

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 Order dated 21st day of April 2005*  
*Plampin*  
for Clerk of the Court

**KENDAX INVESTMENTS INC.**

Applicant

and

**DONALD CARMICHAEL, 658051 ONTARIO LIMITED and  
KINGSCROFT INVESTMENTS LIMITED**

Respondents

BEFORE THE HONOURABLE  
JUSTICE K. M. HORNER  
IN CHAMBERS

) At the Court of Queen's Bench, at  
) Calgary, Alberta on Monday, the 21<sup>st</sup> day  
) of March, 2005.

**ORDER**

UPON THE APPLICATION of the Judicial Trustee; AND UPON the application of the Respondent for the appointment of condominium consultant; AND UPON hearing the submissions of Counsel for the Respondents, Counsel for certain beneficial owners and Counsel for the Judicial Trustee; AND UPON NOTING the submissions of Counsel for the Respondents that the Applicant and the Respondents are still attempting to negotiate a settlement of the within proceedings;

**IT IS HEREBY ORDERED THAT:**

1. The Order of this Honourable Court dated December 12, 2003 is hereby continued to June 30, 2005.
2. Notwithstanding paragraph 1, the Judicial Trustee is authorized and directed to make a further report to the beneficial owners and the purported beneficial owners to provide a

status update of the within proceedings (the "Report"), which report may include information about:

- (a) Events that have occurred since the last report of the Judicial Trustee dated April 5, 2004.
  - (b) The current role of the Judicial Trustee.
  - (c) Receipts and disbursements from the Properties, including professional fees expended to date.
  - (d) Monies currently held in trust by the Judicial Trustee.
  - (e) An overview of the within litigation including the possible settlement between the Applicant and the Respondents.
  - (f) Information about the replacement of the Sun Life Assurance Company of Canada first mortgage.
3. Counsel for the Respondents will be provided a copy of the Report in draft for his review at least one week before it is distributed to the beneficial owners and the purported beneficial owners.
  4. The Judicial Trustee shall bring an application for the advice and direction of this Honourable Court on or before June 30, 2005 in relation to the settlement negotiations of the Applicant and the Respondents, unless the Applicant or the Respondents have already brought an application in relation to their completed settlement.
  5. Notwithstanding paragraph 1, the Judicial Trustee is authorized and directed to take all necessary steps to put the condominium corporation in a proper state of affairs so that individual units may be refinanced or sold, including:
    - (a) retaining a condominium consultant or consultants (the "Consultant");
    - (b) preparing a reserve fund study;

(c) and such further and other steps as the Judicial Trustee and/or the Consultant may consider necessary.

6. Any expenditures properly made by the Judicial Trustee in relation to paragraph 5 shall be allowed to it in the passing of the accounts by this Court and shall form a charge on the Properties (as defined in the Order of Mr. Justice Cairns in the within proceedings dated January 22, 2003) in priority to the claims of all beneficial owners of the Properties and the claims of all creditors including secured creditors from the date hereof.

7. This Order may be approved by counsel in counterpart and by facsimile transmission.

*[Handwritten Signature]*  
I.C.C.Q.B.A.

ENTERED this \_\_\_\_\_ day of \_\_\_\_\_ 2005.

\_\_\_\_\_  
C.C.Q.B.A.

APPROVED AS TO FORM AND CONTENT:

BISHOP & MCKENZIE LLP

Per: *[Handwritten Signature]*  
Russ Avery  
Solicitors for the Respondents

MACLEOD DIXON LLP

Per: \_\_\_\_\_  
Hoops Harrison  
Solicitors for certain Beneficial Owners


(c) and such further and other steps as the Judicial Trustee and/or the Consultant may consider necessary.

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7. This Order may be approved by counsel in counterpart and by facsimile transmission.

"Karen Horner"  
I.C.C.Q.B.A.

ENTERED this 6 day of April 2005.

[Signature]  
C.C.Q.B.A. 

APPROVED AS TO FORM AND CONTENT:

BISHOP & MCKENZIE LLP

Per: \_\_\_\_\_  
Russ Avery  
Solicitors for the Respondents

MACLEOD DIXON LLP

Per: \_\_\_\_\_  
Hoops Harrison  
Solicitors for certain Beneficial Owners

Action No. 0201-13248

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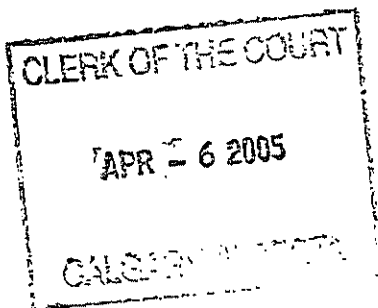
**DONALD CARMICHAEL, 658051 ONTARIO  
LIMITED and KINGSCROFT  
INVESTMENTS LIMITED**

Respondents

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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: Carla A. Murray  
Telephone: (403) 260-0326  
Fax: (403) 260-0332

File No. 58585-1

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