

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

NOTICE OF MOTION

TAKE NOTICE that an application will be made on behalf of the Petitioners in these proceedings (collectively, the "**Medican Group**" or the "**Applicants**") before the Honourable Justice K.M. Horner, in Chambers, at the Calgary Courts Centre, 601 - 5th Street SW, in the City of Calgary, Province of Alberta on Thursday, the 30th day of September, 2010 at 1:00 o'clock in the afternoon or so soon thereafter as counsel may be heard, for the following relief:

1. Declaring service of notice of this application and the supporting materials to be good and sufficient, and abridging the time therefor, if necessary.
2. An Order, substantially in the form of the Order attached hereto as Schedule "A":

- (a) approving the financing arrangement between Homes by Kingsland Ltd. ("**Kingsland**") and 1554670 Alberta Ltd. ("**1554670**") outlined in the 1554670 Financing Agreement, as defined in the Affidavit of Tyrone Schneider, sworn September 27, 2010 (the "**Schneider Affidavit**"), with respect to Kingsland and the Edgewood Brooks Project, as defined in the Schneider Affidavit;
 - (b) authorizing the Medican Group to perform all of its obligations under the 1554670 Financing Agreement with respect to the Edgewood Brooks Project;
 - (c) granting the 1554670 Charge, as defined in the Schneider Affidavit, over the Edgewood Brooks Project, and ranking in priority to the DIP Lender's Charge, the Administration Charge and the Directors' Charge, as defined in the Initial Order (the "**Initial Order**") granted in these proceedings on May 26, 2010 (the "**CCAA Charges**"); and
 - (d) authorizing the use of the first advance made under the 1554670 Financing Agreement to pay out existing creditors of the Edgewood Brooks Project.
3. Orders, substantially in the form attached hereto as Schedules "B" and "C", seeking bid procedures in respect of:
- (a) Phases 2 & 3 of the Riverstone Project, as defined in the Schneider Affidavit; and
 - (b) the Sonata Ridge Project, as defined in the Schneider Affidavit,

by which the Medican Group can solicit offers to purchase those properties (the "**Bid Procedure Orders**").

4. An Order, substantially in the form of Order attached hereto as Schedule "D", approving the credit bid and the sale and transfer of Phases 2 & 3 of the Axxess Sylvan Lake Project, as defined in the Schneider Affidavit, to Monarch Land Ltd. ("**Monarch**").

5. An Order, substantially in the form of the Order attached hereto as Schedule "E", approving the sale of commercial property (the "**7th Street Property**") held by R7 Investments

Ltd. ("R7") to Memory Lane Computer Training Inc. (formerly 937335 Alberta Ltd.), doing business as Cypress College ("**Cypress College**").

6. An Order, substantially in the form of Order attached hereto as Schedule "F", approving the sale of a condominium unit by R7 to Gerald and Marjory Kornelson.

7. An Order, substantially in the form attached hereto as Schedule "G", for the following relief:

- (a) granting an extension to the Stay Period granted in these proceedings under the provisions of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**") from the current expiry date of September 30, 2010 to December 2, 2010;
- (b) allowing the late claim of Condominium Corporation Plan No. 9812578 to be filed in these proceedings, notwithstanding that the claim was filed after the Claims Bar Date, as defined in the Claims Procedure Order granted in these proceedings on June 11, 2010;
- (c) approving an extension to the DIP arrangement with Paragon Capital Corporation Ltd.; and
- (d) increasing the Administration Charge by \$750,000.

8. Such further and other relief as counsel may advise and this Honourable Court deems just.

AND FURTHER TAKE NOTICE that the grounds for this application are as follows:

The Edgewood Brooks Project

1. The Edgewood Brooks Project is a Development Project that comprises a two phase town house development project located in Brooks, Alberta.

2. The Medican Group has received an offer to finance the completion of the Edgewood Brooks Project by making available up to \$633,000 to complete the Project. The first advance of

this facility would be used to pay \$196,000 in favour of all the existing creditors of the Edgewood Brooks Project who are critical to the completion of the Project.

3. The terms of the proposed financing is, in the view of the Medican Group and its advisors, fair, reasonable, and necessary for the Medican Group to maximize value for its stakeholders.

4. The proposed financing is necessary to complete the Edgewood Brooks Project, and is consistent with the Medican Group's efforts to work with the Monitor, and its creditors, to finance and complete uncompleted development projects where it is anticipated there is recoverable value for the Medican Group's stakeholders – in this case approximately \$65,000.

5. The Monitor approves the proposed financing and the 1554670 Charge Order, and supports this application.

6. The beneficiaries of the CCAA Charges all consent to the relief sought under the 1554670 Charge Order, as do the secured lenders to Edgewood Brooks Project.

The Bid Procedure Orders

7. The Medican Group, in consultation with the Monitor, has determined that some uncompleted development projects will not lead to a higher recoverable value for the stakeholders upon completion than they would through a sales process. In particular, the Medican Group and the Monitor have determined that Phases 2 & 3 of the Riverstone Project and the Sonata Ridge Project should be sold through an orderly bid process.

8. The Medican Group, with the assistance of the Monitor, has developed a sales procedure whereby certain uncompleted development projects will be offered for sale through a bid process overseen by the Monitor.

9. The Bid Procedure Orders contemplate a request for bids, negotiations with certain potential and qualified bidders, and the selection of a successful bidder with the consultation and approval of the Monitor.

10. The terms of the Bid Procedure Orders are, in the view of the Medican Group and its advisors, fair, reasonable, and necessary for the Medican Group to maximize value for its stakeholders.

11. The Monitor approves the Bid Procedure Orders and supports this application.

The Axxess Sylvan Lake Transfer/Sale

12. The Medican Group, with the assistance of the monitor, implemented a sales procedure with respect to Phases 2 & 3 of the Axxess Sylvan Lake Project. The sales procedure did not result in any bids.

13. Monarch has agreed to acquire the Phases 2 & 3 of the Axxess Sylvan Lake Project on the following terms and conditions:

- (a) the outstanding principal owing by the Medican Group to Monarch will be reduced by the appraised value, namely the sum of \$690,000;
- (b) Monarch will pay to Fraser Milner Casgrain LLP the sum of \$34,500 to hold as security for the CCAA Charges; and
- (c) the Medican Group will transfer Phases 2 & 3 of the Axxess Sylvan Lake Project to Monarch, free and clear of all interests of the Medican Group and those claiming by or through the Medican Group.

14. The Monitor approves of this sale and supports this application.

The R7 – 7th Street Property Sale

15. On September 13, 2010, after this Honourable Court heard from counsel that George Schow Professional Corporation (“Schow”) was prepared to bid on the 7th Street Property as an alternative to advancing any claim in respect of his potential leasehold interest in the property, the Court directed that the Medican Group and the Monitor conduct a closed bid tender process with respect to the 7th Street Property. Both Schow and Cypress College submitted sealed bids to the Monitor. The bid from Cypress College was the superior bid. The sale is expected to see the

mortgagee of the 7th Street Property paid out in full with some equity available to the Medican Group's stakeholders.

16. The Monitor approves of this sale and supports this application.

The R7 – Kornelson Sale

17. The Medican Group received an increased offer to purchase a condominium unit located in Medicine Hat, Alberta held by R7 (the "**River Ridge Property**") from Gerald and Marjory Kornelson for the sum of \$297,000 (the "**River Ridge Offer**"). The River Ridge Offer is the result of a listing process, is comparable to the appraised value for the River Ridge Property, and is the result of a negotiated sale price with an arm's-length party. The sale will see the mortgagee of the property paid out in full with some equity available to the Medican Group stakeholders. Such equity would be held in trust with counsel to the Medican Group pending an agreement with applicable secured parties or further order of this Honourable Court.

18. The Monitor approves of this sale and supports this application.

Late Claim

19. Condominium Corporation Plan No. 9812528 filed a proof of claim (the "**Claim**") with the Monitor and the Medican Group on September 14, 2010, after the July 30, 2010 Claims Bar Date, as defined in the Claims Procedure Order, granted June 11, 2010.

20. It appears to the Medican Group that the late filing was a result of inadvertence, not for any improper purpose, and has no effect on the current status of these restructuring proceedings. Neither the Medican Group nor the Monitor has any objection to the Claim being filed late.

The Stay Extension

21. Since the extension granted by this Honourable Court on August 12, 2010, the Medican Group has worked diligently on all aspects of this restructuring, including obtaining court approval:

- (a) of sales (and a vesting order) with respect to: (i) the Sylvan Lake Dipert Lands; and (ii) the Saamis Drive Property;

- (b) to commence (and, with the assistance of the Monitor, has commenced) a sales process with respect to Phases 4, 5, 6 & 7 of the Kaleido Project in Westbank, British Columbia;
- (c) of the transaction in respect of the Cimarron Project; and
- (d) of financing from: (i) TEV for the completion of the Michener Project in Red Deer, Alberta; and (ii) Macdonald Terwillegar Properties Ltd. for the completion the marketing of Phase 1 of the Terwillegar Project in Edmonton, Alberta.

22. An extension of the Stay Period to December 2, 2010 is necessary to continue the restructuring of the Medican Group and to allow the Medican Group to continue to stabilize its operations, communicate with its stakeholders, prioritize its projects, and develop a viable plan to enable the Medican Group to emerge from these proceedings for the benefit of all stakeholders.

23. An extension of the DIP financing arrangement to December 31, 2010 with a 2% extension fee payable upon maturity and an expansion of the Administration Charge by \$750,000 are also necessary to address the Medican Group's current liquidity challenge and to facilitate a successful restructuring.

24. The Medican Group continues to work closely with the Monitor and all of the Medican Group's stakeholders in all respects and the Monitor supports the proposed relief and stay extension.

25. The Medican Group is working in good faith and with due diligence in these proceedings and believe it is within the best interests of the Medican Group and all stakeholders to continue in these proceedings as outlined above.

AND FURTHER TAKE NOTICE that the Applicants will rely upon the Affidavit of Tyrone Schneider, dated September 27th, 2010, filed; the Sixth Report of the Monitor, dated September 27th, 2010 filed; the pleadings and other materials filed herein; the provisions of the

Companies' Creditors Arrangement Act (Canada) and the *Alberta Rules of Court*; and such further and other material as counsel may advise and this Honourable Court may permit.

DATED at the City of Calgary, in the Province of Alberta, this 27th day of September, 2010.

FRASER MILNER CASGRAIN LLP,
solicitors for the Applicants.

Per:



David W. Mann/Rebecca L. Lewis

TO: The Clerk of the Court
AND TO: The Attached Service List

SCHEDULE "A"

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

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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 – Edgewood Brooks 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 27, 2010, the Affidavit of Tyrone Schneider, dated September 27, 2010 (the “**Schneider Affidavit**”), the Sixth Report of the Monitor, dated September 27, 2010, the Affidavit of Ronica Cameron,

dated September ____, 2010 (the “**Service Affidavit**”), 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 Financing Agreement

3. The financing agreement among 1554670 and the Medican Group, dated September 26, 2010 and attached as Exhibit “A” to the Schneider Affidavit (the “**1554670 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 Financing Agreement.

Approval of the 1554670 Charge

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

6. The Monitor and the Medican Group are hereby authorized to distribute the Initial Advance, as that term is defined in the 1554670 Financing Agreement, in accordance with the terms of the 1554670 Financing Agreement.

7. Upon the distributions described in the foregoing paragraph being made the Monitor shall file a certificate with this Honourable Court confirming that such payments have been made, which certificate, when presented to the Registrar of Land Titles in and for the Province of Alberta (the "Registrar") along with a certified copy of this Order, shall be the sole authority for the Registrar to discharge any encumbrances registered by any party receiving a payment pursuant to paragraph 6 hereof against the Edgewood Brooks Project, notwithstanding section 191(1) of the *Land Titles Act* (Alberta).

Miscellaneous

8. The 1554670 Financing Agreement and the 1554670 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 Financing Agreement, the creation of the 1554670 Charge, nor the execution, delivery or performance of the 1554670 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 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 Charge or the execution, delivery or performance of the 1554670 Financing Agreement.

9. 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 Financing Agreement and the 1554670 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 Financing Agreement, or the 1554670 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.

10. Notwithstanding any other provision of this Order, the rights and remedies of the parties under the 1554670 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.

11. No action or proceeding may be commenced against a party to the 1554670 Financing Agreement by reason of any such party having entered into the 1554670 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.

12. The Medican Group, 1554670 and the Monitor or any party to the 1554670 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.

13. 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.

J.C.Q.B.A.

ENTERED this ____ day of September, 2010

CLERK OF THE COURT

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT 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

ORDER

(1554670 Charge – Brooks Project)

FRASER MILNER CASGRAIN LLP

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15th Floor Bankers Court
850 2 Street SW

Calgary, Alberta
T2P 0R8

Solicitors: David W. Mann/Rebecca L. Lewis
Telephone: (403) 268-7097/(403) 268-6354
Facsimile: (403) 268-3100
File: 526686-1

SCHEDULE "B"

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

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

ORDER

(Bid Procedure Order re: Phases 2 & 3 of the Riverstone 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 27, 2010, the Affidavit of Tyrone Schneider, sworn September 27, 2010 (the "Schneider Affidavit"), filed, the Sixth Report of the Monitor, dated September 27, 2010, the Affidavit of Ronica Cameron, sworn September ____, 2010 (the "Service Affidavit"), 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 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 Sales Procedure and Solicitation Process

3. The sales procedures and solicitation process in the form attached as Schedule “A” to this Order (the “**Sales Procedure**”) be and is hereby approved and the Medican Group and the Monitor are hereby authorized and directed to implement the Sales Procedure and do all such things as are reasonably necessary to conduct and give full effect to the Sales Procedure and carry out their respective obligations thereunder.

Miscellaneous

4. 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.

5. 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.

J.C.Q.B.A.

ENTERED this ____ day of September, 2010

CLERK OF THE COURT

SCHEDULE "A"

Medican Group of Companies – Sales Procedure and Solicitation Process

Riverstone (Medicine Hat) Developments Ltd. – Phases 2 & 3

Overview of contemplated sales procedure and solicitation process ("**Sale Process**") for certain of the Company's undeveloped bare lands ("**Property**"):

1. The Monitor will generate a list of prospective purchasers based on: a listing of potential real estate holding and development companies generated through an external data provider; recent industry news/transactions; consultation with local real estate brokerage firms; and input from the Company's management/advisors and the existing secured lenders.
2. The Monitor will contact industry associations, investment banks and other contacts for potential interest.
3. The Monitor will place an advertisement regarding this opportunity in the national edition of *The Globe and Mail* newspaper and, potentially, industry publications and regional/local media, in order to identify prospective purchasers.
4. The Monitor and the Company will distribute to prospective purchasers an interest solicitation letter ("**ISL**") detailing the acquisition opportunity on or before **October 8, 2010**. Attached to the ISL will be a confidentiality agreement ("**CA**"). Should a party be interested in performing due diligence and receiving additional information, it would first be required to execute the CA.
5. The Monitor and the Company will prepare a confidential information package ("**CIP**") that would be made available to parties who execute a CA. The CIP will provide an overview of the Property, existing pro-formas and potential opportunities associated therewith.
6. Prospective purchasers will have the opportunity to perform due diligence, including reviewing information in a "**data room**" to be made available to prospective purchasers in electronic format. The data room may include excerpts of appraisal(s) of the Property, though the appraised market values would not be disclosed.
7. The Monitor and the Company will facilitate site visits for prospective purchasers.
8. The Monitor and the Company will provide to prospective purchasers a draft asset purchase agreement. Prospective purchasers will be advised that offers should be submitted in this format (or substantially in this format).
9. The Monitor and the Company will require prospective purchasers to submit binding offers to the Monitor by 5:00 p.m. (Calgary Time) on **November 5, 2010**. Offers would remain open for acceptance for a period of 10 days pending negotiations and entering into definitive agreements. The Company is not obligated to accept the highest, or any, offer.
10. The first secured creditor shall have the right to participate in the Sale Process and file a credit bid at no less than the appraised value of the Property.
11. Any sale would be subject to Court approval.

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT 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

ORDER

(Bid Procedure Order Re: Phases 2 & 3 of the Riverstone Project)

FRASER MILNER CASGRAIN LLP

Barristers and Solicitors
15th Floor Bankers Court
850 2 Street SW

Calgary, Alberta
T2P 0R8

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File: 526686-1

SCHEDULE "C"

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)
ADAM JUSTICE K.M. HORNER) At the Courts Centre in the City of Calgary,
IN CHAMBERS) in the Province of Alberta, on Thursday, the
30th day of September, 2010

ORDER

(Bid Procedure Order re: The Sonata Ridge 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 27, 2010, the Affidavit of Tyrone Schneider, sworn September 27, 2010 (the “**Schneider Affidavit**”), filed, the Sixth Report of the Monitor, dated September 27, 2010, the Affidavit of Ronica Cameron, sworn September _____, 2010 (the “**Service Affidavit**”), 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 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 Sales Procedure and Solicitation Process

3. The sales procedures and solicitation process in the form attached as Schedule “A” to this Order (the “**Sales Procedure**”) be and is hereby approved and the Medican Group and the Monitor are hereby authorized and directed to implement the Sales Procedure and do all such things as are reasonably necessary to conduct and give full effect to the Sales Procedure and carry out their respective obligations thereunder.

Miscellaneous

4. 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.

5. 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.

J.C.Q.B.A.

ENTERED this ____ day of September, 2010

CLERK OF THE COURT

SCHEDULE "A"

Medican Group of Companies – Sales Procedure and Solicitation Process Sonata Ridge (Kelowna) Developments Ltd.

Overview of contemplated sales procedure and solicitation process ("**Sale Process**") for certain of the Company's undeveloped bare lands ("**Property**"):

1. The Monitor will generate a list of prospective purchasers based on: a listing of potential real estate holding and development companies generated through an external data provider; recent industry news/transactions; consultation with local real estate brokerage firms; and input from the Company's management/advisors and the existing secured lenders.
2. The Monitor will contact industry associations, investment banks and other contacts for potential interest.
3. The Monitor will place an advertisement regarding this opportunity in the national edition of *The Globe and Mail* newspaper and, potentially, industry publications and regional/local media, in order to identify prospective purchasers.
4. The Monitor and the Company will distribute to prospective purchasers an interest solicitation letter ("**ISL**") detailing the acquisition opportunity on or before **October 8, 2010**. Attached to the ISL will be a confidentiality agreement ("**CA**"). Should a party be interested in performing due diligence and receiving additional information, it would first be required to execute the CA.
5. The Monitor and the Company will prepare a confidential information package ("**CIP**") that would be made available to parties who execute a CA. The CIP will provide an overview of the Property, existing pro-formas and potential opportunities associated therewith.
6. Prospective purchasers will have the opportunity to perform due diligence, including reviewing information in a "**data room**" to be made available to prospective purchasers in electronic format. The data room may include excerpts of appraisal(s) of the Property, though the appraised market values would not be disclosed.
7. The Monitor and the Company will facilitate site visits for prospective purchasers.
8. The Monitor and the Company will provide to prospective purchasers a draft asset purchase agreement. Prospective purchasers will be advised that offers should be submitted in this format (or substantially in this format).
9. The Monitor and the Company will require prospective purchasers to submit binding offers to the Monitor by 5:00 p.m. (Calgary Time) on **November 5, 2010**. Offers would remain open for acceptance for a period of 10 days pending negotiations and entering into definitive agreements. The Company is not obligated to accept the highest, or any, offer.
10. The first secured creditor shall have the right to participate in the Sale Process and file a credit bid at no less than the appraised value of the Property.
11. Any sale would be subject to Court approval.

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT 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

ORDER

(Bid Procedure Order Re: The Sonata Ridge Project)

FRASER MILNER CASGRAIN LLP

Barristers and Solicitors
15th Floor Bankers Court
850 2 Street SW

Calgary, Alberta
T2P 0R8

Solicitors: David W. Mann/Rebecca L. Lewis
Telephone: (403) 268-7097/(403) 268-6354
Facsimile: (403) 268-3100
File: 526686-1

SCHEDULE "D"

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., AXXESS (GRANDE PRAIRIE) DEVELOPMENTS LTD., AXXESS (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

APPROVAL AND VESTING ORDER

(Axxess Sylvan Lake – Phase 2 & 3)

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 27, 2010, the Affidavit of Tyrone Schneider dated September 27, 2010, the Affidavit of Ronica Cameron dated September _____, 2010 (the “**Service Affidavit**”), the Monitor’s Sixth Report,

dated September 27, 2010 and such other material in the pleadings and proceedings as are deemed necessary; **AND UPON** the Monitor conducting the bid procedure outlined in the Order of the Honourable Madam Justice Horner dated July 29, 2010 (the “**Bid Procedure**”); **AND UPON** noting that the Monitor did not receive any bids; **AND UPON** the Monitor discharging its obligations under the Bid Procedure, **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 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, and the following terms shall have the following meaning:

- (a) “**Beneficiaries of the Charges**” means the beneficiaries of the DIP Lending Charge, the Administration Charge, and the Directors’ Charge; and
- (b) “**Purchaser**” means Monarch Land Ltd., or its nominee.

Approval of Sale and Vesting of the Axxess Sylvan Lake Lands

3. The conveyance of the Axxess Sylvan Lake lands, being legally described as:

CONDOMINIUM PLAN 0827218
UNIT 2 AND 3
AND THE RESPECTIVE UNDIVIDED ONE TEN THOUSANDTH SHARES
IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

and all personalty associated therewith (as defined in the Monitor’s Sixth Report) (the “**Property**”) to the Purchaser be and is hereby authorized and approved.

4. 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.

5. Upon the Monitor delivering a certificate (the "**Monitor's Certificate**") certifying that: (i) the transfer of the Property to the Purchaser has been tendered, (ii) the Purchaser has acknowledged the reduction of the principal amount owing by the Medican Group to the Purchaser by the sum of \$690,000, and (iii) the sum of \$34,500 for the benefit of the Beneficiaries of the Charges, as herein provided, have 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 whose interests are subordinate to those of the Purchaser by virtue of its security on the Property;
- (b) the Medican Group and all persons who claim by, through or under the Medican Group in respect of the Property whose interests are subordinate to those of the Purchaser by virtue of its security on the Property 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 in respect of the Property whose interests are subordinate to those of the Purchaser by virtue of its security on the Property; and
- (d) the Registrar of the Land Titles Office of Alberta shall discharge all encumbrances in respect of the Property whose interests are subordinate to those

of the Purchaser by virtue of its security on the Property in respect of that Property and shall register the Property in the name of the Purchaser.

6. 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 Alberta or deemed necessary by the Medican Group, and the Registrar is hereby directed, notwithstanding section 191(1) of the *Land Titles Act* (Alberta) to effect registration of any such instrument or document so executed by the Medican Group or its solicitors.

7. 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.

8. The sum of \$34,500 standing to the benefit of the Beneficiaries of the Charges pursuant to paragraph 5 hereof shall: (a) be held as replacement security in favour of the Beneficiaries of the Charges, which Charges shall, upon the Monitor's Certificate being filed, be extinguished as against the Properties, and Purchaser is hereby granted a security interest against the said sum held in trust, in priority to all other charges save and except for the DIP Lender's Charge, the Administration Charge and the Directors' Charge; (b) be maintained in an interest bearing trust account with the Petitioner's counsel, Fraser Milner Casgrain LLP; (c) not disbursed without agreement of the Purchaser and the Beneficiaries of the Charges or further order of this Court; and (d) be without prejudice to any subsequent application to allocate Charges pursuant to paragraph 43 of the Initial Order.

Miscellaneous

9. 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.

10. 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.

11. The Medican Group and the Monitor are hereby discharged of any further obligations under the Bid Procedure and are released from any further liabilities with respect to the Bid Procedure.

12. 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.

13. 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.

J.C.Q.B.A.

ENTERED this ____ day of
September, 2010

CLERK OF THE COURT

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT 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

**APPROVAL AND VESTING ORDER
(Axxess Sylvan Lake – Phase 2 & 3)**

FRASER MILNER CASGRAIN LLP

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Calgary, Alberta
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Facsimile: (403) 268-3100
File: 526686-1

SCHEDULE "E"

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

APPROVAL AND VESTING ORDER
(R7 – 7th Street Property)

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 27, 2010, the Affidavit of Tyrone Schneider, dated September 27, 2010 (the “**Schneider Affidavit**”), the Affidavit of Ronica Cameron, dated September _____, 2010 (the “**Service Affidavit**”), the

Monitor's Sixth Report, dated September 27, 2010, and such other material in the pleadings and proceedings as are deemed necessary; **AND UPON** the direction from the Honourable Madam Justice K.M. Horner on September 13, 2010 that the Medican Group and the Monitor conduct a closed bid procedure for the Property (as herein defined) wherein Memory Lane Computer Training Inc. and Dr. Schow were to submit an offer to purchase the Property to the Monitor by September 20, 2010 (the "**Tender Process**"); **AND UPON** the Monitor having received tenders pursuant to the Tender Process; **AND UPON** it appearing that the offer received from Memory Lane Computer Training Inc. is the superior bid; **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 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, and the following terms shall have the following meaning:

- (a) "**Beneficiaries of the Charges**" means the beneficiaries of the DIP Lending Charge, the Administration Charge, and the Directors' Charge;
- (b) "**Net Proceeds**" means the proceeds from the sale of the Property, less amounts required to pay all reasonable and ordinary closing costs, including without limitation goods and services and other applicable sales taxes, property taxes, commissions, applicable condominium fees and legal fees and disbursements;
- (c) "**Purchase and Sale Agreement**" means the agreement in writing respecting the sale of the Property (as herein defined) from the Medican Group to the Purchaser; and

- (d) **"Purchaser"** means Memory Lane Computer Training Inc. (operating as Cypress College).

Approval of Sale and Vesting of the 7th Street Property

3. The sale of the 7th Street Property, being the lands legally described as:

PLAN 1132M
BLOCK 9
LOTS 1 AND 2
EXCEPTING THEREOUT ALL MINES AND MINERALS

and all personalty associated therewith (as further defined in the Schneider Affidavit) (the **"Property"**) to the Purchaser, in accordance with the terms and conditions of the Purchase and Sale Agreement, be and is hereby authorized and approved.

4. 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 sale of the Property and carry out the terms of this Order.

5. 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 all purchase monies due and owing in respect of such sale have been tendered to the Medican Group then:

- (a) the Property shall be vested in the name of Memory Lane Computer Training Inc. 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, other than permitted encumbrances expressly set forth in the Purchase and Sale Agreement;
- (b) the Medican Group and all persons who claim by, through or under the Medican Group 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/or any of the Property; and
- (d) the Registrar of the Land Titles Office of Alberta shall discharge all encumbrances (except Permitted Encumbrances) listed in the Purchase and Sale Agreement in respect of the Property and shall register the Property in the name of Memory Lane Computer Training Inc.

6. 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 sale 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 purchase 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 Alberta or deemed necessary by the Medican Group, and the Registrar is hereby directed, notwithstanding section 191(1) of the *Land Titles Act* (Alberta) to effect registration of any such instrument or document so executed by the Medican Group or its solicitors.

7. 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.

8. The Net Proceeds shall be held in trust and stand in the place and stead of the Property, and all claims of whatsoever nature or kind, including without limitation, all liens, claims, encumbrances, mortgages, proprietary claims, trust claims, lease claims, royalty claims, and other interests (the "Claims") shall attach solely to the Net Proceeds with the same validity, priority and in the same amounts and subject to the same defences that were or may have been available when the Claims were attached to the property itself, until either further order of this Honourable Court or agreement among the Medican Group, the Monitor, and secured creditors with an interest in the Net Proceeds.

9. Notwithstanding paragraph 8 of this Order, the Monitor is authorized, in its sole discretion and as it deems necessary or appropriate, to direct that any or all of the Net Proceeds be paid to valid and enforceable claims that exist in respect of the Net Proceeds; provided however, that adequate provision has been made for the Beneficiaries of the Charges.

10. Any provision made for the Beneficiaries of the Charges by the Monitor pursuant to paragraph 9 hereof shall be done with the consent of the Beneficiaries of the Charges and shall be without prejudice to any subsequent application to allocate Charges pursuant to paragraph 43 of the Initial Order.

Miscellaneous

11. The Medican Group and the Monitor are hereby released and discharged from any further matters related to the Tender Process and the conveyance of the Property, except as expressly set forth in this Order.

12. The 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) neither the Purchase and Sale Agreement nor any transaction contemplated hereby or coordinated therewith shall 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 caused by or resulting from the creation,

execution, delivery or performance of the Purchase and Sale Agreement or any transaction contemplated hereby or coordinated therewith.

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 Sale Agreement or any transaction contemplated hereby or coordinated therewith shall constitute legal, valid and binding obligations of the Petitioners enforceable against them in accordance with the terms thereof, and neither the Purchase and Sale Agreement nor any transaction contemplated hereby or coordinated therewith 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.

J.C.Q.B.A.

ENTERED this _____ day of
September, 2010

CLERK OF THE COURT

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT 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

**APPROVAL AND VESTING ORDER
(R7 – 7th Street Property)**

FRASER MILNER CASGRAIN LLP

Barristers and Solicitors
15th Floor Bankers Court
850 2 Street SW

Calgary, Alberta
T2P 0R8

Solicitors: David W. Mann/Rebecca L. Lewis
Telephone: (403) 268-7097/(403) 268-6354
Facsimile: (403) 268-3100
File: 526686-1

SCHEDULE "F"

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

APPROVAL AND VESTING ORDER
(R7 – River Ridge Drive Property)

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 27, 2010, the Affidavit of Tyrone Schneider dated September 27, 2010 (the "**Schneider Affidavit**"), the Affidavit of Ronica Cameron dated September _____, 2010 (the "**Service Affidavit**"), the

Monitor's Sixth Report, dated September 27, 2010 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 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, and the following terms shall have the following meaning:

- (a) "**Beneficiaries of the Charges**" means the beneficiaries of the DIP Lending Charge, the Administration Charge, and the Directors' Charge;
- (b) "**Net Proceeds**" means the proceeds from the sale of the Property, less amounts required to pay all reasonable and ordinary closing costs, including without limitation goods and services and other applicable sales taxes, property taxes, commissions, applicable condominium fees and legal fees and disbursements;
- (c) "**Purchase and Sale Agreement**" means the agreement in writing respecting the sale of the Property (as herein defined) from the Medican Group to the Purchasers; and
- (d) "**Purchasers**" means Gerald Kornelson and Marjorie Kornelson.

Approval of Sale and Vesting of the River Ridge Drive Property

3. The sale of the River Ridge Drive Property, being the lands legally described as:

CONDOMINIUM PLAN 0512634
UNITS 323 AND 341
AND THEIR RESPECTIVE UNDIVIDED 1/10,000 SHARES IN THE
COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND
MINERALS
EXCEPTING THEREOUT ALL MINES AND MINERALS

and all personalty associated therewith (as further defined in the Schneider Affidavit) (the "**Property**") to the Purchasers in accordance with the terms and conditions of the Purchase and Sale Agreement, be and is hereby authorized and approved.

4. 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 sale of the Property and carry out the terms of this Order.

5. 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 all purchase monies due and owing in respect of such sale have been tendered to the Medican Group then:

- (a) the Property, as legally described above, shall be vested in the name of Gerald Kornelson and Marjorie Kornelson 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, other than permitted encumbrances expressly set forth in the Purchase and Sale Agreement;
- (b) the Medican Group and all persons who claim by, through or under the Medican Group 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 Purchasers or their nominee;
- (c) the Purchasers 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/or any of the Property; and

- (d) the Registrar of the Land Titles Office of Alberta shall discharge all encumbrances (except Permitted Encumbrances) listed in the Purchase and Sale Agreement in respect of the Property and shall register the Property in the name of Gerald Kornelson and Marjorie Kornelson.

6. 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 sale 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 purchase 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 Alberta or deemed necessary by the Medican Group, and the Registrar is hereby directed, notwithstanding section 191(1) of the *Land Titles Act* (Alberta) to effect registration of any such instrument or document so executed by the Medican Group or its solicitors.

7. 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 Purchasers.

8. Until further Order of this Honourable Court, counsel to the Medican Group, Fraser Milner Casgrain LLP, shall hold all Net Proceeds in trust and such Net Proceeds shall stand in the place and stead of the Property transferred pursuant to this Order, and all claims of whatsoever nature or kind, including without limitation, all liens, claims, encumbrances, mortgages, proprietary claims, trust claims, lease claims, royalty claims, and other interests (the "**Claims**") shall attach solely to the Net Proceeds with the same validity, priority and in the same amounts and subject to the same defences that were or may have been available when the Claims were attached to the property itself.

9. Notwithstanding paragraph 8 of this Order, the Monitor is authorized, in its sole discretion and as it deems necessary or appropriate, to direct that any or all of the Net Proceeds be paid to valid and enforceable claims that exist in respect of the Net Proceeds; provided however, that adequate provision has been made for the Beneficiaries of the Charges.

10. Any provision made for the Beneficiaries of the Charges by the Monitor pursuant to paragraph 9 hereof shall be done with the consent of the Beneficiaries of the Charges and shall be without prejudice to any subsequent application to allocate Charges pursuant to paragraph 43 of the Initial Order.

Miscellaneous

11. The 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) neither the Purchase and Sale Agreement nor any transaction contemplated hereby or coordinated therewith shall 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 Purchasers 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 the Purchase and Sale Agreement or any transaction contemplated hereby or coordinated therewith.

12. 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 Sale Agreement or any transaction contemplated hereby or coordinated therewith shall constitute legal, valid and binding obligations of the Petitioners enforceable against them in accordance with the terms thereof, and neither the Purchase and Sale Agreement nor any transaction contemplated hereby or coordinated therewith 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.

13. The Medican Group, the Monitor, the Purchasers, 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.

14. 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.

J.C.Q.B.A.

ENTERED this _____ day of
September, 2010

CLERK OF THE COURT

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT 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

**APPROVAL AND VESTING ORDER
(R7 – River Ridge Drive Property)**

FRASER MILNER CASGRAIN LLP

Barristers and Solicitors
15th Floor Bankers Court
850 2 Street SW

Calgary, Alberta
T2P 0R8

Solicitors: David W. Mann/Rebecca L. Lewis
Telephone: (403) 268-7097/(403) 268-6354
Facsimile: (403) 268-3100
File: 526686-1

SCHEDULE "G"

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

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)
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)

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

ORDER
(Stay Extension)

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 27, 2010, the Affidavit of Tyrone Schneider dated September 27, 2010 (the "Schneider Affidavit"), the Affidavit of Ronica Cameron dated September _____, 2010 (the "Service Affidavit"), the

Sixth Monitor's Report, dated September 27, 2010 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 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 Order granted by Madam Justice K.M. Horner in this Action dated May 26, 2010 ("**Initial Order**").

Extension of Stay

3. The Stay Period, as defined in the Initial Order, is hereby extended up to and including December 2, 2010.

Late Claim

4. The late claim of Condominium Corporation Plan 9812578 is to be filed in these proceedings, notwithstanding that the claim was filed after the Claims Bar Date, as defined in the Claims Procedure Order granted in these proceedings on June 11, 2010.

Administration Charge

5. The aggregate amount secured by the Administration Charge be and is hereby increased by \$750,000 to an aggregate total amount of \$1,750,000.

DIP Credit Facility

6. The Medican Group be and is hereby authorized to extend the DIP credit facility on terms not to exceed: (i) a maturity date of December 31, 2010; and (ii) an extension fee of not greater than 2% payable on maturity, and the Medican Group be and is hereby authorized to do such things as are reasonably necessary to give full effect to such amendments.

Miscellaneous

7. 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.

J.C.Q.B.A.

ENTERED this ____ day of
September, 2010.

CLERK OF THE COURT

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT 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

**ORDER
(Stay Extension)**

FRASER MILNER CASGRAIN LLP

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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
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LTD., 9150-3755 QUEBEC INC., AXCESS (GRANDE PRAIRIE) DEVELOPMENTS LTD., AXCESS
(SYLVAN LAKE) DEVELOPMENTS LTD., CANVAS (CALGARY) DEVELOPMENTS LTD., HOMES BY
KINGSLAND LTD., LAKE COUNTRY (SITARA) DEVELOPMENTS LTD., MEDCO DEVELOPMENT
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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
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SIERRAS OF EAUX CLAIRES (EDMONTON) DEVELOPMENTS LTD., SONATA RIDGE (KELOWNA)
DEVELOPMENTS LTD., SYLVAN LAKE MARINA DEVELOPMENTS LTD., THE ESTATES OF
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CURRENT TO SEPTEMBER 27, 2010**

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**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
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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.,
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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

NOTICE OF MOTION

**FRASER MILNER CASGRAIN LLP
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