



COURT FILE NUMBER 1001-07852
COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE 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
(Creditors' Meeting)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT



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Ph. (403) 268-7097/6301 Fx. (403) 268-3100
File No.: 526686-1

I hereby certify this to be a true copy of the original Order
Dated this 5 day of Dec, 2011
A. Gidley
for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: December 5, 2011

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary

NAME OF JUDGE WHO MADE THIS ORDER: Justice K.M. Horner

ORDER
(Creditors' Meeting)

UPON the application of the Petitioners in these proceedings (collectively, the "**Medican Group**"); **AND UPON** having read the Application by the Petitioners, dated November 30, 2011, the Affidavit of Tyrone Schneider dated November 30, 2011 (the "**Schneider Affidavit**"), the Affidavit of Ronica Cameron dated December 5, 2011 (the "**Service Affidavit**"), the Fourteenth and Fifteenth Reports of RSM Richter Inc. the Court appointed monitor (the "**Monitor**"), both dated November 30, 2011, all filed, and such other material in the pleadings and proceedings as are deemed necessary; **AND UPON** having read the terms and provisions of the plan of compromise or arrangement, dated November 30, 2011, as attached hereto as Schedule "A" (the "**Plan**"); **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 Plan.

Filing of the Plan

3. For the purposes of this Order, and in accordance with the Plan, the Medican Group does not include the Petitioners Medican (Westbank) Development Ltd., Medican (Westbank) Land Ltd. and Sanderson of Fish Creek (Calgary) Developments Ltd. For greater certainty, in accordance with the Plan, all of the remaining Petitioners comprise the Medican Group.
4. The Medican Group is hereby authorized and directed to file the Plan, to present the Plan to the Affected Creditors for their consideration in accordance with the terms of this Order (the "**Meeting Order**") and to seek approval of the Plan in the manner set forth herein.
5. The Medican Group be and is hereby authorized, with the consent of the Monitor or as otherwise ordered by the Court, to vary, amend, modify or supplement the Plan by way of a supplementary or amended and restated plan or plans of compromise or arrangement (an "**Amended Plan**"):
 - (a) at any time prior to the meeting of Affected Creditors (the "**Creditors' Meeting**"), provided that the Medican Group or the Monitor, as applicable, (i) files the Amended Plan with this Court, (ii) posts the Amended Plan on the Monitor's Website, and (iii) serves the Amended Plan on the Service List;

- (b) at any time during the Creditors' Meeting, provided that oral notice of any such variation, amendment, modification or supplement is given to all Affected Creditors present in person or by proxy (and in such case, notice given to the Affected Creditor's proxyholder shall be sufficient) at the Creditors' Meeting prior to the vote being taken at the Creditors' Meeting, in which case any such variation, amendment, modification or supplement shall be deemed to be part of and incorporated into the Plan, and such Amended Plan shall be promptly posted on the Monitor's Website and filed with the Court as soon as practicable following the Creditors' Meeting; and
- (c) at any time and from time to time after the Creditors' Meeting (both prior to and subsequent to the Sanction Order, if granted), with approval of this Court and any Affected Creditors adversely affected by such amendment,

provided that, however, any such amendment, modification or supplement may be made unilaterally by the Medican Group, before or after the Sanction Order, with the approval of the Monitor, if such amendment, modification or supplement is of an administrative nature that is not adverse to the financial or economic interests of any of the Affected Creditors under the Plan and is necessary in order to give better effect to the substance or implementation of the Plan or the Sanction Order.

Classification of Creditors

- 6. For the purposes of considering and voting on the Plan and receiving distributions thereunder, the Affected Claims of the Affected Creditors shall constitute a single class under the Plan.

Notice of Creditors' Meeting and Information Package

- 7. The form of notice to Creditors of the Creditors' Meeting (the "**Notice of Creditors' Meeting**") and the form of Proxy to be used by Affected Creditors (the "**Proxy**") in substantially the forms attached to this Meeting Order as Schedules "B" and "C", respectively, are hereby approved.
- 8. The Notice of Creditors' Meeting shall include a specification of the web address where each Affected Creditor will be able to access and retrieve copies of the following documents (collectively, the "**Information Package**"):
 - (a) the Plan;
 - (b) this Meeting Order;
 - (c) a copy of the Monitor's Fifteenth Report;
 - (d) the Notice of Creditors' Meeting; and
 - (e) the Proxy.
- 9. The Monitor shall send a copy of the Information Package as soon as practicable, and in any event not later than December 12, 2011, to each Affected Creditor by regular mail, facsimile, courier or e-mail at the last known address (including the last known fax number or e-mail address) for such Affected Creditor specified by such Affected Creditor in the Claims Procedure.

10. The Chair (as defined in paragraph 15 of this Order) be and is hereby authorized to accept and rely upon proxies substantially in the form attached as Schedule "C" hereto. Notwithstanding paragraphs 7 to 9 hereof, the Monitor may from time to time, make such minor changes to the Information Package as the Monitor, in consultation with the Medican Group, considers necessary or desirable to conform the content thereof to the terms of the Plan or this Meeting Order, or to describe the Plan.
11. The Monitor shall cause a copy of the Information Package to be posted on the Monitor's website (<http://www.rsmrichter.com/Restructuring/Medican.aspx>) no later than December 12, 2011 and in the case of any amendments made thereto in accordance with paragraphs 5 or 10 hereof, as soon as practicable after such amendments are made.
12. The Monitor shall send by regular mail, facsimile, courier or e-mail as soon as practicable following a request therefor, a copy of the Information Package to each Creditor who, no later than two Business Days prior to the Creditors' Meeting (or any adjournment thereof), makes a written request for it.

Publication of Newspaper Notice

13. As soon as practicable and no later than December 16, 2011, a newspaper notice of the Creditors' Meeting, in substantially the form attached as Schedule "D" to this Order (the "**Newspaper Notice**"), shall be published once by the Monitor in the Calgary Herald, the Medicine Hat News, the Edmonton Journal, the Lethbridge Herald and LaPress.

Notice Sufficient

14. The publication of the Newspaper Notice, the sending of the Information Package to Affected Creditors and the posting of the Information Package on the Monitor's website, in the manner set out in paragraphs 7 through 13, as applicable, shall constitute good and sufficient service of this Meeting Order, the Plan and the Notice of Creditors' Meeting on all Persons who are entitled to receive notice thereof in these proceedings, or who wish to be present in person or by proxy at the Creditors' Meeting or in these proceedings, and no other form of notice or service need be made on such Persons and no other document or material need be served on such Persons in respect of the Creditors' Meeting or these proceedings. Service shall be effective, in the case of regular mailing, three Business Days after the date of mailing, in the case of service by courier, on the day after the courier was sent, and in the case of service by fax or e-mail, on the day after the fax or e-mail was transmitted, unless such day is not a Business Day, or the fax or e-mail transmission was made after 5:00 p.m. (Calgary time), in which case, on the next Business Day.

Creditors' Meeting

15. A representative of the Monitor shall preside as the chair of the Creditors' Meeting (the "**Chair**") and shall decide all matters relating to the rules and procedures at, and the conduct of, the Creditors' Meeting in accordance with the terms of the Plan, this Creditors' Meeting Order and further Orders of this Court. The Chair may adjourn the Creditors' Meeting at his/her discretion.
16. The Medican Group shall call, hold and conduct the Creditors' Meeting on Wednesday, January 11, 2012 at the Radisson Hotel, at 2120 16 Avenue NE, Calgary, Alberta, at 2:00 p.m.

(MT) (the “**Meeting Date**”), or as adjourned to such places and times as the Chair may determine, for the purposes of the Affected Creditors considering and voting on the Plan and transacting such other business as may be properly brought before the Creditors’ Meeting.

Attendance at Creditors’ Meeting

17. The only Persons entitled to notice of, attend or speak at the Creditors’ Meeting are the Affected Creditors (or their respective proxy holders), representatives of the Medican Group, the Monitor, the legal counsel or agent of any of the foregoing, the Chair, Scrutineers and the Secretary (as defined below). Any other Person may be admitted to the Creditors’ Meeting only by invitation of the Medican Group or the Chair.
18. An Affected Creditor that is not an individual may only attend and vote at the Creditors’ Meeting if it has appointed a proxyholder to attend and act on its behalf at the Creditors’ Meeting.

Voting at the Creditors’ Meeting

19. Any Creditor holding a Claim that has not been filed or asserted in accordance with the Claims Procedure Order, or that has filed a Claim that has been disallowed and for which the appeal period has expired with no appeal, will not be entitled to vote on the Plan at the Creditors’ Meeting in respect of its Claim.
20. The only Persons entitled to vote at the Creditors’ Meeting in person or by proxy, are the Affected Creditors.
21. For the purposes of voting on the Plan, all Affected Creditors shall be entitled to vote on the proof of claim (as may have been amended) filed in respect of their Affected Claim pursuant to the Claims Procedure Order, but for the purposes of receiving distributions under the Plan, the Affected Claim shall remain subject to further review and final acceptance by the Monitor, and may be determined, in whole or in part, to be a Disputed Claim.
22. No Person shall be entitled to vote on the Plan in respect of a claim that is an Unaffected Claim.
23. The quorum required at the Creditors’ Meeting shall be any two Affected Creditors (who do not hold a Disputed Claim) present in person or by proxy at the Creditors’ Meeting.
24. If:
 - (a) the requisite quorum is not present at the Creditors’ Meeting;
 - (b) the Creditors’ Meeting is postponed by a vote of the majority in value of the Claims of the Affected Creditors present in person or by proxy; or
 - (c) the Chair otherwise decides to adjourn the Creditors’ Meeting,

then the Creditors’ Meeting shall be adjourned to such date, time and place as may be designated by the Chair. The announcement of the adjournment by the Chair, the posting of notice of such adjournment on the Monitor’s website and written notice thereof to the Service List shall constitute sufficient notice of the adjournment and the Medican Group and the

Monitor shall have no obligation to give further notice to any Person of the adjourned Creditors' Meeting.

25. Every question submitted to the Creditors' Meeting, except to approve the Plan resolution, any amendment to or in respect of the Plan or an adjournment of the Creditors' Meeting, will be decided by a majority of votes given on a show of hands or, if by confidential written ballot at the discretion of the Chair, by a simple majority in number of the Affected Creditors.
26. The Chair shall direct a vote by the Affected Creditors on the resolution substantially in the form attached hereto as Schedule "E" to approve the Plan (the "**Resolution**") (i) by way of written ballot, or (ii) if the Chair deems it appropriate, by a show of hands.
27. If the Resolution is approved in accordance with the terms of this Meeting Order, the Resolution shall be ratified and given full force and effect in accordance with the provisions of this Meeting Order, the CCAA, the Information Package and any further Order of this Court, notwithstanding the provisions of any agreement or other instrument to the contrary.
28. The Monitor may appoint scrutineers (the "**Scrutineers**") for the supervision and tabulation of the attendance, quorum, and votes cast at the Creditors' Meeting. A Person or Persons designated by the Monitor shall act as secretary (the "**Secretary**") at the Creditors' Meeting and shall tabulate all votes made at the Creditors' Meeting.
29. The result of any vote conducted at the Creditors' Meeting shall be binding upon each and every Affected Creditor, whether or not such Affected Creditor was present or voted at the Creditors' Meeting, without prejudice to such Affected Creditor's ability to oppose the Plan at the Sanction Hearing.
30. Following the vote at the Creditors' Meeting, the Monitor shall tally the votes cast and determine whether the Plan has achieved Creditor Approval.
31. The Monitor shall file its report to this Court by no later than one Business Day after the day the Meeting occurs with respect to whether the Plan has achieved Creditor Approval.

Voting By Proxies

32. All proxies submitted in respect of the Creditors' Meeting (or any adjournment thereof) shall be in substantially the form attached to this Order as Schedule "C" or in such other form as is acceptable to the Monitor or the Chair.
33. An Affected Creditor wishing to appoint a proxy to represent such Affected Creditor at the Creditors' Meeting (or any adjournment thereof) may do so by inserting such Person's name in the blank space provided on the form of proxy and sending the completed form to the Monitor by e-mail to nfrankiw@fsmrichter.com, or if the completed form cannot be sent by e-mail, it shall be sent by regular mail, facsimile or courier to:

RSM Richter Inc.
3810, 205-5th Ave. S.W.
Calgary, Alberta. T2P 2V7
Facsimile: (403) 233-8688

34. A proxy must be received by the Monitor by noon (Calgary time) on the last Business Day preceding the date set for the Creditors' Meeting or any adjournment thereof, or delivered by hand to the Chair prior to the commencement of the Creditors' Meeting (or commencement of an adjourned Creditors' Meeting in case of adjournment). After commencement of the Creditors' Meeting (or commencement of an adjourned Creditors' Meeting in case of adjournment), no proxies shall be accepted by the Monitor.
35. The following shall govern the submission of proxies and any deficiencies in respect of the form or substance of proxies filed with the Monitor:
- (a) an Affected Creditor who has given a proxy may revoke it (unless it has agreed otherwise) as to any matter on which a vote has not already been cast pursuant to its authority, by an instrument in writing executed by such Affected Creditor or by its attorney, duly authorized in writing or, if an Affected Creditor is not an individual, by an officer or attorney thereof duly authorized, and deposited with the Monitor as provided in paragraph 33;
 - (b) if no name has been inserted in the space provided to designate the proxyholder on the proxy, the Affected Creditor shall be deemed to have appointed ROBERT J. TAYLOR of the Monitor (or such other Person as ROBERT J. TAYLOR, in his sole discretion, may designate) as the Affected Creditor's proxyholder;
 - (c) if the proxy is not dated in the space provided, it shall be deemed to be dated on the date it is received by the Monitor;
 - (d) a proxy submitted by an Affected Creditor that bears or is deemed to bear a later date than an earlier proxy submitted by such Affected Creditor shall be deemed to revoke the earlier proxy;
 - (e) if more than one valid proxy for the same Affected Creditor and bearing or deemed to bear the same date are received by the Monitor with conflicting instructions, such proxies shall not be counted for the purposes of the vote;
 - (f) the Person named in the proxy shall vote the Affected Claim of the Affected Creditor in accordance with the direction of the Affected Creditor appointing such Person on any ballot that may be called for. In the absence of any such direction, such Affected Claim shall be voted in favour of the Plan resolution;
 - (g) a proxy confers a discretionary authority upon the Person named therein with respect to amendments or variations to the matters identified in the notices of the Creditors' Meeting and in this Plan, and with respect to other matters that may properly come before the Creditors' Meeting; and

- (h) the Monitor in consultation with the Medican Group is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any proxy is completed and executed, and may waive strict compliance with the requirements in connection with the deadlines imposed in connection therewith.

Transfers or Assignments of Claims

- 36. If an Affected Creditor transfers or assigns an Affected Claim to another Person, such transferee or assignee shall not be entitled to attend and vote the transferred or assigned Affected Claim at the Creditors' Meeting unless (i) actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been delivered to the Monitor not less than five calendar days prior to the date of the Creditors' Meeting, and (ii) the assignee or transferee has been acknowledged by the Monitor as the holder of the Affected Claim.
- 37. If an Affected Creditor transfers or assigns (i) the whole of an Affected Claim to more than one Person, or (ii) part of such Affected Claim to another Person or Persons, such transfers or assignments shall not create separate Affected Claims for voting purposes. Only the last Affected Creditor holding the whole of the Affected Claim may attend and vote the transferred or assigned Affected Claim at the Creditors' Meeting, unless such Affected Creditor delivers notice in writing to the Medican Group and the Monitor no later than five calendar days prior to the date of the Creditors' Meeting directing that a specified transferee or assignee may vote the whole of such Affected Claim at the Creditors' Meeting if and to the extent such Affected Claim may otherwise be voted at such Creditors' Meeting.

Hearing for Sanction of the Plan

- 38. If the Plan achieves Creditor Approval, the Medican Group shall seek Court approval of the Plan at a motion for the Sanction Order, which motion shall be returnable before this Court at 10:00 a.m. (Calgary time) on January 13, 2012, or as soon after that date as the matter can be heard (the "Sanction Hearing").
- 39. Service of the Monitor's Fifteenth Report, the service and posting of the Information Package and the publication of the Newspaper Notice, all in accordance with this Order, shall constitute good and sufficient service of the notice of the Sanction Hearing on all Persons who may be entitled to receive notice of the Sanction Hearing, and no other form of notice or service need be made on such Persons, and no other document or materials need be served on such Persons in respect of the Sanction Hearing unless they have filed and served a Demand of Notice.
- 40. Any Person (other than the Medican Group, the Monitor and other Persons already on the Service List) wishing to receive materials and appear at the Sanction Hearing shall serve upon the lawyers for the Medican Group and the Monitor, and file with this Court, a Demand of Notice by not later than 5:00 p.m. (Calgary time) on January 11, 2012.
- 41. Any party who wishes to oppose the motion for final sanctioning of the Plan shall serve upon the lawyers for both the Medican Group and the Monitor, and upon all other parties on the Service List, by not later than 5:00 p.m. (Calgary time) on January 6, 2012, a copy of the materials to be used to oppose the motion for approval of the Plan, setting out the basis for such opposition.

42. If the Sanction Hearing is adjourned, only those Persons who are listed on the Service List (which shall include those Persons who have complied with paragraph 40 of this Order) shall be served with notice of the adjourned date.

General

43. The Monitor in consultation with the Medican Group may, in its discretion, generally or in individual circumstances, waive in writing the time limits imposed on any Affected Creditor under this Meeting Order if the Monitor, in consultation with the Medican Group deems it advisable to do so, without prejudice to the requirement that all other Affected Creditors must comply with this Meeting Order.
44. If any deadline set out in this Meeting Order falls on a day other than a Business Day, the deadline shall be extended to the next Business Day.
45. Notwithstanding the terms of this Meeting Order, the Medican Group or the Monitor may apply to this Court from time to time for such further order or orders as it considers necessary or desirable to amend, supplement or replace this Meeting Order.

Effect, Recognition and Assistance of Other Courts

46. This Meeting Order and any other Order in this proceeding shall have full force and effect in all provinces and territories in Canada and abroad and as against all Persons against whom they may otherwise be enforceable.
47. This Court hereby requests the aid and recognition (including assistance pursuant to the provisions 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 or the legislature of any province or any court or any judicial, regulatory or administrative body of the United States and of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Meeting Order.

"Karen Horner"

Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A" TO MEETING ORDER
(CCAA PLAN)

Clerk's stamp:

COURT FILE NUMBER 1001-07852
COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE 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

PLAN OF COMPROMISE AND ARRANGEMENT

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT



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File No.: 526686-1

**PLAN OF ARRANGEMENT AND COMPROMISE
OF
THE MEDICAN GROUP OF COMPANIES**

PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT ACT* (CANADA)

NOVEMBER 30, 2011

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ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan, unless otherwise stated or unless the context otherwise requires:

"679" means 1607679 Alberta Ltd., an Alberta corporation, subsidiary, to the extent of 51%, of Medican Concrete Inc., and party to certain of the Concrete Agreements.

"752" means 1606752 Alberta Ltd., an Alberta corporation, 49% shareholder of 679, and party to a unanimous shareholders agreement with Medican Concrete Inc. regarding the interim operation of Medican Concrete Inc.'s concrete business, one of the Concrete Agreements.

"Administration Charge" means the Administration Charge as described in the Initial Order and as amended by subsequent Orders and this Plan.

"Affected Claims" means any and all Claims filed against the Medican Group in accordance with the Claims Procedure Order, and includes any reduction to such Claim as a result of any payment, compromise, or other deduction applied against such Claim, whether before or after the Filing Date, but does not include any Unaffected Claims.

"Affected Creditors" means Creditors with Affected Claims in respect of and to the extent of such Affected Claims.

"Business Day" means a day other than a Saturday, Sunday or statutory holiday in Alberta.

"CAA" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended.

"CAA Proceedings" means the proceedings under the CAA commenced by the Medican Applicants pursuant to the Initial Order.

"Certificate of Full Performance" means the Certificate described in Section 4.8 of this Plan.

"Claim" means any right or claim of any Person against the Medican Group (or any one or more of them) in connection with any indebtedness, liability or obligation of any kind of the Medican Group in existence on the Filing Date, or which has arisen after the Filing Date as a result of the termination or repudiation (including the deemed termination pursuant to this Plan) by the Medican Group on or before the Plan Implementation Date of any lease, executory contract, agreement or other arrangement in existence on the Filing Date) and any interest accrued thereon, whether before or after the Filing Date, whether liquidated, un-liquidated, fixed, contingent, absolute, matured, un-matured, disputed, undisputed, asserted, unasserted, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, whether legal or beneficial, by guarantee, surety or otherwise, whether or not reduced to judgment, and whether or not such right is executory in nature including the right or ability of any Person to advance a claim for contribution, indemnity, subrogation or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future based in whole or in part on facts, events or matters which exist or occurred on or before the Filing Date.

"Claims Procedure" means the procedure outlined in the Claims Procedure Order.

"Claims Procedure Order" means the Claims Procedure Order granted in the CCAA Proceedings dated June 11, 2010, as amended by Orders of the Court (including the Order of the Court dated September 22, 2011), and this Plan.

"Concrete Agreements" mean the: (a) Unanimous Shareholders Agreement among Medican Concrete Inc., 752, and 679; and (b) Interim Access Agreement among Medican Concrete Inc. and 679, both dated May 19, 2011 and approved by the Court on May 26, 2011.

"Contracts" means the contracts set forth in Schedule "B" to this Plan.

"Court" means the Court of Queen's Bench of Alberta hearing Action Number 1001-07852, the Medican Applicants' CCAA Proceedings.

"Creditor" means any Person having a Claim.

"Creditor Approval" means the approval of the Plan by the Affected Creditors in accordance with the provisions hereof and the CCAA.

"CRO" means 1539319 Alberta Ltd., in its capacity as the court appointed chief restructuring officer appointed by the Order of this Honourable Court dated December 2, 2010.

"Deposit" means any deposit or down payment made by a purchaser with respect to that purchaser's acquisition of a Unit.

"Disputed Claim" means an Affected Claim that is disputed and/or contingent and addressed in accordance with the Claims Procedure Order, the Meeting Order, and this Plan, particularly sections 5.4 and 5.5 hereof.

"Effective Time" means 12:01 a.m. Calgary time on January 1, 2012.

"Filing Date" means May 26, 2010.

"Final Order" means an Order, ruling or judgment of the Court, or any other court of competent jurisdiction, which is not subject to any stay or application to vary or set aside.

"FMC" means Fraser Milner Casgrain LLP, counsel to the Applicants.

"Fund" means the fund described in Article 4 of this Plan.

"Fund Administration Charge" means the Charge created in the Sanction Order over the Fund to secure the fees, costs, and expenses of the Monitor, counsel to the Monitor, and counsel to the Medican Group, to administer the Fund and the receipts and disbursements related thereto, to a maximum amount of \$200,000, in priority to all claims, of whatever kind or nature, howsoever arising, of any and all Persons.

"Initial Order" means the Order of the Court dated May 26, 2010, as amended or varied by further Order, ordering and declaring, *inter alia*, that the Medican Applicants are companies to which the CCAA applies.

"Interim Charges" means the following charges:

- (a) the **"MCAP Charge"** in respect of The Legend at Creek Bend in Winnipeg, Manitoba, by Order dated June 25, 2010, as amended by Order dated February 2, 2011;
- (b) the **"Macdonald Charge"** in respect of Canvas (Calgary) Developments Ltd. in Calgary, Alberta, by Order dated July 29, 2010; and
- (c) the **"Macdonald Charge – Terwilligar"** in respect of Medican (Edmonton Terwilligar) Developments Inc. in Edmonton, Alberta, by Order dated September 8, 2010, as amended by Order dated February 2, 2011.

"Medican Applicants" means each and every one of the petitioners in the CCAA Proceedings, and includes Cercles des Cantons S.E.C., a Quebec Limited Partnership.

"Medican Group" means all of the Medican Applicants other than Medican (Kaleido) and Medican (Sanderson).

"Medican (Kaleido)" means Medican (Westbank) Development Ltd. and Medican (Westbank) Land Ltd., British Columbia corporations who are Medican Applicants.

"Medican (Sanderson)" means Sanderson of Fish Creek (Calgary) Developments Ltd., an Alberta corporation who is a Medican Applicant.

"Meeting" means the meeting of Affected Creditors held to consider the Plan as outlined in the Meeting Order.

"Meeting Order" means the Order of the Court dated December 5, 2011 authorizing the filing of this Plan, and setting out the procedures for the Meeting and dissemination of the documents relating thereto.

"Monitor" means RSM Richter Inc., in its capacity as the court appointed monitor appointed by the Initial Order.

"Net Proceeds" means all cash and non-cash consideration received from monetization (whether through performance, sale, or otherwise) less all reasonable and ordinary costs of performance (including, without limitation, a fair allocation for all costs related to overhead, general, and administrative) and closing, including without limitation goods and services and other applicable taxes (whether sales, real property, or otherwise), commissions, applicable condominium fees and legal fees and disbursements).

"Order" means an order of a court of competent jurisdiction being, unless otherwise specified, the Court.

"Person" means an individual, partnership, joint venture, trust, corporation, group, firm, association, unincorporated organization, committee, government or agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted.

"Plan" means this Plan of Arrangement, as restated, supplemented or amended from time to time.

"Plan Implementation" means that all conditions to this Plan have been satisfied or waived.

“Plan Implementation Date” means the Business Day on which the Certificate described in paragraph 7.3 hereof is filed in the CCAA Proceedings indicating that Plan Implementation has occurred.

“Post-filing Interest or Costs” means all interest accrued or accruing on or after the Filing Date on or in respect of an Affected Claim and all costs and expenses incurred by, or for the account of, an Affected Creditor on or after Filing Date pursuant to or in respect of an Affected Claim.

“Projects” means the development projects of the Medican Group set forth in Schedule “A” to this Plan.

“Property” means all of the undertaking, property, and assets of the Medican Group except: (a) the Projects; (b) all of the undertaking, property and assets related to the project known as Kaleido and developed by Medican (Kaleido); and (c) all of the undertaking, property and assets related to the project known as Sanderson of Fish Creek and developed by Medican (Sanderson);

“Quarter” means each of the four three month periods occurring sequentially during SuccessorCo’s fiscal year beginning on January 1.

“Released Parties” means the Medican Group, the CRO, the Monitor, and their respective present and former officers, directors, deemed directors, employees, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnitees, agents and assigns, as applicable.

“Sanction Order” means an Order of the Court made under the CCAA approving and sanctioning the Plan that provides the relief described in section 6.2 of this Plan and is otherwise satisfactory to the Medican Group.

“SuccessorCo” means, collectively, Medican Holdings (2012) Ltd., Medican Concrete (2012) Ltd., Medican Construction (2012) Ltd., Medican Equipment (2012) Ltd., and Medican Contractors (2012) Ltd.

“SuccessorCo Commitment” means the binding obligation of SuccessorCo to be bound by the provisions of this Plan, including without limitation SuccessorCo’s obligation to: (a) complete the Projects, (b) complete the Contracts, (c) take delivery of the Property (subject to the provisions of section 6.2(d) of this Plan), (d) assume all obligations now or hereafter owing in respect of amounts owing under the Administration Charge; and (e) make the SuccessorCo Contributions.

“SuccessorCo Contributions” means semi-annual payments by SuccessorCo to the Fund equal to a portion of SuccessorCo’s consolidated net income for half of its fiscal year, calculated in accordance with generally accepted accounting principles (“SCNI”), and payable within 90 days of the end of Medican Holdings (2012) Ltd.’s 2nd and 4th fiscal Quarters, based on the following formula:

SCNI for the applicable 6 month period (“X”)	Amount payable by SuccessorCo to the Fund
< \$500,000	20% of X
\$500,000 - \$1,000,000	\$100,000 + (50% of X over \$500,000)
\$1,000,000 - \$2,000,000	\$350,000 + (75% of X over \$1 million)
\$2,000,000 - \$3,000,000	\$1.1 million + (95% of X over \$2 million)

SCNI for the applicable 6 month period ("X")	Amount payable by SuccessorCo to the Fund
> \$3,000,000	\$2,100,000

which payments shall continue until the aggregate payments to the Fund from all sources equal \$10 million (the "Payment Date"). When the Payment Date occurs, SuccessorCo shall be entitled to purchase all remaining Projects and Contracts, if any, for \$1 and, if the Payment Date occurs prior to the 3rd anniversary from the Effective Date, SuccessorCo shall continue to pay 20% of SCNI for each Quarter remaining until the 3rd Anniversary of the Effective Date.

"**Surplus Funds**" means the residual funds remaining from the sale of various assets during the CCAA Proceedings, including those described in Schedule "C" hereto.

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Termination Event**" means either: (a) the granting by the Court of a Final Order declaring that this Plan has been terminated, or (b) the issuance by the Monitor of a Certificate of Full Performance.

"**Unaffected Claims**" means any Claims secured by the Administration Charge, but does not include Affected Claims.

"**Unit**" means a condominium unit (and any related rights to that unit in respect of common area of the related project and related parking rights) or residential unit in any project constructed and/or developed by the Medican Group, and "**Units**" means all such Units taken in aggregate.

1.2 Interpretation

In this Plan, unless otherwise stated or unless the context otherwise requires:

- (a) the division of the Plan into Articles and sections and the use of headings are for convenience or reference only, and do not affect the construction or interpretation of the Plan;
- (b) the words "hereunder", "hereof" and similar expressions refer to the Plan and not to any one Article or section and references to "Articles" or "sections" are to the Articles or sections of the Plan;
- (c) words importing the singular include the plural and *vice versa* and words importing any gender include all genders;
- (d) the word "including" means "including without limiting the generality of the foregoing";
- (e) a reference to any statute is a reference to that statute as now enacted or as the statute may from time to time be amended, re-enacted or repealed and includes any regulation made thereunder;
- (f) references to currency, "\$", or other dollar amounts are to Canadian dollars unless otherwise specified; and
- (g) references to times are to local time in Calgary, Alberta.

1.3 Successors and Assigns

The Plan shall be binding upon and shall inure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of each Person named in or subject to the Plan.

1.4 Governing Law

The Plan shall be governed by and construed in accordance with the laws of Alberta and the federal laws of Canada applicable therein. Any disputes as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan shall be subject to the jurisdiction of the Court.

ARTICLE 2 **BACKGROUND**

2.1 Background

The Medican Group is a corporate group with two branches to its enterprise: (i) constructing various development projects; and (ii) operating its concrete and other construction companies.

The CCAA Proceedings were commenced by the Medican Applicants on May 26, 2010 to facilitate the continued development of viable development projects, implement processes to maximize the value of its developments not considered viable, continue with the ongoing operation of its concrete and construction operations, and reorganize its affairs to enable it to continue as a going concern on a more streamlined and economic basis.

Since the commencement of the Proceedings, the Medican Group has:

- (a) developed and executed a protocol for the continuing sale of Units, resulting in the sale of approximately 188 Units, and completed and/or sold a number of projects that resulted in the reduction of approximately \$90 million of the Medican Group's secured and unsecured debt;
- (b) investigated and compromised a number of claims with the result that amounts owed by the Medican Group were reduced and impediments were removed to enable a successful restructuring; and
- (c) replaced governance and control of the Medican Group with the CRO.

ARTICLE 3 **OVERVIEW OF THE PLAN**

3.1 Overview

The Plan is described in detail in the Monitor's Fifteenth Report. The Monitor's Fifteenth Report is included in the package provided to all Affected Creditors pursuant to the Meeting Order and can also be found on the Monitor's Website, www.rsmrichter.com. Affected Creditors are encouraged to review that Report in detail in conjunction with their consideration of this Plan.

In summary, this Plan provides that all Affected Creditors (which includes all Affected Claims against all members of the Medican Group with the exception of creditors in the Kaleido project - Medican

(Westbank) Development Ltd. and Medican (Westbank) Land Ltd. – and the Sanderson project – Sanderson of Fish Creek (Calgary) Developments Ltd.) will share in the Fund (a single fund of not less than \$10 million), on a consolidated basis, regardless of which corporate entity their Claim is against, such that all Affected Creditors will get the first \$2,750 of their Claim, and then share on a pro-rata basis for the balance of their respective Claim.

The Fund is the aggregate of: (i) the value of all projects and contracts currently underway by the Medican Group, and (ii) semi-annual contributions by the new, employee-owned Medican companies (referred to in this Plan as “SuccessorCo”). If the \$10 million threshold is achieved prior to the third anniversary of SuccessorCo’s emergence from these proceedings, then SuccessorCo will continue to contribute to the Fund until the third anniversary from emergence on the basis of 20% of SuccessorCo’s net income from the date the \$10 million threshold is met until the third anniversary from emergence.

SuccessorCo will make contributions to the Fund on a semi-annual basis. The contributions will be held by the Monitor and distributed to Affected Creditors from time to time, and once amounts received by the Monitor reach \$1.0 million.

SuccessorCo will be a group of new companies owned by the current employees of the Medican Group. With the exception of the Medican Group’s General Counsel, none of the senior executive team that served with the Medican Group prior to the CCAA Proceedings, including Wes and Janice Reinheller, will have any ownership or employment role in SuccessorCo (although Wes Reinheller may be retained by SuccessorCo as a commissioned contractor). The CRO (Mr. Tyrone Schneider) will remain with SuccessorCo until the Plan is concluded.

SuccessorCo will acquire the Property from the Medican Group upon Plan Implementation, and provide regular reporting to the Monitor until the Plan is fully performed.

3.2 Effect of the Plan

On the Plan Implementation Date, the Plan will be binding on the Medican Group and on all Persons with Affected Claims.

ARTICLE 4 THE FUND

4.1 The Fund

A sum of not less than \$10 million dollars shall be accumulated, administered, and disbursed to Affected Creditors in accordance with the provisions of this Plan (the “Fund”).

4.2 Composition of the Fund

The Fund shall be comprised of the following:

- (a) the Net Proceeds of all Projects and Contracts; and
- (b) SuccessorCo Contributions.

4.3 Projects

Projects will remain in the Medican Group, in trust for the benefit of the Affected Creditors as set forth in this Plan. Unless and until a Termination Event has occurred, SuccessorCo will, on behalf of the Medican Group, complete all Projects in accordance with the current terms and conditions of such Projects. For greater certainty:

- (a) the current terms and conditions of completion of Projects may only be altered in accordance with existing arrangements or with the consent of the Monitor;
- (b) SuccessorCo will provide regular reports, in form and substance satisfactory to the Monitor, to the Monitor regarding the status of each Project; and
- (c) Net Proceeds of each Project shall be paid to the Monitor for deposit into the Fund.

4.4 Contracts

Contracts will be assigned to SuccessorCo for completion. Unless and until a Termination Event has occurred, SuccessorCo will perform and complete all Contracts in accordance with the current terms and conditions of each respective Contract. For greater certainty:

- (a) Contracts will be assigned by the Medican Group to SuccessorCo effective as of the Effective Time;
- (b) the current terms and condition of Contracts may only be altered in accordance with existing arrangements or with the consent of the Monitor;
- (c) SuccessorCo will provide regular reports, in form and substance satisfactory to the Monitor, to the Monitor regarding the status of each Contract; and
- (d) Net Proceeds of each Contract shall be paid to the Monitor for deposit into the Fund.

4.5 SuccessorCo Contributions

Unless and until a Termination Event has occurred, SuccessorCo shall:

- (a) provide Quarterly financial statements to the Monitor within 45 days of the end of each Quarter;
- (b) provide the Monitor with, and access to, such information as the Monitor may reasonably request;
- (c) not, except with the prior written consent of the Monitor: (i) materially change its by-laws or constituting documents; and (ii) hire, engage, or otherwise contract with Wes Reinheller or Janice Reinheller except as a commission based consultant;
- (d) continue to retain the CRO; and
- (e) pay SuccessorCo Contributions to the Monitor for deposit into the Fund.

4.6 Administration of the Fund

The Monitor shall maintain a separate, interest bearing trust account where all contributions to the Fund will be maintained and disbursed by the Monitor as set forth in this Plan.

4.7 Disbursements from the Fund

The Fund shall be disbursed by the Monitor in accordance with the provisions of this Plan in the following priority:

- (a) firstly, in satisfaction of any amounts owing under the Fund Administration Charge;
- (b) secondly, in satisfaction of claims described in paragraph 5.9 hereof;
- (c) thirdly, to Affected Creditors in accordance with their respective entitlements under this Plan.

4.8 Completion

Upon SuccessorCo fully and indefeasibly delivering all of its SuccessorCo Contributions to the Monitor, the Monitor shall execute and cause to be filed with the Court a Certificate of Full Performance, whereupon SuccessorCo shall be deemed to have complied with all of its obligations under this Plan and the CCAA Proceedings.

ARTICLE 5 AFFECTED CLAIMS

5.1 Class of Affected Creditors

All Affected Creditors shall form one class of creditors under the Plan for the purpose of considering and voting upon this Plan.

5.2 Treatment of Affected Creditors

Every Affected Creditor shall, subject to the provisions of the Plan, be treated as follows:

- (a) Each Affected Creditor will receive a copy of the Meeting Order, including all ancillary materials set forth in the Meeting Order.
- (b) At the Meeting, the Affected Creditors will vote on this Plan.
- (c) If the Plan receives Creditor Approval, the Medican Group will apply for a Sanction Order as soon as practicable.
- (d) On the Plan Implementation Date, Affected Creditors shall become entitled to receive the following payment from the Fund in full satisfaction of their Claim (subject to the resolution of any aspect of their Claim that is a Disputed Claim):
 - (i) firstly, the Fund shall be distributed to Affected Creditors to the extent of the lesser of:

- (A) the amount of \$2,750; and
 - (B) the full amount of the Affected Creditors claim; plus
- (ii) secondly, distributions will be made from the Fund to Affected Creditors remaining after disbursement of the amounts described in subparagraph (i), above, pursuant to their remaining respective proven claims, without interest, on a *pro rata* basis.

5.3 Distribution of the Plan Fund

The Monitor may make distributions from the Fund when it deems it necessary or advisable, and shall make distributions from the Fund to the Affected Creditors on the latter of:

- (a) the Monitor having satisfied itself that the Affected Claim is not an unresolved Disputed Claim; and
- (b) each time the Fund accumulates a distributable balance of either: (i) \$1 million, or (ii) an amount sufficient to make the final distribution of the Fund.

Notwithstanding the existence of Disputed Claims, the Monitor may make distributions provided that it makes suitable reserves in respect of outstanding Disputed Claims.

5.4 Voting by Affected Creditors

Each Affected Creditor shall be entitled to vote on this Plan at the Meeting to the extent of the amount of its filed Affected Claim. For greater certainty:

- (a) for the purposes of voting on this Plan, all Affected Creditors shall be entitled to vote on the proof of claim (as may have been amended, reduced, or compromised) they filed in respect of their Affected Claim pursuant to the Claims Procedure Order, but for the purposes of receiving distributions under this Plan remain subject to further review and final acceptance, and may be determined to be, in whole or in part, a Disputed Claim;
- (b) where one or more Disputed Claim affects the ability of the Monitor to determine whether the requisite Creditor Approval has been obtained, then the Monitor shall immediately apply to the Court to: (i) seek an expedited resolution of such Disputed Claim(s), and (ii) adjourn the hearing of the Sanction Order pending resolution of such Disputed Claim(s);
- (c) accepting an Affected Claim for the purpose of voting on the Plan shall in no way prejudice the review of such claim for distribution purposes.

The Monitor shall report the results of the vote and the tabulation of votes of Affected Creditors to the Court.

5.5 Disputed Claims

Except as may be required pursuant to section 5.4 (a) of this Plan, Disputed Claims will be addressed in accordance with the provisions set forth in the Claims Procedure Order, commencing within 60 days following the Plan Implementation Date.

5.6 Entitlement of Affected Creditors

- (a) All cash payments made to an Affected Creditor pursuant to the Plan shall be in satisfaction of the Affected Claim.
- (b) No Affected Creditor shall receive any Post-filing Interest or Costs.
- (c) Each Affected Creditor shall be liable to pay any tax exigible in respect of amounts received by such Affected Creditor pursuant to the Plan and the Medican Applicants shall have no liability with respect thereto.

5.7 Extinguishment of Claims

As of and from the Effective Time and in accordance with the provisions of the Sanction Order, the treatment of Affected Claims under the Plan shall be final and binding on the Medican Group and all Affected Creditors (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and all Claims other than Unaffected Claims, shall be released and discharged as against the Medican Group and the Medican Group shall thereupon be released from all Claims, other than: (i) Unaffected Claims, and (ii) the obligations of the Medican Group to address the Affected Claims in the manner and to the extent provided for in the Plan.

5.8 Set-Off

Despite any other provision of the Plan, the law of set-off applies to all claims made by or against the Medican Group (including Claims) to the same extent as if the applicable member of the Medican Group were plaintiff or defendant, as the case may be. For greater certainty:

- (a) any assertion of set-off shall be made in respect of a single member of the Medican Group and the consolidation effected by this Plan shall not in any way affect the application of set-off;
- (b) a Person may only set off as against a Claim an obligation of such Person to that member of the Medican Group (that is otherwise the proper subject of set-off) and that existed on or before the Filing Date and a Person may only set off as against a claim by such Person against the applicable member of the Medican Group arising after the Filing Date, an obligation of such Person to such Medican Applicant arising after the Filing Date (that is otherwise the proper subject of set-off).

5.9 Crown Priority Claims

Within six months from the date the Sanction Order is granted, the Medican Group shall pay in full to Her Majesty in Right of Canada or of a province all amounts owing by it of a kind that could be subject to a demand under subsection 224(1.2) of the *Tax Act* or under any substantially similar provision of any

provincial legislation and that were outstanding at the Filing Date and are of a kind that could be subject to a demand under:

- (a) subsection 224(1.2) of the *Tax Act*;
- (b) any provision of the Canada Pension Plan or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Tax Act* and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, or a premium under part VII.1 of the *Employment Insurance Act* and of any related interest, penalties or other amounts; or
- (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
 - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Tax Act*; or
 - (ii) is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.

ARTICLE 6 **SANCTION ORDER**

6.1 Application for Sanction Order

If Creditor Approval of the Plan is obtained, the Medican Group shall apply to the Court for the Sanction Order. If Creditor Approval is not obtained, the Medican Group shall so report to the Court as soon as reasonably practicable.

6.2 Sanction Order

The Medican Group shall apply for a Sanction Order having effect on the Plan Implementation Date (or as may be otherwise provided in the Sanction Order) which shall, among other things:

- (a) declare that the compromises contemplated by the Plan are approved, binding and effective as herein set out on all Persons affected by the Plan;
- (b) declare that the stay of proceedings contained in the Initial Order continues in respect of the Affected Claims except as set forth in this Plan;
- (c) expand the powers of the Monitor to carry out its mandate under this Plan;

- (d) approve the conveyance of the Property to SuccessorCo free and clear of all interests, howsoever arising, except for Claims expressly assumed by SuccessorCo and subject to the Administration Charge;
- (e) amend the charges granted in the CCAA Proceedings to: (i) discharge the Suppliers' Charge, the DIP Lender's Charge, and the Directors' Charge (as such terms are defined in the Initial Order and amended from time to time by the Court thereafter), (ii) discharge all of the Interim Charges, (iii) amend the Administration Charge to secure the indemnity granted to the CRO; and (iv) create the Fund Administration Charge;
- (f) release the Surplus Funds to the Monitor for the Monitor to distribute such funds: (i) in respect of funds from Cercle des Cantons S.E.C. for the benefit of the creditors of Cercle de Cantons, and (ii) the balance of the funds to the Medican Group for the payment of professional fees and general corporate purposes;
- (g) release the CCAA Charge Levy Surplus (as such term is defined in the Monitor's Fifteenth Report) in accordance with Appendix "C" to the Monitor's Fifteenth Report;
- (h) release all Post-Filing Interest and Costs;
- (i) declare that, except to the extent, if any, expressly contemplated by the Plan or the Sanction Order, all obligations or agreements to which any of the Medican Group is a party (including all equipment leases and real property leases) shall be and remain in full force and effect, unamended as at the Plan Implementation Date, unless terminated or repudiated by the Medican Group pursuant to the Initial Order, and no Person who is a party to any such obligation or agreement shall, on or after the Plan Implementation Date, accelerate, terminate, rescind, refuse to renew, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise, or purport to enforce or exercise, any right (including any right of set-off, combination of accounts, dilution, buy-out, divestiture, forced purchase or sale option or other remedy) or make any demand under or in respect of any such obligation or agreement, by reason of:
 - (i) any event or events which occurred on or before the Plan Implementation Date and is not continuing after the Plan Implementation Date or which is or continues to be suspended or waived under the Plan, which would have entitled any party thereto to enforce such rights or remedies (including defaults or events of default arising as a result of the insolvency of any Medican Applicant);
 - (ii) any Medican Applicant having sought or obtained relief under the CCAA; or
 - (iii) any compromises, arrangements, reorganizations or transactions effected pursuant to the Plan;
- (j) declare that the releases contained in this Plan are effective and binding;
- (k) direct the Registrar of Land Titles to discharge all liens and other interests registered by Affected Creditors against title to real property of the Medican Group upon the request of either the Medican Group or the Monitor; and

- (l) declare that the arrangements and compromises contained in this Plan are fair and are not oppressive.

All of which shall be in form and substance satisfactory to the Medican Group and the Monitor.

ARTICLE 7
CONDITIONS OF PLAN IMPLEMENTATION

7.1 Conditions of Plan Implementation

The implementation of the Plan is conditional on the satisfaction or waiver of the following conditions, in a manner satisfactory to the Medican Group and the Monitor:

- (a) Creditor Approval of the Plan shall have been obtained;
- (b) the Court shall have issued the Sanction Order in accordance with section 6.2 (or on a basis otherwise acceptable to the Medican Group and the Monitor) and the Sanction Order shall be a Final Order;
- (c) all amounts secured under the Administration Charge shall have been paid in full or agreements satisfactory to the beneficiaries of the Administration Charge shall be in place in respect of the payment of all amounts so secured;
- (d) SuccessorCo shall have delivered to the Monitor and the Medican Group the SuccessorCo Commitment;
- (e) the Concrete Agreements shall have been amended to the satisfaction of the Medican Group and provide for, among other things: (i) the waiver of 752's options to buy Medican Concrete Inc.'s shares in 679 and the Equipment (as defined therein), and (ii) 679's continued commitment respecting obligations under the Concrete Agreements;
- (f) the approval of T & E Ventures Inc. (formerly 1554670 Alberta Ltd.) of this Plan and confirmation that all of their respective agreements with the Medican Group remain in place as of the Plan Implementation Date and notwithstanding Plan Implementation;
- (g) all agreements and other documents and other instruments which are necessary to be executed and delivered by the Medican Group to implement the Plan and perform its obligations hereunder, shall have been executed and delivered;
- (h) any applicable governmental, regulatory and judicial consents or orders, and other similar consents and approvals, and all filings with all governmental authorities, securities commissions and other regulatory authorities having jurisdiction, in each case to the effect deemed necessary or desirable for the completion of the transactions contemplated by the Plan or any aspect thereof, shall have been made, obtained or received;
- (i) all documents necessary to give effect to all material provisions of the Plan shall have been executed and delivered by all relevant Persons; and

- (j) all steps, conditions and documents necessary to the implementation of the Plan (including without limitation those set out above) are capable of being implemented on or before the Plan Implementation Date.

7.2 Waiver of Plan Implementation Conditions

Any condition set forth in section 7.1 may be waived in whole or in part in writing by the Medican Group. Any condition so waived shall be deemed to have been satisfied for the purposes of the Plan.

7.3 Monitor's Certificate

Upon being advised in writing by the CRO that the conditions set out in section 7.1 have been satisfied or waived in accordance with section 7.2 and that the Plan is capable of being implemented, the Monitor shall file with the Court a certificate stating that all conditions precedent set out in section 7.1 of the Plan have been satisfied or waived in accordance with the Plan and that the Plan has been implemented, effective as of the Effective Date.

7.4 Failure to Satisfy Plan Conditions

If the conditions contained in section 7.1 of the Plan are not satisfied or waived in accordance with section 7.2 of the Plan on or before the day which is 30 days after the date on which the Sanction Order is issued or such later date as may be specified by the Medican Group, with the consent of the Monitor, the Plan shall not be implemented and the Plan and the Sanction Order shall, unless an Order of the Court is granted otherwise, cease to have any further force or effect.

ARTICLE 8 PLAN IMPLEMENTATION

8.1 Implementation of the Plan

After and subject to the satisfaction or waiver of the conditions as outlined in Article 7 of the Plan, the Plan shall be fully enforceable in accordance with its terms.

ARTICLE 9 EFFECT OF THE PLAN

9.1 Binding Effect of the Plan

On the Plan Implementation Date, the Plan shall be implemented by the Monitor and the Medican Group and shall be fully effective and binding on the Medican Group and all Persons affected by the Plan. Without limitation, the treatment of Claims under the Plan and under the Claims Procedure Order shall be final and binding on the Medican Group, the Affected Creditors and all Persons affected by the Plan and their respective heirs, executors, administrators, legal representatives, successors and assigns.

9.2 Release of the Released Parties

For good and valuable consideration, each Affected Creditor on the Affected Creditor's own behalf and on behalf of the Affected Creditor's respective affiliates, present and former officers, directors, employees, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnitees, agents, dependents, heirs, representatives and assigns, as applicable,

hereby fully, finally, irrevocably and unconditionally releases and forever discharges each of the Released Parties of and from any and all past, present and future claims, rights, interests, actions, rights of indemnity, liabilities, demands, duties, injuries, damages, expenses, fees (including legal fees on a solicitor and its own client, full indemnity basis), costs, compensation, or causes of action of whatsoever kind or nature whether foreseen or unforeseen, known or unknown, asserted or unasserted, contingent or actual, liquidated or un-liquidated, whether in tort or contract, whether statutory, at common law or in equity, based on, in connection with, arising out of, or in any way related to, in whole or in part, directly or indirectly: any act, inaction or omission existing or taking place on or prior to the Plan Implementation Date relating to or otherwise in connection with the Deposits, the Units, the business and affairs of any of the Medican Group relating to or otherwise in connection with any of the Medican Group's construction, concrete, development or other projects, the CCAA Proceedings, in anticipation of or preparation for the restructuring of the Medican Group and/or the CCAA Proceedings, the Meeting or the Plan (collectively, the "Released Claims"); and each Affected Creditor shall not make or continue any claims or proceedings whatsoever based on, in connection with, arising out of, or in any way related to, in whole or in part, directly or indirectly, the substance of the facts giving rise to any matter herein released (including, without limitation, any action, cross-claim, counter-claim, third party action or application) against any Person who claims or might reasonably be expected to claim in any manner or forum against one or more of the Released Parties, including, without limitation, by way of contribution or indemnity, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, and that in the event that any of the Released Parties are added to such claim or proceeding, it will immediately discontinue any such claim or proceeding. Notwithstanding the foregoing, nothing herein shall release or discharge a Released Party from its obligations, if any, under the Plan. This Section does not apply to Unaffected Claims.

9.3 Injunction

All Affected Creditors, along with their respective affiliates, present and former officers, directors, employees, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnitees, agents, dependents, heirs, representatives and assigns, as applicable, are permanently and forever barred, estopped, stayed and enjoined, on and after the Plan Implementation Date, with respect to Released Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Released Parties, and any amount recovered by an Affected Creditor from a Person in contravention of this provision shall be held in trust for, and returned to, the Medican Group and the Medican Group may deduct an amount recovered in contravention hereof from any distribution to such Affected Creditor, if any, under this Plan; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind; or (v) taking any actions to interfere with the implementation or consummation of this Plan.

This Section does not apply to Unaffected Claims or to the enforcement of any obligations under the Plan.

9.4 Release of Officers, Directors, Deemed Directors and Employees of the Applicants

Effective on the Plan Implementation Date, each and every current and former director, officer (including the CRO), deemed director and employee of each of the Medican Group shall, to the extent permitted by the CCAA, be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any claim, liability, obligation, demand or cause of action of any nature which such member of the Medican Group, any Creditor or any other Person, may have or be entitled to assert, whether known or unknown, matured or un-matured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or before the date of issue of the Sanction Order or in any way relating to, arising out of or in respect of the Plan, the CCAA Proceedings, or in any way relating to, arising out of, or in respect of any claim or claims against such directors, officers, deemed directors or employees that relate to any obligations of such member of the Medican Group including for or in respect of:

- (a) statutory liabilities which may be imposed on them, or any of them, by reason of the Medican Group's failure to: (i) retain any funds in a segregated, trust, or other defined place or manner, and (ii) pay any amounts which are required to be deducted from employees' wages including, without limitation, amounts in respect of employment insurance, Canada pension plan, Quebec pension plan and income taxes;
- (b) employee claims for wages, vacation pay, severance pay, termination pay and benefits;
- (c) employee claims or the claims of third parties in respect of pension plans or pensions; or
- (d) claims for any amounts in the form of damages or fines relating to environmental matters.

ARTICLE 10 GENERAL

10.1 Waiver of Breaches and Defaults

From and after the Plan Implementation Date, all Persons, shall be deemed to have permanently waived any and all breaches and defaults of any member of the Medican Group then existing or previously committed by such member of the Medican Group, caused by the Medican Group, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, lease or other agreement, written or oral, (including all joint venture agreements and other similar agreements) or any or all amendments or supplements thereto, between such Person and the Medican Group, and any and all notices of breach or default and demands for payment under any instrument or agreement, including any guarantee by any of the Medican Group, shall be deemed to have been rescinded. In the event that the implementation of this Plan or any transaction or step contemplated by this Plan would result in the breach of or a default under any term or covenant of any contract, lease or other agreement of any member of the Medican Group or SuccessorCo or would otherwise give rise to or any Person to any Claim thereunder including in respect

of any severance payment, change of control payment or similar payment or right, all parties to such contracts, leases and other agreements shall be deemed to have consented to such breaches and defaults and waived and released any Claims in respect thereof including in respect of any severance payment, change of control payment or similar payment or right, in consideration for the ongoing benefit to be derived by such parties from such contracts, leases or other agreements and on the understanding that such transactions and steps are necessary for the implementation of the Plan for the benefit of the Medican Group, the Affected Creditors and other stakeholders. In the event that any party to any such contract, lease or other agreement objects to the consent and waiver set out in this section, it shall notify the Monitor and the Medican Group in writing of such objection prior to the date of the Meeting, in which case such contract, lease or other agreement shall be deemed to have been disclaimed and resiliated prior to the Plan Implementation Date and any Claim which such party may have shall be an Affected Claim under this Plan.

10.2 Amendments to the Plan

The Medican Group shall be entitled, at any time and from time to time, with the consent of the Monitor or as otherwise ordered by the Court, to amend, restate, modify or supplement the Plan, provided that any such amendment, restatement, modification or supplement is contained in a written document which is filed with the Court and:

- (a) if made prior to the Meeting, is communicated to the Affected Creditors in the manner required by the Court (if so required) or at the Meeting; or
- (b) if made following the Meeting, is made with the approval of the Court and of the Affected Creditors which may be adversely affected by the amendment,

provided, however, that any such alteration, amendment, modification or supplement may be made unilaterally by the Medican Group before or after the Sanction Order is issued if it concerns only a matter which, in the opinion of the Medican Group and, if applicable, the Monitor is of an administrative nature required to give better effect to implementation of this Plan and is not adverse to the financial or economic interests of the Affected Creditors.

10.3 Guarantees and Similar Covenants

No Person who has a claim as a guarantor, surety, indemnitor or similar covenantor or in respect of any Claim which is compromised under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim which is compromised under the Plan shall be entitled to any greater rights than the applicable Affected Creditor whose Claim was compromised under the Plan.

10.4 Consents and Waivers

Upon the implementation of the Plan on the Plan Implementation Date, each Affected Creditor shall be deemed to have consented and agreed to all of the provisions of the Plan as an entirety. In particular, each Affected Creditor shall be deemed:

- (a) to have executed and delivered to the Medican Group all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and

- (b) to have waived any non-compliance by each member of the Medican Group with any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Affected Creditor and a member or members of the Medican Group and such that occurred on or before the Plan Implementation Date.

10.5 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person in writing or unless the Person's Claims overlap or are otherwise duplicative.

10.6 Notices

Any notice or other communication to be delivered hereunder will be in writing and will reference this Plan and may, subject to as hereinafter provided, be made or given by mail, personal delivery or by facsimile or email transmission addressed to the respective parties as follows:

- (a) If to the Medican Group:

Medican Group of Companies
1870A 6 Avenue SW
Medicine Hat, AB
T1A 7X5
Attention: Tyrone Schneider
Fax: (403) 526-8704

with a copy to:

Fraser Milner Casgrain LLP
15th Floor, 850-2 Street SW
Calgary, AB T2P 0R8
Attention: David Mann
Fax: (403) 268-3100

- (b) If to an Affected Creditor:

To the last known address (including fax number or email address) for such Affected Creditor as specified in the proof of claim filed by such Affected Creditor or, in the absence of such proof of claim, to the last known address for such Affected Creditor as set out in the books and records of the Medican Group or such other address of which the Affected Creditor may from time to time notify the Monitor in accordance with this Section.

- (c) If to the Monitor:

RSM Richter Inc.
3810-205 5 Avenue SW
Calgary AB T2P 2V7
Attention: Robert Taylor
Fax: (403) 233-8688

with a copy to:

Macleod Dixon LLP
3700 Canterra Tower
400 3rd Avenue SW
Calgary, AB T2P 4H2
Attention: Howard Gorman
Fax: (403) 264-5973

10.7 Paramountcy

From and after the Plan Implementation Date, if there is any conflict between any provision of the Plan and any provision of any other contract, document, agreement or arrangement, written or oral, between any Affected Creditor and any of the Medican Group in existence on the Plan Implementation Date, such provision of the Plan shall govern.

10.8 Termination

At any time prior to the Plan Implementation Date, the Medican Group, with the consent of Monitor or by Order of the Court, may determine not to proceed with this Plan notwithstanding the obtaining of the Sanction Order. If the conditions precedent to implementation of this Plan are not satisfied or waived, if the Medican Group determines not to proceed with this Plan, with the consent of the Monitor or by Order of the Court, or if the Sanction Order is not issued by the Court: (a) this Plan shall be null and void in all respects; (b) any settlement or compromise embodied in this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null and void; and (c) nothing contained in this Plan, and no act taken in preparation of the consummation of this Plan, shall: (i) constitute or be deemed to constitute a waiver or release of any Claims or any defences thereto by or against any of the Affected Creditors or any other Person, (ii) prejudice in any manner the rights of any of the Affected Creditors or any other Person in any further proceedings involving the Medican Group, or (iii) constitute an admission of any sort by the Medican Group, the Affected Creditors or any other Person.

10.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings and the Monitor will not be responsible or liable for any obligations of the Medican Group hereunder. The Monitor will have only those powers granted to it by this Plan, by the CCAA and by any Order of the Court in the CCAA Proceedings, including the Initial Order.

DATED as of the 30th day of November, 2011.

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 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., 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. by their CRO, 1539319 Alberta Ltd.

Per:

Tyrone Schneider

SCHEDULE "A"

TO THE PLAN OF ARRANGEMENT

PROJECTS

"Lethbridge Project" being the Development Project located in Lethbridge, Alberta which is owned and developed by Medican (Lethbridge – Fairmont Park) Developments Ltd.

"Michener Project" being the Development Project located in Red Deer, Alberta which is owned and developed by Medican (Red Deer – Michener Hill) Developments Ltd.

"River Stone Project" being the Development Project located in Medicine Hat, Alberta, which is owned and governed by Riverstone (Medicine Hat) Developments Ltd.

SCHEDULE "B"

TO THE PLAN OF ARRANGEMENT

CONTRACTS

"Cimarron Project" being the contract regarding the project located in Medicine Hat, Alberta which is owned by the Harvest Group and governed by a development agreement among the Harvest Group and the Medican Group.

"First Assembly Project" being the contract regarding the project located in Medicine Hat, Alberta which is owned by First Assembly of God Medicine Hat and governed by an Agreement for Sale of Land among the First Assembly of God Medicine Hat and 1073645 Alberta Ltd.

"South Country Village Heritage Heights Project" being the contract regarding the project located in Medicine Hat, Alberta which is owned by South Country Village and governed by a Construction Management contract among the South Country Village and the Medican Group.

"Tudor Manor" being the contract regarding the project in Okotoks, Alberta which is owned by the Brenda Stafford Foundation.

SCHEDULE "C"

TO THE PLAN OF ARRANGEMENT

SURPLUS FUNDS

Member of Medican Group	Amount
Medican Developments Inc.	\$ 3,968.46
Cercle des Cantons S.E.C.	\$ 377,104.07
Estates of Valleydale Developments Ltd.	\$ 181,103.25
The Legend (Winnipeg) Developments Ltd.	\$ 1,482.09
R7 Investments Ltd. (six sales)	\$ 176,861.81
Canvas (Calgary) Developments Ltd.	\$ 7,632.47
Riverstone (Medicine Hat) Developments Ltd.	\$ 210.20

SCHEDULE "B" TO MEETING ORDER

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 CREDITORS' MEETING

Capitalized terms used and not otherwise defined in this Notice are as defined in the Meeting Order, dated December 5, 2011.

In this Notice, the "Medican Group" means all of the Petitioners other than Medican (Westbank) Development Ltd., Medican (Westbank) Land Ltd. and Sanderson of Fish Creek (Calgary) Developments Ltd.

NOTICE IS HEREBY GIVEN THAT:

1. The Plan of Compromise and Arrangement of the Medican Group, dated November 30, 2011 (as may be amended from time to time, the "Plan") was filed pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA") with the Alberta Court of Queen's Bench (the "CCAA Court") on November 30, 2011. The Plan contemplates the compromise of the rights and claims of the Medican Group's Affected Creditors (as defined in the Plan).
2. Important documents which you should review in consideration of the Plan are enclosed with this Notice and include the Plan, the Meeting Order, the Monitor's Fifteenth Report, and the form of Proxy (the "Information Package") and are also available from the website of the Court-appointed monitor, RSM Richter Inc. (the "Monitor") (<http://www.rsmrichter.com/Restructuring/Medican.aspx>). If you are unable to access this website, you may obtain a copy of the Information Package by contacting the Monitor by e-mail at nfrankiw@rsmrichter.com or by telephone at (403) 206-0877. Details of the Plan and the distributions to be made thereunder to creditors are more fully described in the Monitor's

Fifteenth Report enclosed in the Information Package. You should review the Information Package carefully.

3. The Medican Group may vary, modify, amend, or supplement the Plan in accordance with the provisions described in the Plan.
4. The Order of the CCAA Court dated December 5, 2011 (the "**Meeting Order**") established the procedures for the Medican Group to call, hold and conduct a meeting of its Creditors (the "**Creditors' Meeting**") to consider and vote on the Plan. For the purpose of considering and voting on the Plan, and receiving distributions thereunder, the Affected Claims of the Affected Creditors shall be grouped into a single class under the Plan.
5. The Creditors' Meeting will be held at the following date, time and location:

Date: January 11, 2012
Time: 2:00 p.m. (Mountain time)
Location: Radisson Hotel
2120 16 Avenue NE
Calgary, Alberta

Only those Creditors with an Affected Claim, as defined under the Plan (or their respective proxyholders) will be eligible to attend the Creditors' Meeting and vote on the Plan. Holders of an Unaffected Claim (as defined in the Plan) will not be entitled to attend and vote at the Creditors' Meeting.

Any Affected Creditor who is unable to attend the applicable Creditors' Meeting may vote by proxy. Further, any Affected Creditor who is not an individual may only attend and vote at the Creditors' Meeting if a proxyholder has been appointed to act on its behalf at such Creditors' Meeting.

Proxies, once duly completed, dated and signed, must be sent by email to the Monitor, or if cannot be sent by email, delivered to the Monitor at the address of the Monitor as set out on the Proxy form. Proxies must be received by the Monitor by no later than 12:00 noon (Mountain time) on the last Business Day preceding the date set for the Creditors' Meeting or any adjournment thereof. Proxies may also be delivered by hand to the Chair prior to the commencement of the Creditors' Meeting. After commencement of the Creditors' Meeting, no Proxies can be accepted by the Monitor.

6. If the Plan achieves Creditor Approval (as defined below) at the Creditors' Meeting, the Medican Group shall seek approval of the Plan by the CCAA Court at a motion for the Sanction Order, which motion shall be returnable before the CCAA Court at 10:00 a.m. (Mountain time) on January 13, 2012, or as soon after that date as the matter can be heard (the "**Sanction Hearing**"). Any person wishing to oppose the motion for the Sanction Order must serve upon the lawyers for both the Medican Group and the Monitor as well as those parties listed on the Service List as posted on the Monitor's Website, by not later than 5:00 p.m. (Calgary time) on January 6, 2012, a copy of the materials to be used to oppose the motion for approval of the Plan, setting out the basis for such opposition.
7. In order for the Plan to become effective:

- (a) the Plan must be approved at the Creditors' Meeting by the affirmative vote of a majority in number, representing not less than two-thirds in value of the voting claims, of Affected Creditors, in person or by proxy (this constituting "**Creditor Approval**");
- (b) the Plan must be sanctioned by the CCAA Court; and
- (c) the conditions to the implementation of the Plan as set out in the Plan must be satisfied or waived.

SCHEDULE "C" TO MEETING ORDER

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")

PROXY

Before completing this Proxy, please read carefully the accompanying instructions for the proper completion and return of the form.

For the purposes of this Proxy, the "Medican Group" means all of the Petitioners other than Medican (Westbank) Development Ltd., Medican (Westbank) Land Ltd. and Sanderson of Fish Creek (Calgary) Developments Ltd.

Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Plan of Compromise and Arrangement of the Medican Group, dated November 30, 2011 (as may be amended from time to time, the "Plan") filed pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA") with the Alberta Court of Queen's Bench (the "CCAA Court") on November 30, 2011.

In accordance with the Plan and the Order of the Court made on December 5, 2011 (the "Meeting Order"), Proxies may only be filed by Creditors who have an Affected Claim (the "Affected Creditors").

PROXIES, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE SENT BY EMAIL TO THE MONITOR, OR IF IT CANNOT BE SENT BY EMAIL, DELIVERED TO THE MONITOR BY REGULAR MAIL, FACSIMILE TRANSMISSION OR COURIER, AND RECEIVED BY THE MONITOR BY NO LATER THAN 12:00 NOON (CALGARY TIME) ON THE LAST BUSINESS DAY PRECEDING THE DATE SET FOR THE CREDITORS' MEETING OR ANY ADJOURNMENT THEREOF, OR DELIVERED BY HAND TO THE CHAIR PRIOR TO THE COMMENCEMENT OF THE CREDITORS' MEETING. AFTER COMMENCEMENT OF THE CREDITORS' MEETING (OR ANY ADJOURNMENT THEREOF), NO PROXIES CAN BE ACCEPTED BY THE MONITOR.

THE UNDERSIGNED AFFECTED CREDITOR hereby revokes all Proxies previously given, if any, and nominates, constitutes, and appoints **Mr. Robert Taylor** of RSM Richter Inc., in its capacity as Monitor, or such Person as he, in his sole discretion, may designate or, instead of the foregoing, appoints:

Print Name of Proxyholder if wishing
to appoint someone other than **Mr. Bob
Taylor**

to attend on behalf of and act for the Affected Creditor at the Creditors' Meeting to be held in connection with the Plan and at any and all adjournments, postponements or other rescheduling of the Creditors' Meeting, and to vote the amount of the Affected Creditor's Affected Claim(s) for voting purposes as determined by and accepted for voting purposes in accordance with the Meeting Order and as set out in the Plan as follows:

(A) (mark one only):

Vote **FOR** approval of the resolution to accept the Plan; or

Vote **AGAINST** approval of the resolution to accept the Plan.

If a box is not marked as a vote for or against approval of the Plan, this Proxy shall be voted for approval of the Plan.

- and -

(B) Vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Affected Creditor with respect to any amendments or variations to the matters identified in the notice of the Creditors' Meeting and in this Plan, and with respect to other matters that may properly come before the Creditors' Meeting.

Dated this ____ day of _____, 20 ____.

Print Name of Affected Creditor

Title of the authorized signing officer of the corporation,
partnership or trust, if applicable

Signature of Affected Creditor or, if the Affected
Creditor is a corporation, partnership or trust,
signature of an authorized signing officer of the
corporation, partnership or trust

Telephone number of the Affected Creditor or authorized
signing officer

Mailing Address of Affected Creditor

Email address of Affected Creditor

Print Name of Witness, if Affected Creditor is an individual

Signature of Witness

RETURN THIS COMPLETED PROXY TO:

By email: nfrankiw@rsmrichter.com

By registered mail, courier, or facsimile: RSM Richter Inc.
Monitor of the Medican Group of Companies
3810, 205-5th Ave. S.W.
Calgary, Alberta
T2P 2V7
Facsimile: (403) 233-8688

INSTRUCTIONS FOR COMPLETION OF PROXY

1. This Proxy should be read in conjunction with the Plan of Compromise and Arrangement of the Medican Group dated November 30, 2011 (as it may be amended, restated or supplemented from time to time, the "Plan") filed pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA") with the Alberta Court of Queen's Bench (the "CCAA Court") on November 30, 2011 and the Meeting Order. Capitalized terms used herein not otherwise defined shall have the meanings ascribed to them in the Plan.
2. Each Affected Creditor has the right to appoint a person (who need not be a Creditor) (a "Proxyholder") to attend, act and vote for and on behalf of such Affected Creditor and such right may be exercised by inserting the name of the Proxyholder in the blank space provided on the Proxy.
3. If no name has been inserted in the space provided to designate the Proxyholder on the Proxy, the Affected Creditor will be deemed to have appointed Mr. Robert Taylor of RSM Richter Inc., in its capacity as Monitor (or such other Person as he, in his sole discretion, may designate), as the Affected Creditor's Proxyholder.
4. An Affected Creditor who has given a Proxy may revoke it, unless such Affected Creditor has agreed otherwise (as to any matter on which a vote has not already been cast pursuant to its authority), by an instrument in writing executed by such Affected Creditor or by its attorney, duly authorized in writing or, if an Affected Creditor is not an individual, by an officer or attorney thereof duly authorized, and deposited with the Monitor.
5. If this Proxy is not dated in the space provided, it shall be deemed to be dated as of the date on which it is received by the Monitor.
6. A valid Proxy from the same Affected Creditor bearing or deemed to bear a later date than this Proxy will be deemed to revoke this Proxy. If more than one valid Proxy from the same Affected Creditor and bearing or deemed to bear the same date are received by the Monitor with conflicting instructions, such Proxies shall not be counted for the purposes of the vote.
7. This Proxy confers discretionary authority upon the Proxyholder with respect to amendments or variations to the matters identified in the notice of the Creditors' Meeting and in the Plan, and with respect to other matters that may properly come before the Creditors' Meeting.
8. The Proxyholder shall vote the Affected Claim of the Affected Creditor in accordance with the direction of the Affected Creditor appointing him/her on any ballot that may be called for at the Creditors' Meeting. **IF AN AFFECTED CREDITOR FAILS TO INDICATE ON THIS PROXY A VOTE FOR OR AGAINST APPROVAL OF THE RESOLUTION TO ACCEPT THE PLAN, THIS PROXY WILL BE VOTED FOR THE RESOLUTION TO APPROVE THE PLAN, INCLUDING ANY AMENDMENTS, VARIATIONS OR SUPPLEMENTS THERETO.**
9. This Proxy must be signed by the Affected Creditor or by a person duly authorized (by power of attorney) to sign on the Affected Creditor's behalf or, if the Affected Creditor is a corporation, partnership or trust, by a duly authorized officer or attorney of the corporation, partnership or trust. If you are voting on behalf of a corporation, partnership or trust, you may be required to provide documentation evidencing your power and authority to sign this Proxy.

10. **PROXIES, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE SENT BY EMAIL TO THE MONITOR, OR IF IT CANNOT BE SENT BY EMAIL, DELIVERED TO THE MONITOR BY REGISTERED MAIL, FACSIMILE TRANSMISSION OR COURIER, AND RECEIVED BY THE MONITOR BY NO LATER THAN 12:00 NOON (CALGARY TIME) ON THE LAST BUSINESS DAY PRECEDING THE DATE SET FOR THE CREDITORS' MEETING OR ANY ADJOURNMENT THEREOF IF ANY PERSON ON THE AFFECTED CREDITOR'S BEHALF IS TO ATTEND THE CREDITORS' MEETING AND VOTE ON THE PLAN OR IF THE AFFECTED CREDITOR WISHES TO APPOINT MR. ROBERT TAYLOR TO ACT AS THE AFFECTED CREDITOR'S NOMINEE.**

By email: nfrankiw@rsmrichter.com

By registered mail, courier, or facsimile: RSM Richter Inc.
Monitor of the Medican Group of Companies
3810, 205-5th Ave. S.W.
Calgary, Alberta
T2P 2V7
Facsimile: (403) 233-8688

PROXIES MAY ALSO BE HAND DELIVERED TO THE CHAIR OF THE CREDITORS' MEETING PRIOR TO THE COMMENCEMENT OF THE CREDITORS' MEETING. AFTER THE COMMENCEMENT OF THE CREDITORS' MEETING, NO PROXIES CAN BE ACCEPTED BY THE MONITOR.

11. The Monitor is authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any Proxy is completed and executed, and may waive strict compliance with the requirements in connection with the deadlines imposed by the Meeting Order.

SCHEDULE "D" TO MEETING ORDER

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")

NOTICE TO CREDITORS

In this Notice, the "**Medican Group**" means all of the Petitioners other than Medican (Westbank) Development Ltd., Medican (Westbank) Land Ltd. and Sanderson of Fish Creek (Calgary) Developments Ltd.

This notice is being published pursuant to the order of the Alberta Court of Queen's Bench (the "**CCAA Court**") dated December 5, 2011 (the "**Meeting Order**") which established the procedures for the Medican Group to call, hold and conduct a meeting of its unsecured creditors (the "**Creditors' Meeting**") to consider and vote on the Plan of Compromise and Arrangement of the Medican Group dated November 30, 2011 (as may be amended from time to time, the "**Plan**") and to transact such other business as may be properly brought before the Creditors' Meeting. The Creditors' Meeting will be held at the following date, times and location:

Date: January 11, 2012
Time: 2:00 p.m. (Mountain time)
Location: Radisson Hotel
2120 16 Avenue NE
Calgary, Alberta

ONLY THOSE CREDITORS WITH AFFECTED CLAIMS (AS SUCH TERM IS DEFINED IN THE PLAN), OR THEIR RESPECTIVE PROXY HOLDERS, SHALL BE ENTITLED TO ATTEND AND VOTE ON THE PLAN AT THE CREDITORS' MEETING.

Important documents which you should review (the **"Information Package"**), including the Plan, the Meeting Order, the Monitor's Fifteenth Report, and the Proxy are available from the website of the Court-appointed monitor, RSM Richter Inc. (the **"Monitor"**) (<http://www.rsmrichter.com/Restructuring/Medican.aspx>). If you are unable to access this website, you may obtain a copy of the Information Package by contacting the Monitor by e-mail at nfrankiw@rsmrichter.com or by telephone at (403) 206-0877.

SCHEDULE "E" TO MEETING ORDER

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")

TEXT OF PLAN RESOLUTION OF CERTAIN OF THE PETITIONERS

Plan of Compromise and Arrangement under the *Companies' Creditors Arrangement Act*

BE IT RESOLVED THAT:

1. the Plan of Compromise and Arrangement dated, November 30, 2011, filed by the Petitioners (apart from Medican (Westbank) Developments Ltd., Medican (Westbank) Land Ltd. and Sanderson of Fish Creek (Calgary) Development Ltd. (the remaining Petitioners being, collectively, the "**Medican Group**") under the *Companies' Creditors Arrangement Act*, as may be amended, restated or supplemented in accordance with its terms (the "**Plan**"), presented to the Creditors' Meeting (as defined in the Plan) be and is hereby authorized and approved;
2. notwithstanding that this resolution has been passed and the Plan has attained Creditor Approval by the Affected Creditors (as defined in the Plan), the CRO be and is hereby authorized and empowered to amend or not proceed with the Plan in accordance with the terms thereof; and
3. the CRO be and is hereby authorized, empowered and instructed, acting for, and in the name of and on behalf of each of the Medican Group (but not the creditors), to execute, or cause to be executed, and to deliver or cause to be delivered for, on behalf of and in the name of each of the Medican Group, all such documents, agreements and instruments and to do or cause to be done all such other acts and things as the CRO determines to be necessary or desirable in order to carry out the Plan, such determination to be conclusively evidenced by the execution and delivery by such directors or officers of such documents, agreements or instruments or the doing of any such act or thing.

