

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, Ernst & Young Inc. (the "**Monitor**") (<http://documentcentre.eycan.com/Pages/Main.aspx?SID=196>). 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 nicole.frankiw@ca.ey.com or by telephone at (403) 206-5047. 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.