

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 "**CCA**") with the Alberta Court of Queen's Bench (the "**CCA 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 Ernst & Young 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. Robert 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

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Print Name of Witness, if Affected Creditor is an individual

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Signature of Witness

**RETURN THIS COMPLETED PROXY TO:**

By email:                    nicole.frankiw@ca.ey.com

By registered mail, courier, or facsimile:    Ernst & Young Inc.  
Monitor of the Medican Group of Companies  
1000, 440 – 2<sup>nd</sup> Avenue S.W.  
Calgary, Alberta  
T2P 5E9  
Facsimile: (403) 290 4265

## 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 and 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 Ernst & Young 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: nicole.frankiw@ca.ey.com

By registered mail, courier, or facsimile: Ernst & Young Inc.  
Monitor of the Medican Group of Companies  
1000, 440 – 2<sup>nd</sup> Avenue S.W.  
Calgary, Alberta  
T2P 5E9  
Facsimile: (403) 290 4265

**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.**