

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

IN THE MATTER OF THE PROPOSAL OF  
844712 ALBERTA LTD.

AND IN THE MATTER OF THE PROPOSAL OF  
INVERIDGE DEVELOPMENT CORP.

BEFORE THE HONOURABLE ) At the Court House, in the City of Calgary, in the  
JUSTICE WILKINS IN CHAMBERS ) Province of Alberta, on October 27, 2006.

**ORDER**

UPON THE APPLICATION of 844712 Alberta Ltd. ("844") and Inveridge Development Corp. ("Inveridge"); AND UPON HEARING READ the Affidavit of Dennis Besler, filed; AND UPON HEARING SUBMISSIONS of Counsel for 844, Inveridge and other parties present at the application; AND UPON HEARING that Alger & Associates Inc. in its capacity as the trustee under the proposal ("Proposal Trustee") supports the application;

IT IS HEREBY ORDERED AS FOLLOWS:

1. Service of the Notice of Motion and supporting materials for this application is hereby deemed good and sufficient.
2. The within proceedings with respect to 844 and Inveridge, being Court/Estate Numbers 25-093465 and 25-093464 are hereby consolidated.
3. 844 and Inveridge are hereby authorized to borrow funds as set out in the term sheet attached as Exhibit "B" to the Affidavit of Dennis Besler from the lender identified therein (the "DIP Lender") in accordance with the terms set out in the term sheet (the

"DIP Financing") with the proviso that such borrowing is limited to \$75,000.00, subject to further order of this Court.

4. The repayment of the DIP Financing, together with all interest, fees, charges and other amounts payable in respect thereof, shall be secured by security against all of 844 and Inveridge's present and future property, including, without limitation, such further or other mortgages, charges, security interest, hypotecs, liens or other encumbrances from Inveridge or 844 as may be required by the DIP Lender (collectively, the "DIP Security"), and the DIP Security shall have priority over all other encumbrances against the said property.
5. 844 and Inveridge are hereby authorized and directed to execute and deliver to the DIP Lender, with the consent of the Proposal Trustee, such credit documents as the DIP Lender may require in require in connection with the DIP Financing, including the DIP Security.
6. The DIP Security shall rank prior to any and all other liens, charges, encumbrances or security of whatever nature or kind which may at any time exist with respect to the property of 844 and Inveridge other than any permitted encumbrances contemplated in respect to the DIP Financing.
7. Subject to the foregoing, all liens in favor of the Crown, federal and provincial, and all mortgages, liens, charges, or security interests in favor of any person created or granted before the date of this Order for advances made or obligations incurred prior to the date of this Order shall retain the same priorities as if this Order had not been made and any person whose security is effected by the foregoing provisions of this Order is at liberty to seek an order of this Court applying the doctrine of marshalling.
8. Notwithstanding:
  - (a) The pendency of these proceedings and the declarations of Insolvency made herein;
  - (b) The pendency of any petitions for receiving orders here to fore or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* in respect of 844 or Inveridge and any receiving order issued pursuant to any such petitions, and
  - (c) The provisions of any federal or provincial statute;

The obligations of 844 and Inveridge pursuant to the DIP Financing, the DIP Security and any documents delivered pursuant thereto shall constitute legal, valid and binding obligations of 844 and Inveridge enforceable against them in accordance with the terms thereof and any payments made by 844 and Inveridge to the DIP Lender herein or pursuant to the DIP Financing and the DIP Security do not and shall not be construed to constitute a fraudulent preference or other challengeable or reviewable transaction under any applicable law.

9. The security in favor of the DIP Lender in respect of the DIP Financing and the DIP Security shall be deemed to be valid and effective notwithstanding any negative covenant, prohibition or any other provision with respect to incurring debt or the creation

of liens or security contained in any existing agreement between 844 and Inveridge and other lenders.

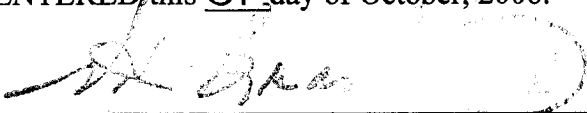
10. The DIP Lender shall be treated as an unaffected creditor in these proceedings, but the exercise of any remedy by the DIP Lender upon default by 844 or Inveridge under the terms of the DIP Financing or any document delivered pursuant thereto shall be stayed pursuant to the provisions of the *Bankruptcy and Insolvency Act*.
11. This Order and all future materials in these proceedings may be served on creditors by regular mail, fax or e-mail according to the records of Inveridge and 844, unless such creditors retain counsel in which case service may be effected on their counsel.
12. Subsequent to this Order, 844 and Inveridge are permitted to serve only any creditors who have requested service or notice of applications in these proceedings and any creditors particularly effected by the application in question, subject to the proviso that all creditors must be served with any materials relating to a meeting of creditors or a proposal put to creditors must be served on all creditors and subject to the further proviso that all materials shall be posted on the website of the Proposal Trustee.
13. Parties affected by this Order may make application to vary this Order on seven days notice to 844 and Inveridge and the Proposal Trustee.

" L.D. Wilkins "

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J.C.Q.B.A.

ENTERED this 31 day of October, 2006.



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Court/Estate No. 25-093465

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**ORDER**

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Burnet, Duckworth & Palmer LLP  
Barristers and Solicitors  
First Canadian Centre  
1400, 350 - 7th Avenue S.W.  
Calgary, Alberta T2P 3N9

Attention: Douglas S. Nishimura  
Phone: (403) 260-0269  
Fax: (403) 260-0332

File No. 63592-1

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