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	**APPLICATION**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	McCARTHY TÉTRAULT LLP Barristers & Solicitors Sean Collins / Walker MacLeod Suite 4000, 421 - 7 Avenue S.W. Calgary, AB T2P 4K9 Phone: 403-260-3531/ 403-260-3710 Fax: 403-260-3501 Email: scollins@mccarthy.ca / wmacleod@mccarthy.ca

CLERK OF THE COURT
Clerk's Stamp
DEC - 5 2014
JUDICIAL CENTRE OF CALGARY

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 master/judge.

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

Date:	December 12, 2014
Time:	12:00 noon
Where:	Calgary Courts Center (Commercial List)
Before Whom:	Madam Justice J. Strekaf

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

Remedy Claimed or Sought: Ernst & Young Inc. (the "**Receiver**"), in its capacity as court appointed receiver and manager of 1330075 Alberta Ltd. (the "**Debtor**"), pursuant to the order issued by Justice G. C. Hawco in the within proceedings on September 30, 2013 (the

"**Receivership Order**"), applies for an order, substantially in the form attached as Schedule "**A**" hereto:

1. Declaring that the time for service of this Application and the fifth report of the Receiver, dated December 5, 2014 (the "**Fifth Receiver's Report**") is abridged, if necessary, the Application is properly returnable on December 12, 2014, that service of the Application and the Fifth Receiver's Report on the Service List is validated, good, and sufficient and that no persons other than those on the Service List are entitled to service of the Fifth Receiver's Report or the Application.

2. Approving and authorizing the Receiver, for and on behalf of the Debtor, to pay any and all outstanding property taxes that are owed by the Debtor to the Town of Calmar with respect to lands owned by the Debtor and situated in the Town of Calmar (the "**Calmar Lands**").

3. Declaring that the Receiver shall be entitled to charge and collect interest on all amounts paid by it in respect of the outstanding property taxes owed by the Debtor in respect of the Calmar Lands at a rate that is equal to the interest rate charged and collected on outstanding property tax balances pursuant to the *Municipal Government Act* (Alberta) and any associated regulations.

4. Declaring that any and all amounts paid by the Receiver in satisfaction of the outstanding property taxes owed by the Debtor in respect of the Calmar Lands, and all interest accruing thereon, shall be reimbursed to the Receiver upon the closing of the sale of the Calmar Lands and granting a fixed and specific charge securing the Receiver's right to receive such reimbursement from the sale of the Calmar Lands against the Calmar Lands (the "**Calmar Tax Charge**") that shall rank in priority to all security interests, trusts, liens, charges, and encumbrances, statutory or otherwise, in favour of any person, and, for greater certainty, declaring that the Calmar Tax Charge shall have priority over any and all charges created pursuant to any and all orders granted in the within proceedings other than the Receiver's Charge (as such term is defined in the Receivership Order).

5. Such further and other grounds as counsel for the Receiver may advise.

Grounds for Making this Application: The grounds for the Application are as follows:

6. The Receiver was appointed as receiver and manager of the Debtor pursuant to the Receivership Order.

7. The Debtor owes overdue property tax obligations in respect of the Calmar Lands that total $102,220.

8. If the overdue tax obligations are not paid by January 12, 2015, the Calmar Lands will be liquidated at auction pursuant to an agreement between the Receiver and the Town of Calmar. The forced liquidation of the Calmar Lands would likely result in a significant loss in the value to be realized from the Calmar Lands. The payment of the overdue tax obligations would allow for the orderly sale of the Calmar Lands and assist in preserving the value of the Calmar Lands.

9. The Debtor has a number of unsecured creditors, which due to the lack of recoveries, with respect to the estate of the Debtor, will likely suffer a significant loss.

10. The Debtor has adequate funds on hand to pay the overdue tax obligations.

11. Given the amount of the secured indebtedness against the Calmar Lands, the Debtor is unlikely to receive any proceeds from the sale of the Calmar Lands without the benefit of the Calmar Tax Charge.

12. Such further and other grounds as counsel for the Receiver may advise.

Material or Evidence to be Relied On: The Receiver will rely on the following evidence:

13. The Fifth Receiver's Report.

14. Such further and other evidence as counsel for the Receiver may advise.

Applicable Rules:

15. Rule 6.3 and 6.9 of the *Alberta Rules of Court*.

16. Such further and other rules as counsel for the Receiver may advise.

Applicable Acts and Regulations:

17. The *Bankruptcy and Insolvency Act* (Canada).

18. Such further and other acts and regulations as counsel for the Receiver may advise.

Any Irregularity Complained of or Objection Relied On:

19. There are no irregularities complained of, or objections relied on.

How the Application is Proposed to be Heard or Considered:

20. The Receiver proposes that the Application be heard in person with one, some, or all of the parties present.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

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 applicants.

SCHEDULE "A"

Clerk's Stamp

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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	**ORDER**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	McCARTHY TÉTRAULT LLP Barristers & Solicitors Sean Collins / Walker W. MacLeod Suite 3300, 421 - 7th Avenue S.W. Calgary AB T2P 4K9 Phone: 403-260-3531/ 403-260-3710 Fax: 403-260-3501 Email: scollins@mccarthy.ca / wmacleod@mccarthy.ca

DATE ON WHICH ORDER WAS PRONOUNCED:	**December 12, 2014**
LOCATION OF HEARING OR TRIAL:	**Calgary, Alberta**
NAME OF MASTER/JUDGE WHO MADE THIS ORDER:	**Justice J. Strekaf**

UPON THE APPLICATION of Ernst & Young Inc. (the "**Receiver**"), in its capacity as court appointed receiver and manager of 1330075 Alberta Ltd. (the "**Debtor**") pursuant to the order issued by Mr. Justice G. C. Hawco in the within proceedings on September 30, 2013 (the "**Receivership Order**"); **AND UPON** having read the fifth report of the Receiver, dated December •, 2014 (the "**Fifth Receiver's Report**"); **AND UPON** having read the Affidavit of Service of •, sworn December •, 2014 (the "**Service Affidavit**"); **AND UPON** hearing counsel for the Receiver, and counsel present for other parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of the Notice of Application in respect of this Order (the "**Application**") and the Fifth Receiver's Report, in the manner described in the Affidavit of Service, is hereby abridged and deemed good and sufficient and this Application is properly returnable today, and no other persons are entitled to be served with or given notice of the Application or served with a copy of the Fifth Receiver's Report.

2. The Receiver is hereby authorized and empowered to pay any and all outstanding property taxes, up to a maximum amount of $102,220, that are owed by the Debtor to the Town of Calmar with respect to the lands legally described in Appendix "**A**" to this Order (the "**Calmar Lands**").

3. The Receiver shall be entitled to charge and collect interest on all amounts paid by it in respect of the outstanding property taxes that are owed in respect of the Calmar Lands at a rate that is equal to the interest rate charged and collected on outstanding property tax balances pursuant to the *Municipal Government Act* (Alberta) and any associated regulations.

4. The Receiver shall be reimbursed any and all amounts paid by it in satisfaction of the Calmar Tax Obligations, and all interest accruing thereon pursuant to and in accordance with the terms of this Order (the "**Calmar Tax Obligations**") upon the closing of the sale of the Calmar Lands and the Receiver's right to receive reimbursement of the Calmar Tax Obligations from the sale of the Calmar Lands shall be and hereby is secured by way of a fixed and specific charge against the Calmar Lands (the "**Calmar Tax Charge**"). The Calmar Tax Charge shall rank in priority to all security interests, mortgages, trusts, liens, charges, and encumbrances, statutory or otherwise, in favour of any person, and for greater certainty, the Calmar Tax Charge shall have priority over any and all charges created pursuant to any and all Orders granted in the within proceedings other than the Receiver's Charge (as such term is defined in the Receivership Order) but including both the Receiver's Borrowing Charge (as such term is defined in the Receivership Order) and the UDI Mortgage Application Charge (as such term is defined in the order issued by the Honourable Madam Justice B.E.C. Romaine in the within proceedings on September 6, 2013).

5. Service of this Order by email, facsimile, registered mail, courier, regular mail, 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.

APPENDIX "A"

CALMAR LANDS

Plan 0522859
Block 1
Lot 1
Excepting thereout all mines and minerals
Area: 21.5 hectares (53.13 acres) more or less

Plan 0522859
Block 1
Lot 2
Excepting thereout all mines and minerals
Area: 30.9 hectares (76.63 acres) more or less