

COURT FILE NUMBER 1201-06934
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

APPLICANTS

IN THE MATTER OF THE COMPANIES
CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
c. C-36, as amended

AND IN THE MATTER OF THE BUSINESS
CORPORATIONS ACT, R.S.A. 2000, c. B-9

AND IN THE MATTER OF 1252064 ALBERTA
LTD., 1330075 ALBERTA LTD. and HARVEST
CAPITAL MANAGEMENT INC.

DOCUMENT

CONSENT ORDER re priority of Charge

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

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DATE ON WHICH ORDER WAS PRONOUNCED:

November 4, 2013

LOCATION OF HEARING OR TRIAL:

Calgary, Alberta

NAME OF MASTER/JUDGE WHO MADE THIS ORDER:

Justice G.C. Hawco

UPON THE APPLICATION of Ernst & Young Inc. (the "Receiver"), in its capacity as court appointed receiver and manager of 1330075 Alberta Ltd. ("133 Alberta") pursuant to the order issued by Mr. Justice G. C. Hawco in the within proceedings on September 30, 2013 (the "Receivership Order"), for an order declaring that the Administrative Charge (the "Charge") as defined in the CCAA Initial Order granted June 7, 2012 and in the Amended and Restated Initial CCAA granted August 24, 2012 (collectively the "CCAA Initial Orders"), applies to the proceeds of sale (the "Proceeds") of the Balsam House and Balsam Land, which property is described in the Monitor's 8th report dated August 29, 2013 and the Receiver's First Report dated October 28, 2013; AND UPON having read the Receiver's First Report, the Receiver's First Supplemental Report dated November 1, 2013, and Affidavit #1 of Tara Hunsperger sworn and filed November 4, 2013; and upon considering the terms of the CCAA Initial Orders; AND UPON having read

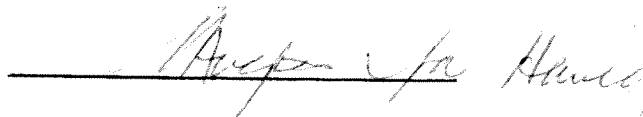
I hereby certify this to be a true copy of
the original Chadwick
Dated this 28 day of Nov/Dec 13
[Signature]
for Clerk of the Court

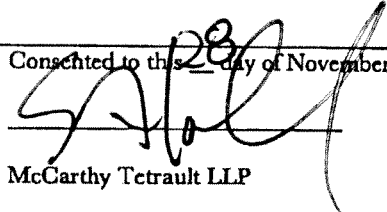
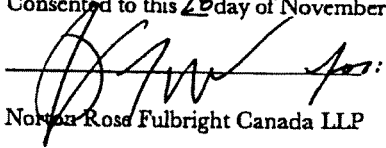
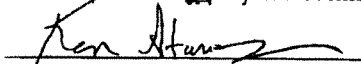
the Affidavits of Service of Marcia Smith, sworn October 29th 2013 and November 4th, 2013 (the "Service Affidavits"); AND UPON hearing counsel for the Receiver, counsel for Legacy Communities Inc. ("Legacy"), and counsel for 133 Alberta; and upon noting the consent endorsed hereon by counsel for the aforesaid parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Subject to paragraph 3, the quantum of the Charge is hereby approved and shall apply to the Proceeds resulting from the sale of the Balsam House and Balsam Land.
2. The Receiver is hereby authorized and empowered to distribute the Proceeds on account of and in accordance with the relative priority of Charges as provided in the CCAA Initial Orders. Any Proceeds remaining after such distribution shall be held by the Receiver in accordance with the provisions of the Receivership Order.
3. This Order is without prejudice to and in reservation of the following:
 - (a) Legacy's right to apply to the Court or otherwise commence proceedings seeking a declaration that it is entitled to trace any funds it advanced to 133 Alberta, 1252064 Alberta Ltd., and Harvest Capital Management Inc. to the Proceeds and has a proprietary claim to the Proceeds, provided always that any order, declaration or judgment granting Legacy the right to so trace and any order, declaration or judgment granting Legacy a proprietary claim to the Proceeds will for all purposes be subordinate to the Charge;
 - (b) Legacy's right to seek an allocation of the Charge as between 133 Alberta, 1252064 Alberta Ltd. and Harvest Capital Management Inc.; and
 - (c) Legacy's right to seek an assessment of the fees and disbursements that have accrued since the date of the CCAA Termination Order of the following parties: the Monitor, its counsel, the Receiver, its counsel, and counsel for 133 Alberta, 1252064 Alberta Ltd. and Harvest Capital Management Inc.
4. The Monitor shall cooperate with Legacy in the tracing described in paragraph 3(a), by providing Legacy with the accounting records in its possession and any the accounting analysis it has prepared that relates to the tracing.

5. There shall be no costs to any party for this application.
6. Service of this Order by email, facsimile, registered mail, courier or personal delivery to the persons listed on the Service List shall constitute good and sufficient service of this Order, and no persons other than those listed on the Service List are entitled to be served with a copy of this Order


J.C.Q.B.A

Consented to this <u>28</u> day of November, 2013  McCarthy Tetrault LLP Counsel for the Monitor/Receiver Per Sean Collins	Consented to this <u>28</u> day of November, 2013  Norton Rose Fulbright Canada LLP Counsel for 1330075 Alberta Ltd. per Randall S. Van de Mosselaer
Consented to this <u>27</u> day of November, 2013  Wilson Laycraft Counsel of Legacy Communities Inc. Per Kenneth E. Staroszik, Q.C.	