

COURT FILE NUMBER 1201-10691

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**

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

**AND IN THE MATTER OF LIBERTY CROSSING LIMITED
PARTNERSHIP, and LIBERTY CROSSING GENERAL
PARTNER INC.**

DOCUMENT

**ORDER RE:
SALE APPROVAL AND VESTING
DISTRIBUTION OF SALE PROCEEDS
EXTENSION OF STAY OF PROCEEDINGS**

ADDRESS FOR SERVICE AND

CONTACT INFORMATION OF

PARTY FILING THIS

DOCUMENT

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File No. 439537-000005

I hereby certify this to be a true copy of
the original Order
Dated this 12 day of NOV 2013
D. Gurofsky
for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: November 12, 2013

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: JUSTICE R.G. STEVENS

UPON the application of Liberty Crossing Limited Partnership and Liberty Crossing General Partner Inc. (together, referred to herein as the "Applicants"); AND UPON having read the Affidavit of Gary L. Bentham filed November 6, 2013 (the "Bentham Affidavit"); AND UPON having read the Ninth Report of Ernst and Young Inc. in its sole capacity as monitor of the Applicants (the "Monitor"), filed November 7, 2013; AND UPON having read the affidavits, pleadings, reports and other materials filed in this action; AND UPON hearing from counsel for the Court appointed Chief Restructuring Officer (the "CRO"), BTM

Corporate Advisory Inc. and Gary L. Bentham, counsel for the Monitor, counsel for First Calgary Financial savings & Credit Union Ltd. and any other counsel in attendance at this application;

IT IS HEREBY ORDERED AND DECLARED AS FOLLOWS:

SERVICE

1. The manner of service of the within Application and the materials filed in support thereof is hereby approved and validated, and the time for service thereof is abridged (if necessary) to the time actually given.

APPROVAL OF PURCHASE AGREEMENT

2. The transaction as contemplated by the Purchase Agreement entered into by Liberty Crossing General Partner Inc. in its capacity as General Partner of Liberty Crossing Limited Partnership as Vendor and Melcor Developments Ltd. or Nominee as Purchaser dated September 5, 2013 (the "Purchase Agreement"), a copy of which is attached as Exhibit "A" to the Bentham Affidavit, is hereby approved.

3. The Applicants and the CRO acting on their behalf, are hereby further authorized and directed, subject to the terms and conditions of this Order and the Purchase Agreement, to take such additional steps and execute such additional documents as the Applicants and the CRO deem necessary or desirable for the completion of the transaction contemplated in the Purchase Agreement (the "Transaction"), and for the assignment and conveyance of the Lands, as such term is defined in the Purchase Agreement, to the Purchaser.

VESTING OF THE LANDS

4. Upon closing of the Transaction, all of the Applicants' right, title and interest in and to the Lands shall, without further instrument of transfer or assignment, vest in the Purchaser as contemplated by the Purchase Agreement, absolutely and forever, free and clear or and from any and all claims by, through or under the Applicants, and any and all estate, right, title, interest and liens, including but not limited to claims, hypothecs, mortgages, charges, liens (whether contractual, statutory or otherwise), security interests, assignments, actions, levies, taxes, judgments, writs of execution, trusts or deemed trusts (whether contractual, statutory or otherwise), options, agreements, disputes, debts, encumbrances, caveats or other rights, limitations or restrictions of any nature whatsoever including, without limitation, any rights or interests of any creditors of the Applicants, whether or not they have attached or been perfected, registered or filed, whether secured or unsecured or otherwise, whether liquidated, unliquidated or contingent (all of the foregoing being collectively referred to hereinafter as the "Claims") whether such Claims came into existence

prior to, subsequent to, or as a result of any previous order of this Court, by or of all persons or entities of any kind whatsoever, including without limitation, all individuals, firms, corporations, partnerships, joint ventures, trusts, unincorporated organizations, governmental and administrative bodies, agencies, authorities or tribunals and all other natural persons or corporations, whether acting in their capacity as principals or as agents, trustees, executives, administrators or any other legal representatives (collectively, the "Claimants") including for greater certainty and without limiting the generality of the foregoing, (i) the Claims held by or in favour of the individuals and entities served (either directly or through their solicitors) with this Application; and (ii) the beneficiary of any Claims created or provided for pursuant to any previous Order of this Court in these proceedings.

5. The Purchaser shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever to any Claimants in respect of any Claims they may have against the Applicants.

6. The Transaction shall not be void or voidable at the instance of Claimants and shall not constitute nor shall be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other challengeable or reviewable transaction under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") or any other applicable federal or provincial legislation and the Transaction or any actions taken in connection therewith shall not constitute conduct meriting an oppression remedy.

7. Any legislation affecting sales in bulk in all jurisdictions does not apply to the Transaction and the Transaction may be completed without compliance with (a) the provisions of section 60 of the *Personal Property Security Act*, R.S.A. 2000, c. P-7, as amended, and any similar provisions in personal property security legislation in force in any province in which the Companies carry on business, and (b) Section 244 of the BIA.

8. The Applicants and the CRO are hereby authorized and directed to:

- (a) Perform the covenants in the Purchase Agreement substantially in accordance with its terms, subject to such amendments as the Applicants and the Purchaser may approve which do not materially and adversely alter the Transaction;
- (b) Execute all deed and documents, and to take all such steps as may be necessary or advisable in his sole discretion to consummate the Transaction;

9. Upon delivery of a certified copy of this Order to the Registrar of the Alberta Land Titles Office (the "Registrar") and a written request from the Applicants', the CRO or the CRO's counsel to do so, the Registrar is hereby authorized, requested and directed to cancel the existing Certificate of Title against the Lands,

located in Red Deer, Alberta standing under Certificate of Title numbered 082 433 150, and legally described as:

PLAN 8121555, BLOCK 7, LOT 10
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.91 HECTARES (4.72 ACRES) MORE OR LESS

and to issue a new Certificate of Title for the Lands (the "New Title") in the name of Melcor Developments Ltd. 900, 10310 Jasper Avenue, Edmonton, Alberta, T5J 1Y8 or its Nominee, such Nominee, if any, to be described in the written request to the Registrar. The New Title shall be subject only to those encumbrances (the "Permitted Encumbrances") listed on Schedule "A" hereto.

10. The Registrar shall perform the steps specified in paragraph 9 of this Order:

- (a) In the order specified in paragraph 9 hereof; and
- (b) Notwithstanding the requirements of section 191(1) of the *Land Titles Act*, R.S.A. 2000, c. L-4.

11. Upon the Registrar completing the steps identified in paragraphs 9 and 10 of this Order, the Registrar shall forthwith make available to the Purchaser's counsel a certified copy of the New Title.

12. This Order shall be registered by the Registrar notwithstanding that the appeal period in respect of this Order has not lapsed, which appeal period is expressly waived.

DISTRIBUTION OF SALE PROCEEDS

13. Upon confirmation from the Canada Revenue Agency (the "CRA") of the unremitted goods and services tax amounts owing by the Applicants, the Applicants and the CRO, with the oversight of the Monitor, are hereby authorized and directed to pay the sale proceeds under the Purchase Agreement, less closing costs including real estate commissions, property taxes, conveyance costs of the Applicants and other standard closing costs (the "Net Proceeds"), as follows:

- (a) By paying to First Calgary Savings & Credit Union Ltd. amounts sufficient to satisfy the First Calgary Indebtedness, as such term is defined in the Bentham Affidavit, immediately upon closing of the Transaction and receipt of the Net Proceeds whether or not confirmation of the CRA indebtedness is received;

- (b) By paying all amounts owed pursuant to the Administration Charge, as such term is defined in the Initial Order granted in these proceedings on August 24, 2012 (the "Initial Order") and subsequently amended pursuant to an Order of this Honourable Court dated September 30, 2013;
- (c) By paying to the CRA the amounts owing by the Applicants pursuant to a claim for unremitted goods and services tax, estimated in the amount of \$150,000; and
- (d) By paying to the Monitor the sum of \$1,028,119.02 to satisfy the Related Party Claims as such term is defined in the Bentham Affidavit.

14. The remaining balance of the Net Proceeds, after disbursement of the amounts indicated in paragraph 13 of this Order, shall be disbursed to the limited partnership unit holders on a pro rata basis in accordance with their respective unit holdings.

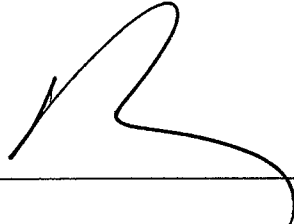
STAY EXTENSION

15. The Stay Period, as defined in the Initial Order, is hereby extended from December 31, 2013 up to and including March 31, 2014.

GENERAL

16. 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.

17. The Applicants, the CRO and the Monitor, or any of them, are at liberty to apply or reapply for further advice, assistance and direction as may be necessary to give full force and effect to the terms of this Order, or to amend the terms of this Order as the case may be.



J.C.Q.B.A.

SCHEDULE "A"

PERMITTED ENCUMBRANCES

Registration Number	Date (D/M/Y)	Particulars
812 012 996	20/01/1981	Utility Right of Way Grantee – FortisAlberta Inc.
022 448 062	22/11/2002	Utility Right of Way Grantee – Atco Gas and Pipelines Ltd.
062 132 376	27/03/2006	Utility Right of Way Grantee – FortisAlberta Inc.
082 165 376	21/04/2008	Caveat re: Lease Caveator – TDG Furniture Inc.
102 218 490	24/06/2010	Caveat re: Lease Caveator – 5584 N.W.T. Ltd. c/o Wolverine Guns and Tackle