

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

Clerk's Stamp

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

**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 **APPLICATION**
(Stay Extension)

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

NORTON ROSE CANADA LLP
400 3rd Avenue SW, Suite 3700
Calgary, Alberta T2P 4H2

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Attention: Randal S. Van de Mosselaer

File No. 284891

NOTICE TO RESPONDENT(S):

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Date: July 5, 2012

Time: 9:30 a.m.

Where: Calgary Courts Centre, 601 - 5th Street S.W., Calgary, Alberta

Before Whom: The Honourable Madam Justice B.E.C. Romaine

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. An Order abridging, if necessary, the time for service of this Application and supporting materials, and declaring service of same to be good and sufficient.
2. An Order:
 - 2.1 extending the stay of proceedings in this matter with respect to 1252064 Alberta Ltd., 1330075 Alberta Ltd. and Harvest Capital Management Inc., (collectively the "**Applicants**"),
 - 2.2 increasing the amount of the Administration Fee established in the Initial Order granted in this action on June 7, 2012;
 - 2.3 authorizing and approving the expansion of powers of Ernst & Young Inc. in its capacity as Court-appointed Monitor (the "**Monitor**") of the Applicants;substantially in the form as that attached as Schedule "**A**" to this Application.
3. Such further and other relief, advice and directions as counsel may advise and this Honourable Court may deem just and appropriate.

Grounds for making this application:

4. The Applicants applied for and obtained an Initial Order under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 ("**CCAA**") by Order of this Court, June 7, 2012, (the "**Initial Order**").
5. The Applicants have acted and continue to act in good faith and in cooperation with the Monitor in the within CCAA proceedings.
6. The Applicants have taken and are continuing to take steps to realize on certain assets which will permit those assets to be realized in an orderly fashion and other assets then to be developed in a manner which will increase the value of those assets to the benefit of all stakeholders;
7. The Applicants believe that further investigation and consultation is required with its advisors in order to best manage financial reporting obligations and minimize associated costs.
8. The relief requested by the Applicants is fair, reasonable, and in the best interests of the Applicants, its stakeholders, and the within CCAA restructuring proceedings.
9. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

10. The Affidavit of Ronald Aitkens sworn July 3, 2012;

11. All pleadings and proceedings filed in the within action.
12. The Initial Order.
13. The inherent jurisdiction of this Honourable Court to control its own process.
14. Such further and other material and evidence as counsel may advise and this Honourable Court may permit.

Applicable Acts, Regulations and Rules:

15. The provisions of the CCAA including, but not limited to, sections 11, 11.02 and 20 thereof.

Any irregularity complained of or objection relied on:

16. None.

How the application is proposed to be heard or considered:

17. Oral submissions by counsel at an Application in Justice Chambers as scheduled by counsel.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

SCHEDULE "A"

Form 49
[Rule 13.19]

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COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

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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 **ORDER
(Stay Extension)**

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Phone: +1 403.267.8222
Fax: +1 403.264.5973

Attention: Randal Van de Mosselaer

File No. 284891

DATE ON WHICH ORDER **July 5, 2012**
WAS PRONOUNCED

NAME OF JUSTICE WHO **The Honourable Madam Justice B.E.C. Romaine**
MADE THIS ORDER

UPON THE APPLICATION of 1252064 Alberta Ltd., 1330075 Alberta Ltd. and Harvest Capital Management Inc., (collectively the "**Applicants**"); **AND UPON** having read the Affidavit of Ronald Aitkens sworn July 3, 2012, and the pleadings and proceedings filed herein; **AND UPON** hearing from counsel for the Applicants, the Monitor, and from any other affected parties that may be present;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. The time for service of this notice of this Application for this Order is hereby abridged and deemed good and sufficient and this Application is properly returnable today.

Extension of Stay of Proceedings

2. Paragraph 13 of the June 7, 2012, Initial Order (the "**Initial Order**") of this Court is hereby amended to extend the stay period until and including August , 2012.

Administrative Charge

3. The amount of the Administration Charge as set out in paragraphs 34 and 38 of the Initial Order is hereby increased to \$450,000.

Expansion of Monitor's Powers

4. Paragraph 28(e) of the Initial Order is hereby amended to read:
 - e) have full and complete access to the books, records and management, employees and advisors of the Applicant and the Related Parties and to the Business and the Property to the extent required to perform its duties arising under this Order;

where "Related Parties" is defined as those parties listed in Schedule "A" to this Order.

The Honourable Madam Justice B.E.C. Romaine
Of the Court of Queen's Bench of Alberta

SCHEDULE "A"

Company	Related to: HCMI/133/125
1236120 AB Ltd.	133
1277169 AB Ltd	133
Cimarron	133
Foundation Mortgage 2	125
Harvest Group LP	125
Priddis Valley Lands	133
Spruce Ridge Estates	125/133
Stoney View Crossing	125/133
1252064 Alberta Ltd.	133
1379599 ALBERTA	125
Balsam Lake	125
Foundation Capital Corp	125
Foundation Mortgage	125
Harbour View Landing	125
HARVEST WATER	125
Liberty Crossing	125
Stoney View Cap	133
WEST SPRING VIL	125
West Springs Village LP	133
Windmill Harbour	125