

I hereby certify this to be a true copy of
the original Order
Dated this 30th day of Sept 2010

Action No. 1001-07852

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE OF 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

BEFORE THE HONOURABLE)
MADAM JUSTICE K.M. HORNER)
IN CHAMBERS)

At the Courts Centre in the City of Calgary,
in the Province of Alberta, on Thursday, the
30th day of September, 2010

ORDER

(1554670 Charge – Lethbridge Fairmont Park Project)

UPON the application of the Petitioners in these proceedings (collectively, the “**Medican Group**”); AND UPON having read the Notice of Motion of the Petitioners, dated September 29, 2010, the Affidavit of Tyrone Schneider, dated September 29, 2010 (the “**Schneider Affidavit**”), the Supplement to the Sixth Report of the Monitor, dated September 29, 2010, the Affidavit of Ronica Cameron, dated September 30, 2010 (the “**Service Affidavit**”), to be filed, and such

other material in the pleadings and proceedings as deemed necessary; **AND UPON** hearing counsel for the Medican Group, counsel for the proposed financier, 1554670 Alberta Ltd. (“**1554670**”), counsel for the Monitor, and other interested parties; **AND UPON NOTING** that the holders of the DIP Lender’s Charge, the Administration Charge, and the Directors’ Charge all consent to the relief sought hereunder; **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 Notice of Motion 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**”).

Approval of the 1554670/Fairmont Park Financing Agreement

3. The financing agreement among 1554670 and the Medican Group, dated September 29, 2010 and attached as Exhibit “C” to the Schneider Affidavit (the “**1554670/Fairmont Park Financing Agreement**”) is hereby approved.

4. The Medican Group and the Monitor are hereby authorized and directed to do all things reasonably necessary to implement, and perform all of their respective obligations under, the 1554670/Fairmont Park Financing Agreement.

Approval of the 1554670/Fairmont Park Charge

5. As security for monies advanced by 1554670 to the Medican Group pursuant to the 1554670/Fairmont Park Financing Agreement, a charge is hereby granted on all of the undertaking, property and assets of Medican (Lethbridge – Fairmont Park) Developments Ltd. used on, in, or in connection with the development project known as Lethbridge Fairmont Park in Lethbridge, Alberta (the “**Lethbridge Fairmont Park Project**”) in favour of 1554670 (the “**1554670/Fairmont Park Charge**”) ranking in priority to the DIP Lender's Charge, the Administration Charge, and the Directors’ Charge.

6. The Medican Group is hereby authorized to receive the Advance, as that term is defined in the 1554670/Fairmont Park Financing Agreement, in accordance with the terms of the 1554670/Fairmont Park Financing Agreement and acquire the Lands (as described in the Schneider Affidavit).

Miscellaneous

7. The 1554670/Fairmont Park Financing Agreement and the 1554670/Fairmont Park Charge 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) (the “BIA”) in respect of any of the Medican Group or any assignment in bankruptcy made or deemed to be made in respect of any of the Medican Group; 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 Medican Group (a “**Third Party Agreement**”), and notwithstanding any provision to the contrary in any Third Party Agreement:

- (a) neither the creation of the 1554670/Fairmont Park Financing Agreement, the creation of the 1554670/Fairmont Park Charge, nor the execution, delivery or performance of the 1554670/Fairmont Park Financing Agreement shall create or be deemed to constitute a breach by any of the Medican Group of any Third Party Agreement to which it is a party; and
- (b) the parties to the 1554670/Fairmont Park Financing Agreement shall not have liability to any person whatsoever as a result of any breach of any Third Party Agreement caused by or resulting from the creation of the 1554670/Fairmont Park Charge or the execution, delivery or performance of the 1554670/Fairmont Park Financing Agreement.

8. Notwithstanding: (i) the pendency of these proceedings and the declaration of insolvency made in these proceedings, (ii) any Bankruptcy Order sought or issued pursuant to the BIA in respect of any of the Applicants or any assignment in bankruptcy made or deemed to be made in

respect of any of the Applicants, and (iii) the provisions of any federal or provincial statute, the 1554670/Fairmont Park Financing Agreement and the 1554670/Fairmont Park Charge shall constitute legal, valid and binding obligations of the Medican Group enforceable against them in accordance with the terms thereof, and the payments made by the parties pursuant to this Order, the 1554670/Fairmont Park Financing Agreement, or the 1554670/Fairmont Park Charge do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions or conduct meriting an oppression remedy under any applicable law, and shall not constitute advances under *The Builders' Liens Act* (Alberta) nor be subject to any builders' lien registered at the date of this Order or thereafter.

9. Notwithstanding any other provision of this Order, the rights and remedies of the parties under the 1554670/Fairmont Park Financing Agreement shall be subject to the terms of this Order, the Initial Order, including the stay of proceedings, and all other Orders made in these proceedings.

10. No action or proceeding may be commenced against a party to the 1554670/Fairmont Park Financing Agreement by reason of any such party having entered into the 1554670/Fairmont Park Financing Agreement or having performed the obligations thereunder without leave of this Court having been obtained on seven days notice to such party, the Medican Group, and the Monitor.

11. The Medican Group, 1554670 and the Monitor or any party to the 1554670/Fairmont Park Financing Agreement are at liberty to apply for such further advice, assistance and direction as may be necessary to give full force and effect to the terms of this Order.

12. 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. Homer"

J.C.Q.B.A.

ENTERED this ³⁰ day of September, 2010

A. Depetich



CLERK OF THE COURT

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**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
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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
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WATERCREST (SYLVAN LAKE) DEVELOPMENTS LTD.**

The Petitioners

ORDER

(1554670 Charge - Lethbridge Fairmont Park Project)

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CLERK OF THE COURT

SEP 30 2010

CALGARY, ALBERTA