to set up new accounts;
- c) Sent out required Notice and Statement of the Receiver, attached as Exhibit 3 to this report;
- d) Discussed the situations involving the various creditors of Paintbrush; and
- e) Set up documents on www.alger.ca website for viewing by interested parties.

**STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE PERIOD
NOVEMBER 13, 2009 TO DECEMBER 8, 2009**

16. A Statement of Receipts and Disbursements for the period November 13, 2009, to December 8, 2009 is attached as Exhibit 4 to this report. The cash receipt related to a Receiver Certificate for \$50,000. All expenses relate to expenses incurred in the Receiver's initial activities summarized in paragraph 15 of this report.

ACTION PLAN FOR THE NEXT 60 DAYS

Winterization

17. Phase 1 of the development is in various stages of construction and no substantive work has been completed since mid 2009. The construction required to complete the remaining units in Phase 1 range from some minimal exterior and interior work to the completion of partially framed units.

18. In order to properly assess what is required to winterize the project, a structural engineer has been retained to provide a report which will form the basis of a request for proposal ("RFP") to be sent out to various contractors. This RFP, requesting a proposal for fixed price contracts, should be sent out to the contractors within the week.

19. The winterization work would commence immediately upon selection of the appropriate contractors and form the basis for the current request to increase the borrowing power of the Receiver, although no final numbers for the winterization have been confirmed.

Completion of Phase 1 units

20. The Receiver will be sending out a formal RFP to appropriate construction contractors.

21. The RFP will provide the contractors with the necessary information to submit their proposals to the Interim Receiver by the deadline contained within the RFP.

Assured Developments (Paintbrush) Ltd.
First Report of the Interim Receiver
Alger & Associates Inc.
December 9, 2009

22. These proposals will then be compared and discussed with the various stakeholders before a decision is made.
23. The Receiver believes that this process will also be necessary to determine whether the development should be sold "as is" or completed in order to maximum the potential return on the Property to the various stakeholders.

EXTENSION OF THE INTERIM RECEIVERSHIP ORDER

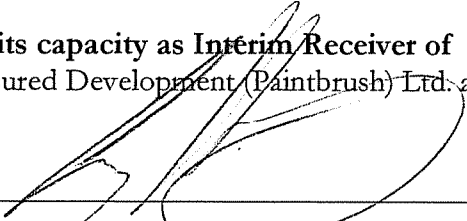
24. The initial Receivership Order expires on December 13, 2009. A 60 day extension is required in order to:

- Obtain full access for the Receiver to all records regarding Paintbrush;
- Empower the Receiver to take possession of Paintbrush's trust account(s);
- Complete the winterization of Paintbrush's Property;
- Send out an RFP for fixed price contracts to complete construction of the Phase 1 units and allow contractors the necessary time to submit their proposals;
- Review the proposals submitted by various contractors in response to the RFP; and
- Evaluate options to complete Phase 1 units or sell the Property "as is".

25. The Receiver believes that the 60 day extension will allow sufficient time for the Receiver to make an informed decision on how to maximize the return for the various stakeholders of Paintbrush.

26. MCAP supports the 60 day extension to the existing Order.

In its capacity as Interim Receiver of
Assured Development (Paintbrush) Ltd. and not in its personal capacity

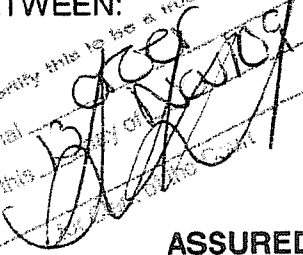


Per: Guy W. L. Odhams
Senior Vice President

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

BETWEEN:

I hereby certify this to be a true copy of
the original
Dated this 13th day of November 2009



MCAP FINANCIAL CORPORATION

Plaintiff

- and -

**ASSURED DEVELOPMENTS (PAINTBRUSH) LTD. AND
ASSURED DEVELOPMENTS LTD.**

Defendants

BEFORE THE HONOURABLE JUSTICE)

BE Mahoney)
IN CHAMBERS)

) AT THE CALGARY COURTS
) CENTRE, CALGARY, ALBERTA,
) ON FRIDAY, THE 13TH DAY OF
) NOVEMBER, 2009

ORDER FOR THE APPOINTMENT OF AN INTERIM RECEIVER

UPON THE EX-PARTE APPLICATION of the Plaintiff; AND UPON HEARING read the Affidavit of Joyce Halpenny, filed; AND UPON HEARING counsel for the Plaintiff; AND UPON HEARING that the Defendants are aware of the application and are in agreement with the relief requested;

IT IS HEREBY ORDERED THAT:

APPOINTMENT

1. Pursuant to Section 47 of the *Bankruptcy and Insolvency Act*, Alger & Associates Inc. is hereby appointed interim receiver (hereinafter referred to as "the Receiver"), without security, of those lands owned by the Defendant Assured Developments (Paintbrush) Ltd. (hereinafter referred to as "the Debtor"), the legal description of which are as follows:

CONDOMINIUM PLAN 0612453
UNIT 1
AND 1403 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE
COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

- and -

CONDOMINIUM PLAN 0612453
UNIT 2
AND 1776 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE
COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

- and -

CONDOMINIUM PLAN 0612453
UNIT 3
AND 942 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE
COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

- and -

CONDOMINIUM PLAN 0612453
UNIT 4
AND 1118 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE
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CONDOMINIUM PLAN 0612453
UNIT 5
AND 1159 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE
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- and -

CONDOMINIUM PLAN 0612453
UNIT 6
AND 1235 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE
COMMON PROPERTY
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- and -

CONDOMINIUM PLAN 0612453
UNIT 7
AND 1226 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE
COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

- and -

CONDOMINIUM PLAN 0814060
UNIT 16
AND 148 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE
COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

- and -

CONDOMINIUM PLAN 0814060
UNIT 17
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE
COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS,

as well as over all fixtures and chattels of the Debtor that may be present on the lands (hereinafter collectively referred to as the "Property").

RECEIVER'S POWERS

2. The Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, protect and be in control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable; and

- (c) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person"), shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's requests.

NO INTERFERENCE WITH THE RECEIVER

4. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, license or permit in favour of or held by the Debtor in relation to the Property, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

5. All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone

numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

LIMITATION ON ENVIRONMENTAL LIABILITIES

6. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
 - (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-section (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-section.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-section (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
 - (i) if, within such time as is specified in the order, within ten days after the order is made if no time is so specified, within ten days after the appointment of the Receiver if the order is in effect when the

Receiver is appointed, or during the period of the stay referred to in paragraph (i), the Receiver:

- A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
- (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in paragraph (i), within ten days after the order is made or within ten days after the appointment of the Receiver if the order is in effect when the Receiver is appointed, by
- A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

Nothing in this Order shall derogate from the protection afforded to the Receiver by Section 14.06 of the *Bankruptcy and Insolvency Act* or any other applicable legislation.

RECEIVER'S ACCOUNTS

7. Any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its

legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and shall form a first charge on the Property in priority to all security interests, trust, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (the "Receiver's Charge").

FUNDING OF THE RECEIVERSHIP

8. The Receiver is at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000.00 (or such greater amount as this Court made by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, up to a maximum interest rate of 7% per annum, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge.

9. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

10. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

GENERAL

11. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

12. Any interested party may apply to this Court to vary or amend this Order on not less than seven days' notice to the Receiver and to any other party likely to be affected by the Order sought or upon such other notice, if any, as this Court may order.

13. This Order shall expire thirty (30) days after its granting unless extended by further Court Order.

"BE Mahoney"
J.C.Q.B.A.

Entered this 13 day of
November, 2009.
K. MCAUSLAND



Clerk of the Court

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Alger & Associates Inc., the interim receiver (the "Receiver") of the Property (as defined in the Order) of Assured Developments (Paintbrush) Ltd. appointed by Order of the Court of Queen's Bench of Alberta (the "Court") dated the 13th day of November, 2009 (the "Order") made in action 0901-17015, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the ____ day of each month after the date hereof at a notional rate per annum equal to the rate of ____ percent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property (as defined in the Order) as authorized by the Order and as authorized by any further or other Order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under terms of the Order.

DATED the _____ day of November, 2009.

Alger & Associates Inc., solely in its capacity
as Receiver of the Property (as defined in the
Order), and not in its personal capacity

Per: _____

Name:

Title:

No. 0901-17015

**IN THE COURT OF QUEEN'S BENCH
OF ALBERTA**

JUDICIAL DISTRICT OF CALGARY

BETWEEN:

MCAP FINANCIAL CORPORATION

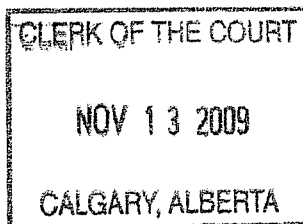
Plaintiff

- and -

**ASSURED DEVELOPMENTS
(PAINTBRUSH) LTD. AND ASSURED
DEVELOPMENTS LTD.**

Defendants

**ORDER FOR THE APPOINTMENT OF
AN INTERIM RECEIVER**



BISHOP & MCKENZIE LLP
Barristers and Solicitors
#1700, 530 – 8th Avenue, S.W.
Calgary, Alberta
T2P 3S8

Attention: Russell N. Avery
Phone: 403-237-5550

File No: 31,790-115 (RNA/sla)

District of: Alberta
Division No. 02 – Calgary
Court Acti No. 0901-17015

NOTICE AND STATEMENT OF INTERIM RECEIVER
(Subsections 245(1) and 246(1) of the Act)

**IN THE MATTER OF THE INTERIM RECEIVERSHIP OF
ASSURED DEVELOPMENTS (PAINTBRUSH) LTD.**

TAKE NOTICE THAT:

1. On the 13th day of November 2009, the undersigned, Alger & Associates Inc., was appointed Interim Receiver in respect of the specific property of Assured Developments (Paintbrush) Ltd. listed on Exhibit "A" attached hereto and generally described below:

<u>Assets</u>	<u>Estimated Net Book Value</u>
Land	\$ 3,378,180
Buildings	<u>11,711,362</u>
	<u>\$ 15,089,542</u>

2. The undersigned became Interim Receiver in respect of the property described above by virtue of being appointed by the Court of Queen's Bench of Alberta pursuant to the Order of the Court of Queen's Bench Action No. 0901-17015 ("the Order").
3. The undersigned took possession or control of the property described above on the 13th day of November 2009.
4. The following information relates to the interim receivership:
 - a) Address: 2020 – 10 Street NW, Calgary, Alberta
 - b) Principal line of business: Property development and construction
 - c) Location of business: Alberta
 - d) The amount owed to each secured creditor, as obtained from Company records, listed in the order of the dates of their registrations, is as follows:

MCAP Financial Corporation	\$ 10,648,241
Rose Finance Corp.	5,500,000
Assured Development Management Inc.	<u>1,850,000</u>
	<u>\$ 17,998,241</u>

- e) The list of other creditors including the amount owed to each is listed on Exhibit "B" attached hereto. The total amount due to these creditors is \$1,494,654.
- f) The intended plan of action of the Interim Receiver is to exercise the powers conveyed by Section 2 of the Order.
- g) Contact person for Receiver: David Lewis
Telephone No.: (403) 296-2974
Fax No.: (403) 296-2988
Email: dlewis@alger.ca

Court filed documents will be posted on our website at <http://www.alger.ca/assured/index.html>

DATED at Calgary, Alberta this 24th day of November, 2009

ALGER & ASSOCIATES INC.



Guy W.L. Odhams, CA•CIRP
Senior Vice President

1. Pursuant to Section 47 of the *Bankruptcy and Insolvency Act*, Alger & Associates Inc. is hereby appointed interim receiver (hereinafter referred to as "the Receiver"), without security, of those lands owned by the Defendant Assured Developments (Paintbrush) Ltd. (hereinafter referred to as "the Debtor"), the legal description of which are as follows:

CONDOMINIUM PLAN 0612453
UNIT 1
AND 1403 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE
COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

- and -

CONDOMINIUM PLAN 0612453
UNIT 2
AND 1776 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE
COMMON PROPERTY
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- and -

CONDOMINIUM PLAN 0612453
UNIT 3
AND 942 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE
COMMON PROPERTY
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- and -

CONDOMINIUM PLAN 0612453
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AND 1118 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE
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CONDOMINIUM PLAN 0814060
UNIT 16
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- and -

CONDOMINIUM PLAN 0814060
UNIT 17
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE
COMMON PROPERTY
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as well as over all fixtures and chattels of the Debtor that may be present on the lands
(hereinafter collectively referred to as the "Property").

<i>Creditor Name</i>	<i>Amount</i>
Unsecured creditors	
1. 740963 Alberta Ltd.	2,034.37
2. AC Cutting & Coring	3,932.78
3. All Board Drywall Inc.	20,780.25
4. Alpine Land Surveys Limited	11,935.36
5. Alpine Overhead Doors	2,407.14
6. Aqua Source	197.50
7. Assured Developments Ltd.	587,474.26
8. Ben's Tire, Brake & Alignment Ltd.	118.65
9. Big Dog Plumbing & Heating Ltd.	75,485.57
10. Big Horn Sheet Metal Ltd.	193.48
11. Bow Valley Basics	556.35
12. Bow Valley Kitchens Ltd.	2,294.72
13. British Painter Corporation	1,060.00
14. Cal-Gas Inc.	1,335.81
15. Calgary Architectural Models Ltd.	11,907.00
16. Canmore Courier and Transport	31.50
17. Canmore Glass & Screen (1988) Ltd.	2,602.76
18. Canmore Leader	70.56
19. Canmore Septic Tank Ltd.	2,627.78
20. Cascade Engineering Group	3,021.64
21. Colorworks Painting Inc.	2,443.88
22. Commerx Corporation	204.75
23. Competition Concrete Ltd.	7,588.86
24. Complete Investments Inc.	447.32
25. Creative Drywall & Plaster Inc.	58,833.74
26. Creative Zone	26,962.81
27. Curtis Engineering Associates Ltd.	4,234.12
28. Cuthbert Smith Consulting Partnership	3,319.05
29. Dannburg Floor Coverings	24,559.71
30. Delta Membrane Systems Ltd.	79.50
31. Direct Energy Regulated Services	28.64
32. Diversified Staffing	131.04
33. Epcor Energy Services Alberta	834.40
34. Executive Mat Service	260.89
35. Golder Associates Ltd.	102.95
36. Hags with Rags	1,375.50
37. Henry's Electric Service	55,774.92
38. I.G. Publications (Banff) Ltd.	2,008.12
39. Interframe Structures Inc.	64,999.93
40. Jano Construction	86,778.35

41.	JMB Waste Management	8,019.06
42.	Lafarge Canada Inc.	3,276.58
43.	Lux Windows and Glass Ltd.	20,132.10
44.	M Projects Inc.	3,662.50
45.	Mountain Engineering Ltd.	834.98
46.	Mr. Fireplace Ltd.	7,269.57
47.	My Canopy	3,689.90
48.	Nilson Welding	2,676.18
49.	NORR Architects Planners	9,502.66
50.	Opulence Magazine	3,045.00
51.	Oskar Construction Ltd.	96,232.39
52.	Parlee McLaws LPP	7,894.10
53.	Prairie Pride Construction	28,330.32
54.	Prestige Railings & Stairs Ltd.	12,326.17
55.	Priority 1 Security Inc.	11,095.87
56.	R Factor Insulation Ltd.	8,744.67
57.	Redpointe Media Group	5,040.00
58.	Ricoh Canada Inc.	47.91
59.	Rite-Way Fencing Inc.	1,719.90
60.	River City Woodworks Inc.	30,177.00
61.	Rocky Mountain Sundeck Ltd.	12,666.65
62.	RSM Richter LLP Chartered Accountants	2,257.50
63.	Shaw Cable	147.00
64.	Signature Lighting & Fans	1,936.15
65.	Sticks & Stones Design Group Inc.	56.23
66.	Summa Construction	8,972.78
67.	Target Paint Technologies Ltd.	2,995.98
68.	The Celtic Contracting Co. Ltd.	1,879.04
69.	Timbertown Building Centre Ltd.	20,145.08
70.	TLJ Engineering Consultants	3,675.00
71.	Tri-Star Woodworks Inc.	4,976.69
72.	Unicrete Products Ltd.	14,177.78
73.	Valley Building Materials Ltd.	21,101.25
74.	Venture Publishing Inc.	2,940.00
75.	W. Downer Holding Ltd.	26,904.83
76.	West Canadian Central Vac Installation	8,292.90
77.	Wolfpack Security	789.82
78.	ZyTech Building Systems Inc.	25,986.45
		<u>1,494,653.95</u>

Assured Developments (Paintbrush) Co-ownership

Balance Sheet

Prepared by Management (Unaudited)

As at November 26, 2009

ASSETS

CURRENT ASSETS:

Cash		\$	991
Cash in trust - deposits			563,620
GST refundable			18,603
			<u>583,214</u>

REAL ESTATE PROPERTIES:

Work in progress - Phase 1 Land	3,230,000		
Work in progress - Phase 1 Other costs	<u>8,019,241</u>		11,249,241
Work in progress - Phase 2 - 4 Land	6,410,000		
Work in progress - Phase 2 - 4 Other costs	<u>3,530,216</u>		9,940,216
Total Work in progress			<u>21,189,457</u>
			<u>\$21,772,671</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:

Accounts payable and accrued liabilities		\$	868,489
Accounts payable - Assured Developments Ltd.			1,838,212
Deposits received from customers			666,670
			<u>3,373,372</u>

LONG TERM LIABILITIES

Due to MCAP - Construction loan	6,270,433		
Due to MCAP - Land loan	<u>4,338,210</u>		10,608,643

Co-owners' net assets

			<u>7,790,657</u>
			<u>7,790,657</u>
			<u>\$21,772,671</u>

Assured Developments (Paintbrush) Co-ownership

Statement of Co-owners' Net Assets
Prepared by Management (Unaudited)
As at November 26, 2009

	Rose Canmore Paintbrush Limited <u>Partnership</u>	Assured Developments Management <u>Inc.</u>	<u>Total</u>
Balance, beginning of year	\$ 5,395,329	\$ 2,395,328	\$ 7,790,657
Contributions			
Net earnings			
Balance, end of period	<u>\$ 5,395,329</u>	<u>\$ 2,395,328</u>	<u>\$ 7,790,657</u>

Assured Development (Paintbrush) Ltd.
Statement of Receipts and Disbursements
For the period November 13, 2009 to December 7, 2009

Exhibit 4

to December 7

Receipts

Receiver Certificate	\$ 50,000
Total Receipts	\$ 50,000

Disbursements

Fees paid to registrar	\$ 100
GST paid on disbursements	1,184
Utilities	-
Security	22,828
Insurance	9,204
Computer Services	850
Receiver Fees	-
Total Disbursements	\$ 34,165

Net Cash flow	\$ 15,835
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Opening cash	-
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Closing cash	<u><u>\$ 15,835</u></u>
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