

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

BETWEEN:

BETH FREDEEN

Plaintiff

I hereby certify this to be a true copy of
the original Order
Dated this 08 day of March, 2010
Dampson
for Clerk of the Court

- and -

ARTEVO CORPORATION

Defendant

BEFORE THE HONOURABLE
MADAM JUSTICE J. STREKAF
IN CHAMBERS

) At the Calgary Courts Centre in the City of
) Calgary, in the Province of Alberta, on
) Thursday, the 4th day of March, 2010.

SALE APPROVAL AND VESTING ORDER

UPON the application of Alger & Associates Inc., the court-appointed receiver and manager (the "Receiver") of Artevo Corporation ("Artevo"); AND UPON reading the First Report of the Receiver dated February 10, 2010, the Second Report of the Receiver dated February 26, 2010, and the Third Report of the Receiver dated March 3, 2010, all filed, and the Affidavits of Service of Carol Benish; AND UPON hearing counsel for the Receiver, counsel for 1503850 Alberta Ltd. (the "Purchaser"), counsel for the Plaintiff and counsel for other interested parties; AND UPON it appearing that the Offer (as defined below) represents the best realizable value for the assets of Artevo in the present circumstances; **IT IS HEREBY ORDERED AND DECLARED THAT:**

1. The time for service of the Notice of Motion dated February 26, 2010 (the "Notice of Motion") and materials in support thereof be and is hereby abridged to the date of actual

service and that service be and is hereby approved, the application is properly returnable today and all parties entitled to notice of this motion, and those listed on the service list (the "**Service List**") attached to the Notice of Motion, have been properly served and further service is hereby dispensed with.

2. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Receivership Order granted December 18, 2009 by the Honourable Madame Justice J. Strekaf (the "**Receivership Order**").
3. The February 4, 2010 offer (the "**Offer**") of the Purchaser to purchase all of the assets, (the "**Assets**") contained in Lots A-H of the Invitation for Offers dated January 26, 2010 (the "**Terms and Conditions**") of Artevo and the transaction(s) contemplated therein (the "**Transaction**") pursuant to which the Purchaser has agreed to purchase Artevo's right, title and interest in the Assets, be and is hereby approved.
4. Approval is hereby granted to the Receiver and the Receiver is hereby authorized and directed to proceed with the Transaction and in particular, the sale by the Receiver to the Purchaser of all of Artevo's right, title and interest in and to the Assets, and to take all steps necessary to complete the Transaction and, for greater certainty the sale of the Assets is also approved pursuant to paragraph 3(1) of the Receivership Order.
5. Upon the delivery of a receiver's certificate to the Purchaser, substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the right, title, and interest of Artevo, and any parties claiming through it in and to the Assets will be extinguished and all of Artevo's right, title and interest in and to the Assets shall vest absolutely and forever in the Purchaser, to the extent Artevo has a right to assign, free and clear of and from any and all estate, right, title, interest, claims, hypothecs, mortgages, charges, liens (whether contractual, statutory or otherwise), security interests, assignments, actions, levies, taxes, writs of execution, trusts or deemed trusts (whether contractual, statutory or otherwise), options, agreements, disputes, debts, encumbrances, or other rights, limitations or restrictions of any nature whatsoever, or any other contractual, financial or monetary claims of any nature whatsoever, whether or not any of the foregoing have attached or been perfected, registered or filed, and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**") and, for greater certainty,

this Court orders that all of the Encumbrances affecting or relating to Artevo's right, title and interest in the Assets are hereby expunged and discharged as against the Assets.

6. The Receiver is hereby ordered and directed to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
7. The sale process utilized by the Receiver was conducted in a fair and commercially reasonable manner and the purchase price represents the best possible and realizable value for the Assets in the present circumstances.
8. Notwithstanding the pendency of these proceedings and the provisions of any federal or provincial statutes neither the Offer nor the Transaction contemplated thereby will be void or voidable at the instance of creditors and claimants and do not constitute nor shall they be deemed to be settlements, fraudulent preferences, assignments, fraudulent conveyances or other reviewable transactions under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended or any other applicable federal or provincial legislation.
9. The Transaction may be completed without compliance with and notwithstanding the provisions of Part 5 of the *Personal Property Security Act*, R.S.A. 2000, c. P-7, as amended.
10. In completing the Transaction subject to the terms and conditions of the Offer and the Terms and Conditions, the Receiver is further authorized:
 - (a) to execute and deliver such additional, related and ancillary documents and assurances governing or giving effect to the Transaction as the Receiver, in its discretion, may deem reasonably necessary or advisable to conclude the Transaction or in furtherance of this Order;
 - (b) to enter into such amendments to the Offer which are not material, whereupon any reference in this Order to the Offer shall be and include a reference to the Offer as amended;
 - (c) to take such steps as are necessary or incidental to the performance of its obligations pursuant to the Offer and the Terms and Conditions, including to make any necessary post-closing adjustments as may be required; and

- (d) to execute on behalf of Artevo any agreements, notices, documents or certificates as may be required pursuant to a trust indenture dated January 23, 2009 between Artevo and Olympia Trust Company (the "**Trust Indenture**"), including, without limitation any new or replacement debenture certificates and any supplemental indentures as may be approved by the existing debentureholders, all as required to complete the purchase and sale.
11. The sale proceeds from the sale of the Assets, including all taxes payable under the Offer (the "**Sale Proceeds**"), shall stand in the place of and replace the Assets with respect to any claims ("**Claims**") asserted against the Assets by any person and all Claims and Encumbrances shall attach to the net proceeds from the sale of the Assets with the same priority as they had with respect to the Assets immediately prior to the sale, as if the Assets had not been sold and remained in the possession or control of Artevo. The Sales Proceeds shall be held by the Receiver pending further order of this Court.
12. The Receiver shall be at liberty from time to time to apply to this Court for advice and directions with respect to the Offer and the Transaction. The Receiver shall be authorized and empowered to apply, upon such notice, if any, as it may consider necessary or desirable, to this Court to make such orders and provide such other aid and assistance to the Receiver, as this Court may deem necessary or appropriate.
13. To the extent necessary, this Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or elsewhere to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
14. Service of this Order and the Receiver's Certificate on the Service List, the Purchaser and the artists counterparty to those certain licensing agreements with Artevo who were served with these application materials, in the same manner as service of these application materials was effected, shall constitute good and sufficient service on all parties entitled to notice of same and further service thereof is hereby dispensed with.

15. The appraisal report (the "Confidential Document") marked as Exhibit "5" to the Receiver's Second Report dated February 26, 2010, contains confidential information and shall be sealed on the court file in these proceedings and segregated from, and not form part of, the public record, until the later of filing of the Receiver's Certificate and the expiry of any appeal periods with respect to this Sale Approval and Vesting Order with no appeal having been filed.
16. The Clerk of the Court is hereby directed to file the Confidential Document in a sealed envelope attached to a notice that sets out the title of these proceedings, the aforementioned description of documents contained therein and a statement that the envelope's contents are sealed pursuant to this Order.
17. The media notice requirements of Civil Practice Note No. 12 dated July 15, 2004 are hereby dispensed with.
18. This Sealing Order may be varied by further order of this Court upon notice to the parties hereto, in accordance with Civil Practice Note No. 12 dated July 15, 2004.
19. Nothing in this Order shall limit the ability of the Plaintiff or any other creditor to challenge the indebtedness or the priority thereof claimed by Christopher Talbot or Irene Besse.

" J. Streckaf "

J.C.Q.B.A.

ENTERED this 8 day of March, 2010.

K. MCAUSLAND



Clerk of the Court

SCHEDULE "A"

Action No.: 0901-18773
Bankruptcy No.: 25-093965

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

BETWEEN:

BETH FREDEEN

Plaintiff

- and -

ARTEVO CORPORATION

Defendant

RECEIVER'S CERTIFICATE

This Receiver's Certificate is the Receiver's Certificate referred to in paragraph 5 of the Sale Approval and Vesting Order of the Honourable Madam Justice J. Strekaf dated March __, 2010 and made herein (the "**Order**"), a copy of which is attached hereto.

Alger & Associates Inc., solely in its capacity as Court-appointed receiver and manager (the "**Receiver**") of Artevo Corporation and not in its personal capacity, hereby certifies that the transaction contemplated in the Offer (as defined in the Order) has closed to the satisfaction of the Receiver and that all conditions contained in the Offer have been satisfied or waived in accordance with the Offer.

ALGER & ASSOCIATES INC., solely in
its capacity as Court-appointed receiver and
manager of Artevo Corporation and not in
its personal capacity

Per: _____

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RECEIVER'S CERTIFICATE

BLAKE, CASSELS & GRAYDON LLP

Barristers and Solicitors
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Ryan Zahara
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Our File No: 88525/3

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