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JUDICIAL CENTRE

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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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**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.

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

**"CCAA Proceedings"** means the proceedings under the CCAA 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 2<sup>nd</sup> and 4<sup>th</sup> 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 3<sup>rd</sup> anniversary from the Effective Date, SuccessorCo shall continue to pay 20% of SCNI for each Quarter remaining until the 3<sup>rd</sup> 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 Medcan 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](http://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  
15<sup>th</sup> 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 3<sup>rd</sup> 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 30<sup>th</sup> 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:

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**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.