

Clerk of the Court
CLERK OF THE COURT
FEB 24 2011
CALGARY, ALBERTA

COURT FILE NUMBER
COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE

1001-07852
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)

I hereby certify this to be a true copy of
the original ORDER
Dated this 24 day of FEB, 2011
B. Mann
for Clerk of the Court

DOCUMENT

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT



FRASER MILNER CASGRAIN LLP
Bankers Court
15th Floor, 850 - 2nd 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.: 526686-1

DATE ON WHICH ORDER WAS PRONOUNCED: FEBRUARY 2, 2010
LOCATION WHERE ORDER WAS PRONOUNCED: CALGARY
NAME OF JUDGE WHO MADE THIS ORDER: JUSTICE K.M. HORNER

APPROVAL AND VESTING ORDER
(Legend at Creek Bend)

UPON the application of the Petitioners in these proceedings (collectively, the "**Medican Group**"); **AND UPON** having read the Application by the Petitioners, dated January 28, 2011, the Affidavit of Tyrone Schneider dated January 28, 2011 (the "**Schneider Affidavit**"), the Affidavit of Ronica Cameron dated February 1, 2011 (the "**Service Affidavit**"), the Eighth Monitor's Report, dated January 28, 2011, all filed, and such other material in the pleadings and proceedings as are deemed necessary; **AND UPON** hearing counsel for the Medican Group, the Monitor, and other interested parties;

IT IS HEREBY ORDERED AND DECLARED 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 Order granted by Madam Justice K.M. Horner in this Action dated May 26, 2010 (the "**Initial Order**"), and the following terms shall have the following meaning:
 - (a) "**Lands**" means the lands legally described in Schedule "A" hereto;
 - (b) "**Property**" means all of The Legend (Winnipeg) Developments Ltd.'s right, title and interest in and to the undertaking, property and assets known as the Legend at Creek Bend located in Winnipeg, Manitoba, including the Lands, and including the assets comprising the "**Project**" as that term is defined in the Purchase and Sale Agreement;
 - (c) "**Purchase and Sale Agreement**" means the agreement in writing respecting the sale of a Property from the Medican Group to the Purchaser, as amended by the Statement of Adjustments, attached as Exhibit "B" to the Schneider Affidavit;
 - (d) "**Purchaser**" means 6020658 Manitoba Ltd., or its nominee; and
 - (e) "**Statement of Adjustments**" means the statement of adjustments with respect to the Purchase and Sale Agreement, attached as Exhibit "C" to the Schneider Affidavit.

Approval of Sale and Vesting of the Legends of Creek Bend

3. The conveyance of the Property to the Purchaser pursuant to the Purchase and Sale Agreement and the Statement of Adjustment be and is hereby authorized and approved.
4. The deposits paid by purchasers of condominium units in Phase III of the Project pursuant to purchase and sale agreements ("**Pre-Purchase Agreements**") shall be maintained in accordance with the terms of the Pre-Purchase Agreements.

5. The Medican Group and the Monitor are hereby authorized and directed to execute all deeds, documents, and agreements, and to do all things reasonably necessary to complete the conveyance of the Property and carry out the terms of this Order.
6. Upon the Monitor delivering a certificate (the "Monitor's Certificate") certifying that the sale of the Property has closed substantially in accordance with the terms of the Purchase and Sale Agreement and the Statement of Adjustments, and the required sum outlined in the Statement of Adjustments has been tendered to the Medican Group, then
 - (a) the Property shall be vested in the name of the Purchaser free of all estate, right, title, interest, royalty, rental, and equity of redemption of the Medican Group and all persons who claim by, through or under the Medican Group in respect of the Property subject only to the permitted encumbrances outlined in Schedule "B" of this Order (the "Permitted Encumbrances");
 - (b) the Medican Group and all persons who claim by, through or under the Medican Group in respect of the Property, save and except the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental, and equity of redemption of the Property and, to the extent that any such person remains in possession or control of any of the Property, they shall forthwith deliver possession of same to the Purchaser or its nominee;
 - (c) the Purchaser shall be entitled to enter into and upon, hold and enjoy the Property for its own use and benefit without any interference of or by the Medican Group, or any person claiming by or through or against the Medican Group; and
 - (d) the Registrar of the Winnipeg Land Titles Office shall register the Lands in the name of the Purchaser and issue certificates of title to the Purchaser, cancel all prior titles in respect of the Lands, and discharge all encumbrances in respect of the Lands except the Permitted Encumbrances.
7. The Balance of Cash to Close and the Deposit Paid, as described in the Statement of Adjustments, and the amounts held in trust by Fraser Milner Casgrain LLP collected in respect of the charge referenced in paragraph 6(d) of the MCAP Charge Order (as herein defined), for the benefit of Michael Shawn Carry, shall be held in trust with Fraser Milner Casgrain LLP until MCAP Financial Corporation ("MCAP") has received either (i) payment in respect of the MCAP Loan Balance as outlined in the Statement of Adjustments, or (ii) other arrangements, satisfactory to MCAP, in respect of the retirement of such loan have been made.
8. The Medican Group is authorized and empowered, in respect of the Property, to execute and deliver: (a) such additional, related and ancillary documents and assurances governing or giving effect to the conveyance of the Property, which, in the Medican Group's discretion are reasonably necessary or advisable to conclude the transactions contemplated in or in furtherance of the transfer of the Property and/or this Order; and (b) any and all instruments and documents in respect of the Property as may be required by the Registrar of the Land Titles Office of Manitoba or deemed necessary by the Medican Group, and the Registrar is hereby directed, notwithstanding any statutory restrictions on land registration, to effect registration of any such instrument or document so executed by the Medican Group or its solicitors.

9. Upon the filing of the Monitor's Certificate, the Monitor may discharge, or authorize the discharge of, any security registration or registrations in the Personal Property Registry of the Province where the Property is located as may be required to properly convey clear title of the Property to the Purchaser.
10. This Court hereby requests the aid and recognition (including assistance pursuant to Section 17 of the CCAA, as applicable) of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada in carrying out the terms of this Order and the Purchase and Sale Agreement.

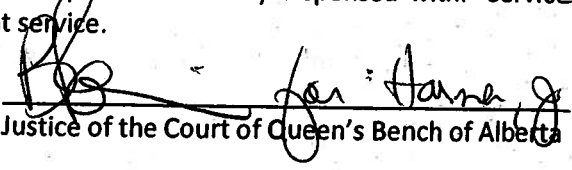
Amendment to the MCAP Charge Order

11. The Order granted by this Court in these proceedings on June 25, 2010 known as the "(MCAP Charge) Order" (the "MCAP Charge Order") is hereby amended by deleting paragraphs 6 and 10 of the MCAP Charge Order.

Miscellaneous

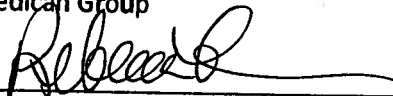
12. Any conveyance or transfer of Property made pursuant to the provisions of this Order shall be valid and enforceable and not be rendered invalid or unenforceable and the rights and remedies of the parties thereto shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declaration of insolvency made herein; (ii) any Bankruptcy Order sought or issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) ("BIA") in respect of any of the Petitioners; or (iii) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing agreement, lease, sub-lease, offer to lease or other arrangement which binds any of the Petitioners (a "Third Party Agreement"), and notwithstanding any provision to the contrary in any Third Party Agreement:
 - (a) the transaction contemplated hereby shall not create or be deemed to constitute a breach by any of the Petitioners of any Third Party Agreement to which they are a party; and
 - (b) the Purchaser shall not have liability to any person whatsoever as a result of any breach of any Third Party Agreement cause by or resulting from the creation, execution, delivery or performance of any transaction contemplated hereby.
13. Notwithstanding (i) the pendency of these proceedings and the declaration of insolvency made herein, (ii) any Bankruptcy Order sought or issued pursuant to the BIA in respect of any of the Petitioners, and (iii) the provisions under the BIA, or any other applicable federal or provincial legislation or common law, the Purchase and transaction contemplated hereby shall constitute legal, valid and binding obligations of the Petitioners enforceable against them in accordance with the terms thereof, and no transaction contemplated herein will be void or voidable at the instance of creditors and claimants and do not constitute nor shall they be deemed to constitute settlements, fraudulent preferences, assignments, fraudulent conveyances, oppressive conduct, or other reviewable transactions under the BIA, or any other applicable federal or provincial legislation or common law.

14. The Medican Group, the Monitor, the Purchaser, or any interested party may apply to this Court for advice and direction on notice to any party likely to be affected by the Order sought or on such notice as this Court directs.
15. 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 affected as aforesaid shall be good and sufficient service.


Justice of the Court of Queen's Bench of Alberta

APPROVED AS TO THE ORDER GIVEN
THIS 22 DAY OF February, 2011

FRASER MILNER CASGRAIN LLP, Solicitor for the
Medican Group

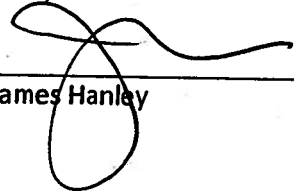


David Mann / Rebecca Lewis

MACLEOD DIXON LLP, Solicitor for RSM Richter
Inc.

Howard Gorman / Kevin Barr

MacDonald Hanley, Solicitor for Michael Shawn
Carry



Dr. James Hanley

KENNEDY AGRIOS LLP, Solicitor for MCAP
Financial Corporation

Ronald Haggett

TAYLOR MCCAFFREY LLP, Solicitor for 6020658
Manitoba Ltd.

Tim Kurbis

DUNCAN & CRAIG LLP, Solicitor for The National
Home Warranty Program

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Justice of the Court of Queen's Bench of Alberta

APPROVED AS TO THE ORDER GIVEN
THIS 16 DAY OF February, 2011

FRASER MILNER CASGRAIN LLP, Solicitor for the
Medican Group

David Mann / Rebecca Lewis

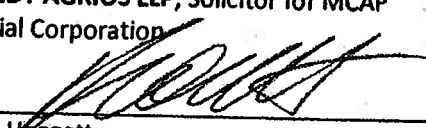
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Justice of the Court of Queen's Bench of Alberta

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THIS ____ DAY OF February, 2011

FRASER MILNER CASGRAIN LLP, Solicitor for the
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David Mann / Rebecca Lewis

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Manitoba Ltd.

Howard Gorman / Kevin Barr

Tim Kurbis - *H. J. Lucas*

MacDonald Hanley, Solicitor for Michael Shawn
Carry

DUNCAN & CRAIG LLP, Solicitor for The National
Home Warranty Program

James Hanley

Brian Wallace

SCHEDULE "A"
THE LANDS

PHASE II

Unit 3 Condominium Plan 50237 WLTO together with an undivided 1.94% interest in the common elements as appurtenant thereto. Subject to all entries set out on the Title of Winnipeg Condominium Corporation No. 665 (suite 122)

Unit 5 Condominium Plan 50237 WLTO together with an undivided 2.06% interest in the common elements as appurtenant thereto. Subject to all entries set out on the Title of Winnipeg Condominium Corporation No. 665 (suite 126)

Unit 8 Condominium Plan 50237 WLTO together with an undivided 2.08% interest in the common elements as appurtenant thereto. Subject to all entries set out on the Title of Winnipeg Condominium Corporation No. 665 (suite 127)

Unit 9 Condominium Plan 50237 WLTO together with an undivided 1.36% interest in the common elements as appurtenant thereto, Subject to all entries set out on the Title of Winnipeg Condominium Corporation No. 665 (suite 125)

Unit 12 Condominium Plan 50237 WLTO together with an undivided 1.20% interest in the common elements as appurtenant thereto. Subject to all entries set out on the Title of Winnipeg Condominium Corporation No. 665 (suite 117)

Unit 13 Condominium Plan 50237 WLTO together with an undivided 2.08% interest in the common elements as appurtenant thereto. Subject to all entries set out on the Title of Winnipeg Condominium Corporation No. 665 (suite 115)

Unit 18 Condominium Plan 50237 WLTO together with an undivided 2.06% interest in the common elements as appurtenant thereto. Subject to all entries set out on the Title of Winnipeg Condominium Corporation No. 665 (suite 226)

Unit 29 Condominium Plan 50237 WLTO together with an undivided 2.25% interest in the common elements as appurtenant thereto. Subject to all entries set out on the Title of Winnipeg Condominium Corporation No. 665 (suite 320)

Unit 38 Condominium Plan 50237 WLTO together with an undivided 2.01% interest in the common elements as appurtenant thereto. Subject to all entries set out on the Title of Winnipeg Condominium Corporation No. 665 (suite 321)

Unit 44 Condominium Plan 50237 WLTO together with an undivided 2.25% interest in the common elements as appurtenant thereto. Subject to all entries set out on the Title of Winnipeg Condominium Corporation No. 665 (suite 420)

Unit 51 Condominium Plan 50237 WLTO together with an undivided 1.36% interest in the common elements as appurtenant thereto. Subject to all entries set out on the Title of Winnipeg Condominium Corporation No. 665 (suite 425)

Unit 54 Condominium Plan 50237 WLTO together with an undivided 1.59% interest in the common elements as appurtenant thereto. Subject to all entries set out on the Title of Winnipeg Condominium Corporation No. 665 (suite 419)

PHASE III

Lot 1 Plan 45674 WLTO, in RL 140 Parish of St. Norbert

SCHEDULE "B"
PERMITTED ENCUMBRANCES

Caveat No.'s 223700 (MTS), 3389072 (City of Winnipeg Development Agreement), 3473170 (Manitoba Hydro/MTS easement), and 3515704 (City of Winnipeg easement); Easement Declaration No. 3389073 (Legend cross-easement); Mortgage No. 3703217, Caveat No 3703218 and Personal Property Security Notice No. 3703219; Registration No. 3403622 and Postponement of Rights no. 3710628; Mortgage No. 3904305 (Trades Trustee Mortgage) and Transfer of Mortgage No. 4034474.