

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

1001-07852

CALGARY

Clerk's stamp: **CLERK OF THE COURT
FILED
SEP 22 2011
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)

DOCUMENT

ORDER

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT



FRASER MILNER CASGRAIN LLP

Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8

Attention: David W. Mann / Derek M. Pontin
Ph. (403) 268-7097/6301 Fx. (403) 268-3100
File No.: 526686-1

DATE ON WHICH ORDER WAS PRONOUNCED: September 22, 2011

LOCATION WHERE ORDER WAS PRONOUNCED: CALGARY

NAME OF JUDGE WHO MADE THIS ORDER: JUSTICE K.M. HORNER

ORDER

UPON the application of the Petitioners in these proceedings (collectively, the "**Medican Group**"); **AND UPON** having read the Application of the Medican Group, dated September 19, 2011, the Affidavit of Tyrone Schneider dated September 19, 2011 (the "**Schneider Affidavit**"), the Affidavit of Ronica Cameron dated September 19, 2011 (the "**Service Affidavit**"), the Thirteenth Report of RSM Richter Inc. the Court appointed monitor (the "**Monitor**"), dated September 19, 2011 (the "**Thirteenth Report**"), all filed, and such other material in the pleadings and proceedings as are deemed necessary; **AND UPON** hearing counsel for the Medican Group, the Monitor, and other interested parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. The time for service of notice of this application is abridged to the time actually given and service of the Application and supporting material as described in the Service Affidavit is good and sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.
2. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Order granted by Madam Justice K.M. Horner in this Action dated May 26, 2010 ("**Initial Order**").

Late Claims

3. Notwithstanding the order of this Court dated June 11, 2010 (the "**Claims Procedure Order**") and the claims bar date established therein (the "**Claims Bar Date**"), the claims filed against the Medican Group with the Monitor, as described in the attached Schedule "A" to this Order (the "**Late Claims**"), be and are hereby deemed to be allowed for the purposes of attending and voting at any creditors' meeting and, in that respect, are unaffected by the Claims Bar Date.
4. Creditors filing Late Claims with the Monitor are deemed to be Affected Creditors for the purposes of section 6 of the Claims Procedure Order, with respect to the adjudication of Late Claims, and the Monitor be and is hereby authorized to proceed with the review and determination of the Late Claims in accordance with Section 6 of the Claims Procedure Order. To the extent the Late Claims are established by the Monitor as accepted claims, the creditors filing Late Claims will be entitled to receive the appropriate distribution under any plan of compromise or arrangement, and in this respect will be deemed to be unaffected by the Claims Bar Date.
5. The Monitor and the Medican Group be and are hereby authorized to take any and all steps which they may deem necessary in order to give effect to relief contained in this Order.

Approval of Harvest Group Settlement

6. The settlement agreement among Medican Developments (Medicine Hat Southwest) Inc. and Medican General Contractors 2010 Ltd., Petitioners in these proceedings (the "**Medican Parties**"), and Harvest Group GP Corporation and its related entities (the "**Harvest Group**"), as attached as Exhibit "A" to the Schneider Affidavit, (the "**Harvest Group Settlement**") and the transactions contemplated therein be and are hereby approved and the Medican Group and the Monitor are hereby authorized to take all necessary steps to carry out and perform the terms of the Harvest Group Settlement.

7. The Medican Group is authorized to make such amendments, revisions and/or supplements (collectively, the "**Harvest Group Amendments**") to the Harvest Group Settlement as it may determine to be necessary or desirable, provided that: (i) the Harvest Group Amendments do not materially alter the business terms of the Harvest Group Settlement including the transactions contemplated thereby; and (ii) the Medican Group, the Monitor, and Harvest Group GP Corporation each consent to the Harvest Group Amendments.

Approval of 114 Settlement

8. The settlement among 1144233 Alberta Ltd. ("**114**") and Aviva Insurance Company of Canada ("**Aviva**"), as described in paragraphs 13 to 18 of the Schneider Affidavit, (the "**114 Settlement**") and the transactions contemplated therein be and are hereby approved and the Medican Group and the Monitor are hereby authorized to take all necessary steps to carry out and perform the terms of the 114 Settlement.
9. In connection with the 114 Settlement, the Medican Group is authorized to pay any secured claims against the property legally described as Plan 0713843, Block 1, Lot 3.
10. The Medican Group is authorized to make such amendments, revisions and/or supplements (collectively, the "**114 Amendments**") to the 114 Settlement as it may determine to be necessary or desirable, provided that: (i) the 114 Amendments do not materially alter the business terms of the 114 Settlement including the transactions contemplated thereby; and (ii) the Medican Group, the Monitor, and Aviva each consent to the 114 Amendments.

Extension of Stay

11. The Stay Period as defined in the Initial Order is hereby extended up to and including November 30, 2011.

Miscellaneous

12. The Medican Group shall serve, by courier, facsimile transmission, e-mail transmission, or ordinary post, a copy of this Order on all parties present at this application and on all parties who received notice of this application or who are presently on the service list established in these proceedings, and service on any or all other parties is hereby dispensed with. Service effected as aforesaid shall be good and sufficient service.

"K.M. Horner"

Justice of the Court of Queen's Bench of Alberta

SCHEDULE A

Medican Group of Companies
Summary of Late-Claims
As at September 16, 2011
(\$Cdn, Unaudited)

Creditor	Medican Group Entity	Amount
1237957 Alberta Ltd.	Homes by Kingsland Ltd.	976.74
Alberta Finance and Enterprise	R7 Investments Ltd.	41,145.32
	Riverstone (Medicine Hat) Developments Ltd.	3,640.85
	Canvas (Calgary) Developments Ltd.	495,847.47
	Medican Equipment Ltd.	15,425.37
	Homes by Kingsland Ltd.	82,519.01
	Medican (Grande Prairie) Holdings Ltd.	4,790.60
	Medican Concrete Forming Ltd.	2,920.05
	Medican Construction Ltd.	44,306.84
	Medican Concrete Inc.	175,319.18
Altwin Distributors/The Landscape Depot	Medican Construction Ltd.	7,407.62
Ambassador Lock & Key	Medican Construction Ltd.	653.10
AMEC Earth & Environmental	Medican Construction Ltd.	1,000.00
Amron Construction [^]	Medican Construction Ltd. [^]	5,000.00
Anderson, Katherine	Canvas (Calgary) Developments Ltd.	1,600.38
Bel-Aire Welding Ltd.	Medican (Lethbridge - Fairmont Park) Developments Ltd.	10,618.82
Blackwell. Trevor	Medican General Contractors Ltd.	15,900.00
Brewmaster	Medican Construction Ltd.	255.70
Calgary Herald	Medican Construction Ltd.	18,847.50
Canada Revenue Agency - GST	Homes by Kingsland Ltd.	65,489.03
Canada Revenue Agency - Corp Tax	Medican Equipment Ltd.	28,598.00
	R7 Investments Ltd.	138,426.00
	Medican Concrete Inc.	325,152.00
Canada Revenue Agency - Payroll SECURED	Medican Concrete Inc.	25,331.11
CFT Engineering Inc.	Sanderson of Fish Creek (Calgary) Developments Ltd.	6,020.39

Medican Group of Companies
Summary of Late-Claims
As at September 16, 2011
(\$Cdn, Unaudited)

Creditor	Medican Group Entity	Amount
Cinergy Home Theatre & Automation Ltd.	Sanderson of Fish Creek (Calgary) Developments Ltd.	10,826.08
City of Brooks	Homes by Kingsland Ltd.	13,416.39
City of Calgary property taxes	Canvas (Calgary) Developments Ltd.	39,784.89
Condominium Corp No 0811225	Canvas (Calgary) Developments Ltd.	8,650.36
Condominium Corp Plan 9812528 [^]	Medican Construction Ltd. [^]	5,000,000.00
Cote, Eileen	The Estates of Valleydale Developments Ltd.	2,500.00
D E Pilling & Associates Ltd.	Medican (Westbank) Land Ltd.	55,077.49
Door Service & Installation	Medican Construction Ltd.	94.50
Eagles Nest Ranch	Medican Construction Ltd.	7,667.00
Economy Glass (Calgary) Ltd.	Sanderson of Fish Creek (Calgary) Developments Ltd.	13,151.17
Empire Drywall Ltd.	Medican Construction Ltd.	351,263.66
Epcor	Medican Construction Ltd.	168.82
Eyben, Trevor	Axxess (Sylvan Lake) Developments Ltd.	20,200.00
Finsterwald Enterprises	Medican Construction Ltd.	236.25
Firstonsite Restoration LP - Spring Fresh Div	Medican Construction Ltd.	2,303.28
Frey, David	Axxess (Sylvan Lake) Developments Ltd.	23,884.00
GMAC	Medican Construction Ltd.	71,351.30
GT Accu-Fab	Axxess (Grande Prairie) Developments Ltd.	1,002.75
Hamilton, Chad	Medican General Contractors Ltd.	159,000.00
Hamilton, Shirley	Axxess (Sylvan Lake) Developments Ltd.	25,000.00
House, Gord	Medican General Contractors Ltd.	79,500.00

Medican Group of Companies
Summary of Late-Claims
As at September 16, 2011
(\$Cdn, Unaudited)

Creditor	Medican Group Entity	Amount
Howard, Tim & Louise	Sanderson of Fish Creek (Calgary) Developments Ltd.	53,000.00
Ivis Inc.	Medican Construction Ltd.	1,522.50
Jade Stone Ltd.	Sanderson of Fish Creek (Calgary) Developments Ltd.	7,655.22
Johnson, Mike	Medican Developments (Medicine Hat Southwest) Inc.	4,118.82
Joki, Roger & Jacalyn	Sanderson of Fish Creek (Calgary) Developments Ltd.	3,512.00
Kirk's Midway Tire Ltd.	Medican Construction Ltd.	9,685.21
Kwok, Jason	Canvas (Calgary) Developments Ltd.	1,100.25
Langille, Richard and Makowecky, Ashley	Canvas (Calgary) Developments Ltd.	2,856.00
LaTouche, Earle (2nd claim)	Sanderson of Fish Creek (Calgary) Developments Ltd.	950.00
Lertvachirachote, Charoen	Canvas (Calgary) Developments Ltd.	3,459.93
Lifetime Exterior Finishing Ltd	Medican Construction Ltd.	39,375.00
Mahon, William	Medican General Contractors Ltd.	15,900.00
Mancini, Patrick & Andre	Axxess (Sylvan Lake) Developments Ltd.	24,300.00
Master Hammers Ltd.	Medican Construction Ltd.	58,536.26
Master Pools by Dominion	Sanderson of Fish Creek (Calgary) Developments Ltd.	7,723.49
McDiarmid Lumber Ltd.	Medican Construction Ltd.	6,607.83
Murray, Derrick	Watercrest (Sylvan Lake) Developments Ltd.	26,850.00
Muth, Alvin	Watercrest (Sylvan Lake) Developments Ltd.	25,000.00
Oakwood Roofing & Sheet Metal	Medican Developments (Medicine Hat Southwest) Inc.	35,738.85
Owen, Heather	Sanderson of Fish Creek (Calgary) Developments Ltd.	23,000.00
Pearson, Jeffrey	Medican Holdings Ltd.	20,921.97

Medican Group of Companies
Summary of Late-Claims
As at September 16, 2011
(\$Cdn, Unaudited)

Creditor	Medican Group Entity	Amount
Pitney Bowes Leasing	Medican Holdings Ltd.	2,452.26
Postcard Portables	Homes by Kingsland Ltd.	3,791.34
Postmedia Network Inc	Medican Enterprises Inc./Les Entreprises Medican Inc.	59,539.83
Prestige Painting Ltd.^	Medican Construction Ltd.^	42,800.00
Prime Fasteners Ltd.	Medican Framing Ltd.	5,321.52
Pro Bond Systems Inc	Medican Construction Ltd.	43,002.87
Rigby, William James	Canvas (Calgary) Developments Ltd.	2,613.94
Rolling Mix Concrete LLP^	Medican Construction Ltd.^	108,440.41
Rozak, Brian and Diana^	Medican Construction Ltd.^	3,400.00
Sharp's Audio Visual	Medican Holdings Ltd.	30,000.00
Shurgelo, Andrew John	Medican (Westbank) Developments Ltd.	600.00
Shwaga, Dean & Susan	Medican Construction Ltd.	30,000.00
Sierras of Erindale	Medican Developments Inc.	10,500.00
Staples, Larry and Joan	Watercrest (Sylvan Lake) Developments Ltd.	14,450.00
Superior Propane	Medican Construction Ltd.	1,963.32
Sweetland, Robert	Canvas (Calgary) Developments Ltd.	6,536.74
Tech Sprinklers Ltd.	Medican Construction Ltd.	89,417.20
The City of Grande Prairie	Elements (Grande Prairie) Developments Ltd. Axxess (Grande Prairie) Developments Ltd.	32,182.78 45,569.83
Thibeault Masonry Ltd.	Medican Construction Ltd.	324,022.94
Thompson, Ginger	Axxess (Grande Prairie) Developments Ltd.	2,455.95

Medican Group of Companies
Summary of Late-Claims
As at September 16, 2011
(\$Cdn, Unaudited)

Creditor	Medican Group Entity	Amount
Timber Ridge Log Structures	Medican Construction Ltd.	108,843.76
Unrau, Cornelius	Medican Developments (Medicine Hat Southwest) Inc.	8,000.00
Viper Construction	Medican Construction Ltd.	5,335.33
Watmough, Kelsey	Axxess (Sylvan Lake) Developments Ltd.	1,000.00
Whitburn, Barbara	Canvas (Calgary) Developments Ltd.	<u>3,360.78</u>
Grand Total		<u>8,759,683.15</u>

^ : Indicates the creditor has filed duplicate claims against multiple Medican Group entities. The claim is reflected against the entity that incurred the liability.

6178436_2