

I hereby certify this to be a true copy of
the original Order
Dated this 21 day of June 2010
for Clerk of the Court

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 the
IN CHAMBERS) Province of Alberta, this 11th day of June, 2010

APPROVAL AND VESTING ORDER
(Condominium Sales)

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 June 10, 2010, the Affidavit of Tyrone Schneider dated June 10, 2010, the Affidavit of Ronica Cameron dated June 10, 2010 (the “**Service Affidavit**”), the Monitor's First Report, dated June 10, 2010 and such other material in the pleadings and proceedings as are deemed necessary; AND UPON

NOTING that the Initial Order granted in these proceedings on May 26, 2010 (the "**Initial Order**") permits the sale by the Medican Group of residential units in the ordinary course of business or otherwise with the consent of the Monitor and the DIP Lender; **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) "**Monitor's Certificate**" means a certificate issued by the Monitor in substantially the form attached to this Order as Schedule "A";
- (c) "**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;
- (d) "**Purchase and Sale Agreement**" means the agreement in writing respecting the sale of a Property from the Medican Group to a Purchaser; and
- (e) "**Purchaser**" means the individual, trust, or corporation designated in the Monitor's Certificate in respect of a sale of a particular Property as the purchaser of that Property.

Approval of Sale and Vesting of Condominium Units

3. The individual sale of the residential property, whether as lots, condominium units, housing units or parking units (the "**Residential Unit**") be and is hereby authorized in accordance with the provisions of this Order.

4. The sale of a Residential Unit will not be approved by the Monitor unless: (i) the price for that Residential Unit is not less than the lowest list price permitted by agreements related to that Residential Unit; or (ii) the Medican Group, the Monitor, and all parties with a security interest in that Residential Unit (collectively, the "**Interested Parties**") agree to a lower price; or (iii) an Order is obtained from this Court, on notice to the Interested Parties, approving a lower price. The Medican Group will provide the listing price for Residential Units to the Interested Parties.

5. The sale of the Residential Unit described in the Monitor's Certificate (the "**Property**") be and is hereby approved and 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.

6. Upon the Monitor delivering a Monitor's Certificate in respect of the Property, together with a letter from the solicitors for the Medican Group authorizing registration of this Order, then the sale of the Property shall continue in accordance with the terms and conditions of the Purchase and Sale Agreement in respect of that Property and, subject only to the Permitted Encumbrances set forth in the Monitor's Certificate:

- (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;
- (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 Land Titles in the province where the Property is located shall discharge all encumbrances (except Permitted Encumbrances) listed in the Monitor's Certificate in respect of that Property.

7. Upon the Monitor delivering a Monitor's Certificate in respect of a Property, and without limiting the generality of the foregoing, the Medican Group is authorized and empowered, in respect of that Property, to:

- (a) execute and deliver 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;
- (b) 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;
- (c) with respect to Property located in the Province of Alberta, execute 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;

- (d) with respect to Property located in the Province of Manitoba, execute any and all instruments and documents in respect of the Property as may be required by the District Registrar of the Winnipeg Land Titles Office or deemed necessary by the Medican Group, and the District Registrar is hereby directed, notwithstanding section 191(1) of *The Real Property Act* (Manitoba) to effect registration of any such instrument or document so executed by the Medican Group;
- (e) with respect to Property located in the Province of British Columbia, execute any and all instruments and documents in respect of the Property as may be required by the Registrar of Land Titles of British Columbia or deemed necessary by the Medican Group, and the Registrar is hereby directed to effect registration of any such instrument or document so executed by the Medican Group; and
- (f) take such steps as are deemed by the Medican Group to be necessary to give effect to or incidental to the performance of the Medican Group's obligations pursuant to the Purchase and Sale Agreement, including making any post-closing adjustments as are required.

8. Until further Order of the 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.

11. This Court hereby requests the aid and recognition (including assistance pursuant to Section 17 of the CCAA, as applicable) of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada in carrying out the terms of this Order and the Purchase and Sale Agreement.

Miscellaneous

12. Any conveyance or transfer of Property made pursuant to the provisions of this Order and the applicable Monitor's Certificate 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 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.

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, an Interested Party, or any Purchaser 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.

"K.M. Horner"

J.C.Q.B.A.

ENTERED this 21st day of
June, 2010



CLERK OF THE COURT

**SCHEDULE "A" TO THE APPROVAL AND VESTING ORDER OF MADAM JUSTICE
HORNER, DATED JUNE 11, 2010**

Action No. 1001-07852

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

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the Petitioners

MONITOR'S CERTIFICATE

(Re: _____)

WHEREAS the Order of Madam Justice Horner, made in these proceedings on the 11th Day of June, 2010 (the "Order"), authorizes RSM Richter Inc., the Monitor in these proceedings, to issue a Monitor's Certificate in respect of the sale of a Residential Unit by the Medican Group; AND WHEREAS all capitalized terms used in this Certificate have the meaning ascribed to them in the Order unless otherwise defined herein;

NOW THEREFORE by filing this Closing Certificate within these proceedings the Monitor hereby certifies that:

(a) I am an authorized officer of RSM Richter Inc., the Monitor in these proceedings;

(b) I have reviewed the circumstances surrounding the sale of the Residential Unit described as follows:

[insert description of the Property]

(the "**Property**")

(c) and hereby approve of its conveyance to:

[insert description of the Purchasers]

(the "**Purchasers**"),

(d) subject only to the following encumbrances remaining on title to the Property:

[insert Permitted Encumbrances]

(the "**Permitted Encumbrances**").

I make this certificate pursuant to the provisions of the Order, knowing it to be true after having made due inquiry, and not in my personal capacity.

DATED at Calgary, Alberta, this _____ day of _____, 2010.

RSM RICHTER INC., in its capacity as
the Monitor in these proceedings

Per: _____
Robert Taylor

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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
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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)
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SYLVAN LAKE MARINA DEVELOPMENTS LTD., THE ESTATES OF VALLEYDALE
DEVELOPMENTS LTD., THE LEGEND (WINNIPEG) DEVELOPMENTS LTD., and
WATERCREST (SYLVAN LAKE) DEVELOPMENTS LTD.**

The Petitioners

MONITOR'S CERTIFICATE

(RE: _____)

FRASER MILNER CASGRAIN LLP

Barristers and Solicitors
15th Floor Bankers Court
850 2 Street SW
Calgary, Alberta T2P 0R8

Solicitors: David W. Mann/Scott D. Kurie
Telephone: (403) 268-7097/(403) 268-3084
Facsimile: (403) 268-3100
File: 526686-1

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The Petitioners

**APPROVAL AND VESTING ORDER
(Condominium Sales)**

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