

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

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND THE JUDICATURE ACT, R.S.A. 2000, c. J-2, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MEDICAN HOLDINGS LTD., MEDICAN DEVELOPMENTS INC., R7 INVESTMENTS LTD., MEDICAN CONSTRUCTION LTD., MEDICAN CONCRETE INC., 1090772 ALBERTA LTD., 1144233 ALBERTA LTD., 1344241 ALBERTA LTD., 9150-3755 QUEBEC INC., AXCESS (GRANDE PRAIRIE) DEVELOPMENTS LTD., AXCESS (SYLVAN LAKE) DEVELOPMENTS LTD., CANVAS (CALGARY) DEVELOPMENTS LTD., ELEMENTS (GRANDE PRAIRIE) DEVELOPMENTS LTD., HOMES BY KINGSLAND LTD., LAKE COUNTRY (SITARA) DEVELOPMENTS LTD., MEDICAN (EDMONTON TERWILLEGAR) DEVELOPMENTS LTD., MEDICAN (GRANDE PRAIRIE) HOLDINGS LTD., MEDICAN (KELOWNA MOVE) DEVELOPMENTS LTD., MEDICAN (LETHBRIDGE - FAIRMONT PARK) DEVELOPMENTS LTD., MEDICAN (RED DEER - MICHENER HILL) DEVELOPMENTS LTD., MEDICAN (SYLVAN LAKE) DEVELOPMENTS LTD., MEDICAN (WESTBANK) DEVELOPMENT LTD., MEDICAN (WESTBANK) LAND LTD., MEDICAN CONCRETE FORMING LTD., MEDICAN DEVELOPMENTS (MEDICINE HAT SOUTHWEST) INC., MEDICAN ENTERPRISES INC. / LES ENTREPRISES MEDICAN INC., MEDICAN EQUIPMENT LTD., MEDICAN FRAMING LTD., MEDICAN GENERAL CONTRACTORS LTD., MEDICAN GENERAL CONTRACTORS 2010 LTD., RIVERSTONE (MEDICINE HAT) DEVELOPMENTS LTD., SANDERSON OF FISH CREEK (CALGARY) DEVELOPMENTS LTD., SIERRAS OF EAUX CLAIRES (EDMONTON) DEVELOPMENTS LTD., SONATA RIDGE (KELOWNA) DEVELOPMENTS LTD., SYLVAN LAKE MARINA DEVELOPMENTS LTD., THE ESTATES OF VALLEYDALE DEVELOPMENTS LTD., THE LEGEND (WINNIPEG) DEVELOPMENTS LTD., and WATERCREST (SYLVAN LAKE) DEVELOPMENTS LTD.

The Petitioners

BEFORE THE HONOURABLE)
MADAM JUSTICE K.M. HORNER)
IN CHAMBERS)

At the Courts Centre in the City of Calgary, in the Province of Alberta, this 11th day of June, 2010

CLAIMS PROCEDURE ORDER

UPON the application of the Petitioners in these Proceedings (the "Applicants" or the "Medican Group"), AND UPON having read the Notice of Motion, the Affidavit of Tyrone Schneider, dated June 10, 2010, and the First Report of Monitor, dated June 10, 2010; AND UPON hearing counsel for the Applicants, counsel for the Monitor, and counsel for other interested parties; IT IS HEREBY ORDERED AND DECLARED THAT:

I hereby certify this to be a true copy of
the original Order
Dated this 11 day of June 2010
[Signature]
for Clerk of the Court

Service

1. Service of notice of the application for this Order, and all supporting materials, as set out in the Affidavit of Ronica Cameron, dated June 10, 2010, to be filed, is good and sufficient, and the time for notice hereof is abridged to the time actually given.

Claims Procedure

2. Pursuant to s.19 of the *Companies Creditors' Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), the Applicants, with the assistance of the Monitor, will conduct a claims procedure to identify all creditors who have a Claim (as such term is defined in the CCAA) against the Applicants (the "**Claimants**").

3. All claims of the Claimants shall be proven in accordance with the procedures outlined herein and in the Notice to Creditors attached hereto as **Schedule "A"** (the "**Notice to Creditors**").

4. The Applicants, in consultation with the Monitor, are authorized and directed to implement the procedures outlined herein, and in the Notice to Creditors (collectively, the "**Claims Procedure**"), as follows:

- (a) The Applicants, with the assistance of the Monitor, shall send to the Claimants and other potential affected creditors (collectively referred to as "**Affected Creditors**") of which the Applicants or the Monitor are aware, the Notice to Creditors as attached hereto as **Schedule "A"**, and a Proof of Claim form (the "**Proof of Claim**") and related instruction letter (collectively the "**Proof of Claim Document Package**") by no later than June 18, 2010 by ordinary mail. The Proof of Claim Document Package will be in a form substantially the same as that attached hereto as **Schedule "B"**.
- (b) The Applicants, with the assistance of the Monitor, will publish a notice to Affected Creditors (the "**Notice to Affected Creditors**") of the Claims Process on two separate dates prior to June 25, 2010 in each of the Calgary Herald, the Medicine Hat News, and local community papers for the communities where the Medican Group has a development Project. The Notice to Affected Creditors will be in a form substantially the same as that attached hereto as **Schedule "C"**.

- (c) The Monitor will also post electronic copies of the Notice to Affected Creditors, the Proof of Claim Document Package and the Claims Procedure Order on the Monitor's website at <http://www.rsmrichter.com/Restructuring/Medican.aspx> as soon as practically possible after June 11, 2010.
- (d) Affected Creditors must submit their Proofs of Claim to the Monitor to be received prior to 5:00 p.m. M.D.T. on July 30, 2010 (the "**Claims Bar Date**"). The Monitor will supervise the receipt and collection of the Proofs of Claim and, in conjunction with the Applicants, will review each Proof of Claim filed by the Claims Bar Date.
- (e) All Affected Creditors that do not submit a Proof of Claim with the Monitor on or before the Claims Bar Date or such later date as this Honourable Court may otherwise order, will:
 - (i) not be entitled to attend or vote at any creditors' meeting;
 - (ii) not be entitled to receive any distribution under any plan of compromise or arrangement; and
 - (iii) be forever barred from making or enforcing any Claim against the Applicants and that Claim will be forever extinguished.

Secured Creditors

5. (a) With respect to any Proof of Claim filed by a Claimant alleging a secured or proprietary interest in any of the undertaking, property, and assets of the Medican Group, (a "**Secured Claim**"), the Monitor will, within 21 days of the Affected Creditor filing its Proof of Claim, either:
- (i) accept the Claim as set out in the Proof of Claim in its entirety;
 - (ii) revise the amount or any priority of the Proof of Claim for voting and/or distribution purposes; or
 - (iii) disallow the Claim as set out in the Proof of Claim for voting and/or distribution purposes.

- (b) If the Monitor disputes the amount of a Secured Claim set out in a Proof of Claim, the Monitor will concurrently send a notice of revision or disallowance (the "**Notice of Revision or Disallowance**") to the Affected Creditor in a form substantially the same as that attached hereto as **Schedule "D"**.
- (c) Any Secured Creditor that intends to dispute its Claim as set out in the Notice of Revision or Disallowance must deliver a Dispute Notice to the Monitor no later than 14 days from the date on the Notice of Revision or Disallowance or such later date as the Monitor and the Applicants may agree to in writing or as ordered by this Honourable Court. The Dispute Notice will be in a form substantially the same as that attached hereto as **Schedule "E"**.
- (d) If a Secured Creditor does not deliver a Dispute Notice in accordance with the preceding paragraph, it shall be deemed to have accepted the Notice of Revision or Disallowance and will:
- (i) where the entire Claim is disallowed:
 - A. not be entitled to attend or vote at any creditors' meeting;
 - B. not be entitled to receive any distribution under any plan of compromise or arrangement; and
 - C. be forever barred from making or enforcing any Claim against the Applicants and that Claim will be forever extinguished; or
 - (ii) where the Claim has been revised:
 - A. only be entitled to receive any distribution under any plan of compromise or arrangement in an amount proportional to the revised amount; and
 - B. be forever barred from making or enforcing any Claim greater than the revised amount against the Applicants and the amount of the Claim reduced by the revision will be forever extinguished, and

- (e) The Monitor, in conjunction with the Applicants, may attempt to consensually resolve any Dispute Notice for voting and/or distribution purposes, as the case may be, with the Secured Creditor. If same cannot be resolved, the Applicants or the Monitor shall apply to the Court within 20 days of their receipt of the Dispute Notice for a determination of the value and priority of such Secured Claim by filing with this Honourable Court a Notice of Motion and serving it upon either the Monitor or the Applicant, as the case may be, and the Secured Creditor, as applicable.
- (f) Any time limitation set forth in this paragraph 5 may be extended by written agreement of the Monitor, the Applicants and the Secured Creditor or by Order of this Honourable Court.

All Other Affected Creditors

- 6. (a) With respect to claims of all Affected Creditors, other than Secured Claims, the Applicants, in conjunction with the Monitor, will either:
 - (i) accept the Claim as set out in the Proof of Claim in its entirety;
 - (ii) revise the amount or any priority of the Proof of Claim for voting and/or distribution purposes; or
 - (iii) disallow the Claim as set out in the Proof of Claim for voting and/or distribution purposes.
- (b) The Applicants will, in conjunction with the Monitor, provide to each Affected Creditor filing a Proof of Claim a notice in writing indicating whether the Affected Creditor's Claim is accepted, disputed in whole or disputed in part. If the Applicants, in conjunction with the Monitor, disputes the amount of a Claim set out in a Proof of Claim, the Monitor will send a notice of revision or disallowance (the "**Notice of Revision or Disallowance**") to the Affected Creditor in a form substantially the same as that attached hereto as **Schedule "D"**.
- (c) Any Affected Creditor that intends to dispute its Claim as set out in the Notice of Revision or Disallowance must deliver a Dispute Notice to the Monitor no later than 14 days after their receipt of the Dispute of Revision or Disallowance. The Dispute

Notice will be in a form substantially the same as that attached hereto as **Schedule "E"**.

- (d) If an Affected Creditor does not deliver a Dispute Notice in accordance with the preceding paragraph, they shall be deemed to have accepted the Notice of Revision or Disallowance and will:
 - (i) where the entire Claim is disallowed:
 - A. not be entitled to attend or vote at any creditors' meeting;
 - B. not be entitled to receive any distribution under any plan of compromise or arrangement; and
 - C. be forever barred from making or enforcing any Claim against the Applicants and that Claim will be forever extinguished; or
 - (ii) where the Claim has been revised:
 - A. only be entitled to receive any distribution under any plan of compromise or arrangement in an amount proportional to the revised amount; and
 - B. be forever barred from making or enforcing any Claim greater than the revised amount against the Applicants and the amount of the Claim reduced by the revision will be forever extinguished, and
- (e) The Applicants, in conjunction with the Monitor, may attempt to consensually resolve any Dispute Notice for voting and/or distribution purposes, as the case may be, with the Affected Creditor. If same cannot be resolved, the Applicants or the Monitor may apply to Court for a determination of the value and priority of such Claim for voting and/or distribution purposes, as the case may be, by filing with this Honourable Court a Notice of Motion and serving it upon either the Monitor, the Applicant or the Affected Creditor, as applicable. If no application is brought by the Applicants or the Monitor, within 28 days, and the dispute remains unresolved, the Affected Creditor may serve on the Applicants, with a copy to the Monitor, a Notice

of Motion returnable within seven days before the Court of Queen's Bench of Alberta in these proceedings for the determination of the Claim in dispute.

Miscellaneous

7. The Applicants shall serve, by courier, telecopy transmission, e-mail transmission, or ordinary post, a copy of this Order on all parties present at this application and on all parties who received notice of this application or appears on the service list established in these proceedings.

"Horner J."

J.C.Q.B.A.

ENTERED this 11 day of
June, 2010.

K. MCAUSLAND



CLERK OF THE COURT

SCHEDULE "A"

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36,
AS AMENDED AND *THE JUDICATURE ACT*, R.S.A. 2000, c. J-2, AS AMENDED**

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MEDICAN HOLDINGS LTD., MEDICAN DEVELOPMENTS INC., R7 INVESTMENTS LTD., MEDICAN CONSTRUCTION LTD., MEDICAN CONCRETE INC., 1090772 ALBERTA LTD., 1144233 ALBERTA LTD., 1344241 ALBERTA LTD., 9150-3755 QUEBEC INC., AXCESS (GRANDE PRAIRIE) DEVELOPMENTS LTD., AXCESS (SYLVAN LAKE) DEVELOPMENTS LTD., CANVAS (CALGARY) DEVELOPMENTS LTD., ELEMENTS (GRANDE PRAIRIE) DEVELOPMENTS LTD., HOMES BY KINGSLAND LTD., LAKE COUNTRY (SITARA) DEVELOPMENTS LTD., MEDICAN (EDMONTON TERWILLEGAR) DEVELOPMENTS LTD., MEDICAN (GRANDE PRAIRIE) HOLDINGS LTD., MEDICAN (KELOWNA MOVE) DEVELOPMENTS LTD., MEDICAN (LETHBRIDGE – FAIRMONT PARK) DEVELOPMENTS LTD., MEDICAN (RED DEER – MICHENER HILL) DEVELOPMENTS LTD., MEDICAN (SYLVAN LAKE) DEVELOPMENTS LTD., MEDICAN (WESTBANK) DEVELOPMENT LTD., MEDICAN (WESTBANK) LAND LTD., MEDICAN CONCRETE FORMING LTD., MEDICAN DEVELOPMENTS (MEDICINE HAT SOUTHWEST) INC., MEDICAN ENTERPRISES INC. / LES ENTREPRISES MEDICAN INC., MEDICAN EQUIPMENT LTD., MEDICAN FRAMING LTD., MEDICAN GENERAL CONTRACTORS LTD., MEDICAN GENERAL CONTRACTORS 2010 LTD., RIVERSTONE (MEDICINE HAT) DEVELOPMENTS LTD., SANDERSON OF FISH CREEK (CALGARY) DEVELOPMENTS LTD., SIERRAS OF EAUX CLAIRES (EDMONTON) DEVELOPMENTS LTD., SONATA RIDGE (KELOWNA) DEVELOPMENTS LTD., SYLVAN LAKE MARINA DEVELOPMENTS LTD., THE ESTATES OF VALLEYDALE DEVELOPMENTS LTD., THE LEGEND (WINNIPEG) DEVELOPMENTS LTD., and WATERCREST (SYLVAN LAKE) DEVELOPMENTS LTD.

The Petitioners

NOTICE TO CREDITORS

On May 26, 2010, the Petitioners in the above noted proceedings (collectively, the "**Medican Group**") received protection under the *Companies Creditors Arrangement Act* (the "**CCAA**") from the Court of Queen's Bench of Alberta (the "**Court**"). RSM Richter Inc. was appointed by the Court as the monitor in these proceedings (the "**Monitor**").

On June 11, 2010, the Court directed the Applicants and the Monitor to solicit claims from all creditors of the Medican Group for the purpose of determining the claims which will participate in the CCAA proceedings.

Any creditor having a claim against an entity forming the Medican Group arising before May 26, 2010 of any nature whatsoever, including an unsecured, secured, contingent or unliquidated claim, (a "**Claim**") and is required to file, in the manner set out in this Notice to Creditors, a Proof of Claim in the prescribed form (which has been provided to you with this Notice to Creditors) with the Monitor in order to participate in any voting or distribution associated with the CCAA proceedings.

Additional copies of the prescribed Proof of Claim form can be obtained by contacting the Monitor via telephone at 403.233.8462 or via e-mail at cgyinfo@rsmrichter.com or it can be downloaded from the Monitor's website at <http://www.rsmrichter.com/Restructuring/Medican.aspx>.

Any creditor who chooses to file a Proof of Claim is required to provide whatever documentation they may have to support their Claim against the Medican Group, such as contracts, invoices, bills of lading, and shipping receipts, in relation to the goods and/or services provided to the Medican Group in the appropriate currency under which their Claim arose.

All Proof of Claim forms, together with the required supporting documentation, must be delivered, sent by facsimile or mailed to RSM Richter Inc. at Bow Valley Square 2, 3810, 205 - 5 Avenue SW, Calgary, AB T2P 2V7, or fax: 403-233-8688 to the attention of Neil Honess on or before 5:00 pm Mountain Daylight Time on July 30, 2010.

All Claims must account for the following:

1. All Claims must be adjusted for any equipment and/or other assets released by the Medican Group to the creditor whether by court order or otherwise; and
2. Where a creditor is claiming an offset against all or a portion of amounts owing by the Medican Group, full particulars of the offset must be included.

All Claims received by the Monitor or, in the case of mailing, postmarked, after the claims Bar Date will, unless otherwise ordered by the Court, be forever extinguished, barred, and will not participate in any voting or distributions in the CCAA proceedings.

With respect to secured creditors, the Monitor will within 21 days of receiving the Proof of Claim, in turn provide to the creditor a notice in writing by registered mail, by courier service, or by facsimile as to whether their Claim is accepted or disputed in whole or in part, and the reason for the dispute pursuant to a Notice of Revision or Disallowance.

Where a secured creditor objects to a Notice of Revision or Disallowance, the creditor shall notify the Monitor and the Medican Group of its objection in writing (the "Notice of Objection") by registered mail, courier service or facsimile within 14 days from the date on the Notice of Revision or Disallowance.

With respect to all other claims, the Monitor will accumulate the Proof of Claim forms and, in due course, provide to the creditor a notice in writing by registered mail, by courier service, or by facsimile as to whether their Claim is accepted, or disputed in whole or in part, and indicating the reason for the dispute pursuant to a Notice of Revision or Disallowance.

Where a creditor objects to a Notice of Revision or Disallowance, the creditor shall notify the Medican Group of its objection in writing (the "**Dispute Notice**") within 14 days of receipt of a Notice of Revision or Disallowance.

The Monitor and the Medican Group will attempt to consensually resolve disputes with respect to any claim. If the dispute cannot be resolved the Monitor or the Applicants may (or, in the case of a secured claim shall) bring an application before the Court for the determination of the claim.

A creditor not filing a Dispute Notice to a Notice of Revision or Disallowance issued by the Medican Group shall, unless otherwise ordered by the Court, be conclusively deemed to have accepted the assessment of its Claim as set out in such Notice of Revision or Disallowance.

Dated June 11, 2010 in Calgary, Alberta.

RSM RICHTER INC. in its capacity as
Monitor of the Medican Group.

Robert Taylor

SCHEDULE "B"

Action No. 1001-07852

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

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND THE
JUDICATURE ACT, R.S.A. 2000, c. J-2, AS AMENDED.**

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MEDICAN HOLDINGS LTD., MEDICAN DEVELOPMENTS INC., R7 INVESTMENTS LTD., MEDICAN CONSTRUCTION LTD., MEDICAN CONCRETE INC., 1090772 ALBERTA LTD., 1144233 ALBERTA LTD., 1344241 ALBERTA LTD., 9150-3755 QUEBEC INC., AXCESS (GRANDE PRAIRIE) DEVELOPMENTS LTD., AXCESS (SYLVAN LAKE) DEVELOPMENTS LTD., CANVAS (CALGARY) DEVELOPMENTS LTD., ELEMENTS (GRANDE PRAIRIE) DEVELOPMENTS LTD., HOMES BY KINGSLAND LTD., LAKE COUNTRY (SITARA) DEVELOPMENTS LTD., MEDICAN (EDMONTON TERWILLEGAR) DEVELOPMENTS LTD., MEDICAN (GRANDE PRAIRIE) HOLDINGS LTD., MEDICAN (KELOWNA MOVE) DEVELOPMENTS LTD., MEDICAN (LETHBRIDGE - FAIRMONT PARK) DEVELOPMENTS LTD., MEDICAN (RED DEER - MICHENER HILL) DEVELOPMENTS LTD., MEDICAN (SYLVAN LAKE) DEVELOPMENTS LTD., MEDICAN (WESTBANK) DEVELOPMENT LTD., MEDICAN (WESTBANK) LAND LTD., MEDICAN CONCRETE FORMING LTD., MEDICAN DEVELOPMENTS (MEDICINE HAT SOUTHWEST) INC., MEDICAN ENTERPRISES INC. / LES ENTREPRISES MEDICAN INC., MEDICAN EQUIPMENT LTD., MEDICAN FRAMING LTD., MEDICAN GENERAL CONTRACTORS LTD., MEDICAN GENERAL CONTRACTORS 2010 LTD., RIVERSTONE (MEDICINE HAT) DEVELOPMENTS LTD., SANDERSON OF FISH CREEK (CALGARY) DEVELOPMENTS LTD., SIERRAS OF EAUX CLAIRES (EDMONTON) DEVELOPMENTS LTD., SONATA RIDGE (KELOWNA) DEVELOPMENTS LTD., SYLVAN LAKE MARINA DEVELOPMENTS LTD., THE ESTATES OF VALLEYDALE DEVELOPMENTS LTD., THE LEGEND (WINNIPEG) DEVELOPMENTS LTD., and WATERCREST (SYLVAN LAKE) DEVELOPMENTS LTD.

**Proof of Claim
For Claims Arising Before May 26, 2010
(See Reverse for Instructions)**

Regarding the claim of _____ (referred to in this form as "the creditor").
(name of creditor)

All notices or correspondence regarding this claim to be forwarded to the creditor at the following address:

Telephone: _____

Fax: _____

I, _____
(name of person signing claim)

residing in the _____
(city, town, etc.)

of _____
(name of city, town, etc.)

in the Province of _____

Do hereby certify that:

1 I am the creditor

or

I am _____ of the creditor.
(if an officer or employee of the company, state position or title)

2. I have knowledge of all the circumstances connected with the claim referred to in this form.

3. Check box of appropriate CCAA debtor that your claim is against:

- Medican Holdings Ltd.
- R7 Investments Ltd.
- Medican Concrete Inc.
- 1144233 Alberta Ltd.
- 9150-3755 Quebec Inc.
- Axxess (Sylvan Lake) Developments Ltd.
- Elements (Grande Prairie) Developments Ltd.
- Lake Country (Sitara) Developments Ltd.
- Medican (Grande Prairie) Holdings Ltd.
- Medican (Lethbridge – Fairmont Park) Developments Ltd.
- Medican (Sylvan Lake) Developments Ltd.
- Medican (Westbank) Land Ltd.
- Medican Developments (Medicine Hat Southwest) Inc.
- Medican Equipment Ltd.
- Medican General Contractors Ltd.
- Riverstone (Medicine Hat) Developments Ltd.
- Sierras Of Eaux Claires (Edmonton) Developments Ltd.
- Sylvan Lake Marina Developments Ltd.
- The Legend (Winnipeg) Developments Ltd.

- Medican Developments Inc.
- Medican Construction Ltd.
- 1090772 Alberta Ltd.
- 1344241 Alberta Ltd.
- Axxess (Grande Prairie) Developments Ltd.
- Canvas (Calgary) Developments Ltd.
- Homes By Kingsland Ltd.
- Medican (Edmonton Terwilligar) Developments Ltd.
- Medican (Kelowna Move) Developments Ltd.
- Medican (Red Deer – Michener Hill) Developments Ltd.
- Medican (Westbank) Development Ltd.
- Medican Concrete Forming Ltd.
- Medican Enterprises Inc. / Les Entreprises Medican Inc.
- Medican Framing Ltd.
- Medican General Contractors 2010 Ltd.
- Sanderson Of Fish Creek (Calgary) Developments Ltd.
- Sonata Ridge (Kelowna) Developments Ltd.
- The Estates Of Valleydale Developments Ltd.
- Watercrest (Sylvan Lake) Developments Ltd.

The CCAA Debtor (check appropriate box above) was, as at May 26, 2010, and still is indebted to the creditor in the sum of \$_____ CDN as shown by the statement of account attached hereto and marked "Schedule A". Claims should not include the value of goods and/or services supplied after May 26, 2010. If a creditor's claim is to be reduced by deducting any counter claims to which the CCAA Debtor is entitled and/or amounts associated with the return of equipment and/or assets by the CCAA Debtor, please specify.

The statement of account must specify the vouchers or other evidence in support of the claim including the date and location of the delivery of all services and materials. Any claim for interest must be supported by contractual documentation evidencing the entitlement to interest.

4. **Unsecured claim.** \$_____. In respect to the said debt, the creditor does not and has not held any assets of as security.
- Secured claim.** \$_____ as security: _____ In respect of the said debt, the creditor holds assets valued at \$_____ as security:

Provide full particulars of the security, including the date on which the security was given and the value at which the creditor assesses the security together with the basis of valuation, and attach a copy of the security documents as Schedule "B".

Dated at _____, this _____ day of _____, 2010.
Insert city and date of signature

Witness _____

(signature of individual completing the form)

Must be signed and witnessed

Instructions for Completing Proof of Claim Forms

In completing the attached form, your attention is directed to the notes on the form and to the following requirements:

Proof of Claim:

1. The form must be completed by an individual and not by a corporation. If you are acting for a corporation or other person, you must state the capacity in which you are acting, such as, "Credit Manager", "Treasurer", "Authorized Agent", etc., and the full legal name of the party you represent.
2. The person signing the form must have knowledge of the circumstances connected with the claim.
3. Tick the box of the appropriate CCAA Debtor your claim is against. A Statement of Account containing details of secured and unsecured claims, and if applicable, of the amount due in respect of property claims, must be attached and marked Schedule "A". Claims should **not** include the value of goods and/or services arising after May 26, 2010. It is necessary that all creditors indicate the date and location of the delivery of all goods and/or services. Any amounts claimed as interest should be clearly noted as being for interest.
4. The nature of the claim must be indicated by ticking the type of claim which applies. e.g. -

Ticking (A) indicates the claim is unsecured;

Ticking (B) indicates the claim is secured, such as a mortgage, lease, or other security interest, and the value at which the creditor assesses the security must be inserted, together with the basis of valuation. Details of each item of security held should be attached as Schedule "B" and submitted with a copy of the chattel mortgage, conditional sales contract, security agreement, etc.

5. The person signing the form must insert the place and date in the space provided, and the signature must be witnessed.

Additional information regarding the Medican Group and the CCAA process, as well as copies of claims documents may be obtained at <http://www.rsmrichter.com/Restructuring/Medican.aspx> . If there are any questions in completing the notice of claim, please write or telephone the office of the Monitor at:

RSM Richter Inc.

Attention: Mr. Neil Honess

Bow Valley Square 2

3810, 205 - 5 Avenue SW

Calgary, AB T2P 2V7

Telephone : 403.233.8462

Facsimile : 403.233.8688

E-mail : cgyinfo@rsmrichter.com

Note: Any claim not delivered to the Monitor at the above noted address by July 30, 2010, will, unless otherwise ordered by the Alberta Court of Queen's Bench, be barred and may not thereafter be advanced against the CCAA Debtor.

SCHEDULE "C"

NOTICE TO CREDITORS 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.

(collectively, the "CCAA Debtors")

**Re: NOTICE OF CALL FOR CLAIMS AND CLAIMS BAR DATE
FOR THE CCAA DEBTORS PURSUANT TO THE
COMPANIES' CREDITORS ARRANGEMENT ACT ("CCAA")**

NOTICE IS HEREBY GIVEN THAT pursuant to an order of the Court of Queen's Bench of Alberta (the "**Court**") granted June 11, 2010 (the "**Claims Procedure Order**") the Court has ordered that Proof of Claim Document Packages (as defined in the Claims Procedure Order) be sent to various known creditors of the CCAA Debtors listed above, as specified in the Claims Procedure Order. A copy of the Claims Procedure Order and the Proof of Claim Document Package can be obtained from the website of the Monitor at <http://www.rsmrichter.com/Restructuring/Medican.aspx>.

Any person who believes that they have a claim against any of the CCAA Debtors listed above, which claim arose prior to May 26, 2010, whether liquidated, contingent or otherwise, should send a separate Proof of Claim for the CCAA Debtors against which it asserts a Claim(s) to the Monitor to be received by **5:00 p.m. (Mountain Daylight Time) on July 30, 2010 (the "Claims Bar Date")**.

CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE FOREVER EXTINGUISHED AND SUCH CREDITORS WILL BE FOREVER BARRED FROM MAKING OR ENFORCING CLAIMS AGAINST THE CCAA DEBTORS AND WILL NOT BE ENTITLED TO PARTICIPATE AS A CREDITOR IN THESE PROCEEDINGS OR RECEIVE FURTHER NOTICE OF THESE PROCEEDINGS.

Creditors of the CCAA Debtors who have not received a Proof of Claim Document Package from the CCAA Debtors can obtain a copy from the website of the Monitor at <http://www.rsmrichter.com/Restructuring/Medican.aspx> or by contacting the Monitor (telephone: 403-233-8462 fax: 403-233-8688).

DATED this _____ day of _____ 2010.

SCHEDULE "D"

**NOTICE OF REVISION OR DISALLOWANCE FOR VOTING
AND/OR DISTRIBUTION PURPOSES**

For Creditors 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. (collectively, the "CCAA Debtors")

Claim Reference Number: _____

Name of CCAA Debtor: _____

TO: _____
(Name of Creditor)

Defined terms not defined in this Notice of Revision or Disallowance have the meaning ascribed in the Order of the Court of Queen's Bench of Alberta dated June 11, 2010 (the "Claims Procedure Order"). **All dollar values contained herein are in Canadian dollars unless otherwise noted.**

Pursuant to the Claims Procedure Order, RSM Richter Inc., in its capacity as Court-appointed Monitor of the CCAA Debtors, hereby gives you notice that it has reviewed your Proof of Claim in conjunction with the CCAA Debtors and has revised or disallowed your Claim. Subject to further dispute by you in accordance with the Claims Procedure Order, your Claim will be allowed as follows:

	<u>Amount Allowed by Monitor for:</u>		
	<u>Proof of Claim</u>	<u>Voting</u>	<u>Distribution</u>
	<u>Amount</u>		
Unsecured Claim	\$ _____	\$ _____	\$ _____
Secured Claim	\$ _____	\$ _____	\$ _____

REASON(S) FOR THE REVISION OR DISALLOWANCE:

SERVICE OF DISPUTE NOTICES

If you intend to dispute this Notice of Revision or Disallowance, you must **within fourteen days from the date on this Notice of Revision or Disallowance** deliver to the Monitor a Dispute Notice (in the form enclosed) either by prepaid registered mail, personal delivery, courier or facsimile to the address below.

RSM Richter Inc., the Court-appointed Monitor of the CCAA Debtors

By Mail/Courier:

Bow Valley Square 2
3810, 205 - 5 Avenue SW
Calgary, AB T2P 2V7
Attention: Mr. Robert Taylor/Mr. Neil Honess
Fax: _____

IF YOU FAIL TO FILE YOUR DISPUTE NOTICE WITHIN FOURTEEN DAYS OF THE DATE ON THIS NOTICE OF REVISION OR DISALLOWANCE, THE VALUE OF YOUR CLAIM WILL BE DEEMED TO BE ACCEPTED AS FINAL AND BINDING AS SET OUT IN THIS NOTICE OF REVISION OR DISALLOWANCE.

DATED this _____ day of _____, 2010.

SCHEDULE "E"

DISPUTE NOTICE

For Creditors 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. (collectively, the "CCAA Debtors")

Claim Reference Number: _____

Name of CCAA Debtor against
which a Claim is asserted: _____

1. Particulars of Creditor:

(a) Full Legal Name of Creditor (include trade name, if different):

(the "Creditor").

(b) Full Mailing Address of the Creditor:

(c) Other Contact Information of the Creditor:

Telephone Number: _____

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

2. **Particulars of Original Creditor from whom you acquired the Claim, if applicable:**

(a) Have you acquired this Claim by assignment? If yes, if not already provided, attach documents evidencing assignment.

Yes: No:

(b) Full Legal Name of original creditor(s): _____

3. **Dispute of Revision or Disallowance of Claim for Voting and/or Distribution Purposes:**

The Creditor hereby disagrees with the value of its Claim as set out in the Notice of Revision or Disallowance and asserts a Claim as follows:

	Amount Allowed by Monitor for:			Amount claimed by Creditor:	
	<u>Voting</u>	<u>Distribution</u>		<u>Voting</u>	<u>Distribution</u>
Unsecured Claim	\$ _____	\$ _____	Unsecured Claim	\$ _____	\$ _____
Secured Claim	\$ _____	\$ _____	Secured Claim	\$ _____	\$ _____

REASON(S) FOR THE DISPUTE:

(You must include a list of reasons as to why you are disputing your Claim as set out in the Notice of Revision or Disallowance.)

SERVICE OF DISPUTE NOTICES

If you intend to dispute the Notice of Revision or Disallowance, you must within **fourteen days of the date of the Notice of Revision or Disallowance** deliver to the Monitor this Dispute Notice either by prepaid registered mail, personal service, courier, facsimile transmission to the following address. In accordance with the Claims Procedure Order notices shall be deemed to be received two business days from the date of mailing. Upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day.

RSM Richter Inc., the Court-appointed Monitor of the CCAA Debtors

By Mail/Courier:

Bow Valley Square 2
3810, 205 - 5 Avenue SW
Calgary, AB T2P 2V7
Attention: Mr. Robert Taylor/Mr. Neil Honess

DATED this _____ day of _____, 2010.

Name of creditor: _____

Witness

Per: _____

Name:
Title:
(please print)

Action No. 1001-07852



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

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND *THE JUDICATURE ACT*, R.S.A. 2000, c. J-2, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MEDICAN HOLDINGS LTD., MEDICAN DEVELOPMENTS INC., R7 INVESTMENTS LTD., MEDICAN CONSTRUCTION LTD., MEDICAN CONCRETE INC., 1090772 ALBERTA LTD., 1144233 ALBERTA LTD., 1344241 ALBERTA LTD., 9150-3755 QUEBEC INC., AXCESS (GRANDE PRAIRIE) DEVELOPMENTS LTD., AXCESS (SYLVAN LAKE) DEVELOPMENTS LTD., CANVAS (CALGARY) DEVELOPMENTS LTD., ELEMENTS (GRANDE PRAIRIE) DEVELOPMENTS LTD., HOMES BY KINGSLAND LTD., LAKE COUNTRY (SITARA) DEVELOPMENTS LTD., MEDICAN (EDMONTON TERWILLEGAR) DEVELOPMENTS LTD., MEDICAN (GRANDE PRAIRIE) HOLDINGS LTD., MEDICAN (KELOWNA MOVE) DEVELOPMENTS LTD., MEDICAN (LETHBRIDGE - FAIRMONT PARK) DEVELOPMENTS LTD., MEDICAN (RED DEER - MICHENER HILL) DEVELOPMENTS LTD., MEDICAN (SYLVAN LAKE) DEVELOPMENTS LTD., MEDICAN (WESTBANK) DEVELOPMENT LTD., MEDICAN (WESTBANK) LAND LTD., MEDICAN CONCRETE FORMING LTD., MEDICAN DEVELOPMENTS (MEDICINE HAT SOUTHWEST) INC., MEDICAN ENTERPRISES INC. / LES ENTREPRISES MEDICAN INC., MEDICAN EQUIPMENT LTD., MEDICAN FRAMING LTD., MEDICAN GENERAL CONTRACTORS LTD., MEDICAN GENERAL CONTRACTORS 2010 LTD., RIVERSTONE (MEDICINE HAT) DEVELOPMENTS LTD., SANDERSON OF FISH CREEK (CALGARY) DEVELOPMENTS LTD., SIERRAS OF EAUX CLAIRES (EDMONTON) DEVELOPMENTS LTD., SONATA RIDGE (KELOWNA) DEVELOPMENTS LTD., SYLVAN LAKE MARINA DEVELOPMENTS LTD., THE ESTATES OF VALLEYDALE DEVELOPMENTS LTD., THE LEGEND (WINNIPEG) DEVELOPMENTS LTD., and WATERCREST (SYLVAN LAKE) DEVELOPMENTS LTD.

The Petitioners

CLAIMS PROCEDURE ORDER

FRASER MILNER CASGRAIN LLP

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

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