

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 at the Court

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
COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

- and -

CONDOMINIUM PLAN 0612453
UNIT 5
AND 1159 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE
COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

- and -

CONDOMINIUM PLAN 0612453
UNIT 6
AND 1235 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE
COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

- 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

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OF ALBERTA**

JUDICIAL DISTRICT OF CALGARY

BETWEEN:

MCAP FINANCIAL CORPORATION

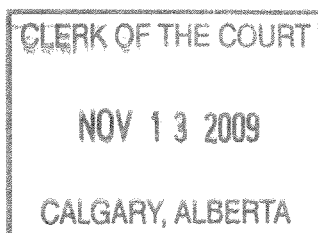
Plaintiff

- and -

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

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AN INTERIM RECEIVER**



BISHOP & McKENZIE LLP
Barristers and Solicitors
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T2P 3S8

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

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