



Clerk's stamp:

COURT FILE NUMBER 1001-07852  
COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND THE JUDICATURE ACT, R.S.A. 2000, c. J-2, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MEDICAN HOLDINGS LTD., MEDICAN DEVELOPMENTS INC., R7 INVESTMENTS LTD., MEDICAN CONSTRUCTION LTD., MEDICAN CONCRETE INC., 1090772 ALBERTA LTD., 1144233 ALBERTA LTD., 1344241 ALBERTA LTD., 9150-3755 QUEBEC INC., AXCESS (GRANDE PRAIRIE) DEVELOPMENTS LTD., AXCESS (SYLVAN LAKE) DEVELOPMENTS LTD., CANVAS (CALGARY) DEVELOPMENTS LTD., ELEMENTS (GRANDE PRAIRIE) DEVELOPMENTS LTD., HOMES BY KINGSLAND LTD., LAKE COUNTRY (SITARA) DEVELOPMENTS LTD., MEDICAN (EDMONTON TERWILLEGAR) DEVELOPMENTS LTD., MEDICAN (GRANDE PRAIRIE) HOLDINGS LTD., MEDICAN (KELOWNA MOVE) DEVELOPMENTS LTD., MEDICAN (LETHBRIDGE – FAIRMONT PARK) DEVELOPMENTS LTD., MEDICAN (RED DEER – MICHENER HILL) DEVELOPMENTS LTD., MEDICAN (SYLVAN LAKE) DEVELOPMENTS LTD., MEDICAN (WESTBANK) DEVELOPMENT LTD., MEDICAN (WESTBANK) LAND LTD., MEDICAN CONCRETE FORMING LTD., MEDICAN DEVELOPMENTS (MEDICINE HAT SOUTHWEST) INC., MEDICAN ENTERPRISES INC. / LES ENTREPRISES MEDICAN INC., MEDICAN EQUIPMENT LTD., MEDICAN FRAMING LTD., MEDICAN GENERAL CONTRACTORS LTD., MEDICAN GENERAL CONTRACTORS 2010 LTD., RIVERSTONE (MEDICINE HAT) DEVELOPMENTS LTD., SANDERSON OF FISH CREEK (CALGARY) DEVELOPMENTS LTD., SIERRAS OF EAUX CLAIRES (EDMONTON) DEVELOPMENTS LTD., SONATA RIDGE (KELOWNA) DEVELOPMENTS LTD., SYLVAN LAKE MARINA DEVELOPMENTS LTD., THE ESTATES OF VALLEYDALE DEVELOPMENTS LTD., THE LEGEND (WINNIPEG) DEVELOPMENTS LTD., and WATERCREST (SYLVAN LAKE) DEVELOPMENTS LTD. (THE PETITIONERS)**

DOCUMENT ORDER

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT



**FRASER MILNER CASGRAIN LLP**  
Bankers Court  
15<sup>th</sup> Floor, 850 - 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 0R8  
**Attention: David W. Mann / Rebecca L. Lewis**  
Ph. (403) 268-7097/6354 Fx. (403) 268-3100  
File No.: 166677-83

DATE ON WHICH ORDER WAS PRONOUNCED: March 31, 2011  
LOCATION WHERE ORDER WAS PRONOUNCED: CALGARY  
NAME OF JUDGE WHO MADE THIS ORDER: JUSTICE K.M. HORNER

I hereby certify this to be a true copy of the original Order  
Dated this 31 day of March 2011  
[Signature]  
for Clerk of the Court

**ORDER**  
**(STALKING HORSE)**

**UPON** the application of the Petitioners in these proceedings (collectively, the "**Medican Group**"); **AND UPON** having read the Application of the Petitioners, dated March 25, 2011, the Affidavit of Tyrone Schneider, sworn March 25, 2011 (the "**Extension Affidavit**"), the Ninth Report of the Monitor, dated March 25, 2011, the Affidavit of Gail Wheatley, sworn March 31, 2011 (the "**Service Affidavit**"), all filed, and such other material in the pleadings and proceedings as deemed necessary; **AND UPON** hearing counsel for the Medican Group, counsel for the Monitor, and other interested parties;

IT IS HEREBY ORDERED THAT:

***Service***

1. The time for service of notice of this application is abridged to the time actually given and service of the Application and supporting material as described in the Service Affidavit is good and sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.
  2. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Initial Order granted in these proceedings on May 26, 2010 (the "**Initial Order**").
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***Approval of the Sales Procedure and Solicitation Process***

3. The Offer to Purchase among Spider Electric Ltd. and R7 Investments Ltd. dated March 25, 2011 (the "**Spider Offer**") including the Break Fee (as that term is defined therein) to sell the lands legally defined as Plan 9011188, Block 3, Lots 3 & 4 and all appurtenances thereto (the "**Lands**"), be and is hereby approved, and the Spider Offer shall form the Stalking Horse Bid.
4. The Medican Group and the Monitor are hereby authorized and directed to accept the Spider Offer, continue listing the Lands, and proceed with the procedure outlined in the Sales Procedure attached hereto as Schedule "A" (the "**Sales Procedure**") and do all such things as are reasonably necessary to carry out their respective obligations thereunder and give full effect to the Sales Procedure.

***Miscellaneous***

5. The Sales Procedure may be altered or amended by the Monitor in a non-substantive manner to give full or better effect to the sales procedure approved hereby.
6. The Medican Group shall serve, by courier, facsimile transmission, e-mail transmission, or ordinary post, a copy of this Order on all parties present at this application and on all parties who received notice of this application or who are presently on the service list established in these proceedings, and service on any or all other parties is hereby dispensed with. Service effected as aforesaid shall be good and sufficient service.

"K.M. Horner"

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Justice of the Court of Queen's Bench of Alberta

**SCHEDULE "A"**  
**TO THE STALKING HORSE ORDER**

**Medican Group of Companies – Sales Procedure**

**R7 Investments Ltd.**

Overview of contemplated sales procedure (the "**Sale Process**") for the Commercial Office Building municipally located at 1870 6 Avenue, Medicine Hat, Alberta and legally described as Plan No. 9011188, Block 3, Lots 3 & 4, and all appurtenances thereto (the "**Lands**"):

1. The Offer to Purchase the Lands by Spider Electric Ltd. ("**Spider**") dated March 25, 2011 (the "**Spider Offer**"), is a "Stalking Horse" bid and the Spider Offer may be utilized by the Vendor in conjunction with it continuing to list the lands and sell the Lands on terms and conditions that are (a) no less favourable, (b) no more burdensome or conditional, and (c) except for purchase consideration greater than the Purchase Consideration, substantially similar to the Spider Offer.
2. The Company will continue to list the Lands pursuant to an MLS listing agreement with Remax.
3. The Spider Offer will be made available to all potential purchasers.

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4. The Monitor and the Company will facilitate site visits for prospective purchasers.
5. A potential purchaser ("**Competing Bidder**") who wishes to acquire the Lands shall submit its offer – in form and substance substantially similar to the Spider Offer - to the Monitor no later than noon on April 30, 2011, which offer shall provide:
  - (a) a deposit of not less than 10% of that offer's total consideration,
  - (b) a closing time of not later than May 30, 2011,
  - (c) the purchase consideration to be in excess of the current purchase price of \$1.5 million by an amount equal to at least the Break Fee plus any realtor commissions payable, and
  - (d) an option for the Vendor to occupy the Lands on terms no less favourable than the Option,(a "**Competing Bid**").
6. If the Monitor receives a Competing Bid then, in its sole and unfettered discretion:
  - (a) the Monitor may ask any or all Competing Bids (including Spider) to submit a further bid,
  - (b) the Monitor may conduct an auction for the Lands, whereby all Competing Bidders and Spider would bid on the Lands,
  - (c) the most favourable bid shall be selected as the successful bidder (the "**Successful Bidder**"), and

- (d) the Closing Time (as defined in the Spider Offer) shall be extended by not more than ten Business Days.
7. The Medican Group and the Monitor shall seek a vesting Order as soon as reasonably practicable after:
    - (a) A successful bidder is selected by the Monitor, or
    - (b) If there is no competing bidder, April 30, 2011.
  8. The sale of the Lands will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Monitor, the Medican Group or any of their agents, estates, advisors, professionals or otherwise.
  9. Spider shall be entitled to a fee (the "Break Fee"), secured against the purchase consideration provided by the Successful Bidder in an amount equal to \$100,000, which is fair and reasonable compensation to Spider for its costs and providing the Spider Offer.
  10. In the event of any conflict between this Sales Procedure and the Spider Offer, this Sales Procedure shall prevail.
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