CLERK OF THE COURT
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JUDICIAL CENTRE
OF CALGARY

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, as amended** **AND IN THE MATTER OF THE *BUSINESS COROPORATIONS ACT*, R.S.A. 2000, c. B-9** **AND IN THE MATTER OF LIBERTY CROSSING LIMITED PARTNERSHIP, LIBERTY CROSSING GENERAL PARTNER INC., ROCKY VIEW CAPITAL CORP., ROCKY VIEW ESTATES CORP., SPRUCE RIDGE CAPITAL INC., SPRUCE RIDGE ESTATES INC., STONEY VIEW CAPITAL INC. and STONEY VIEW CROSSING INC.**
DOCUMENT	**ORDER** **(Sanction Order – Spruce Ridge)**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Robyn Gurofsky Borden Ladner Gervais LLP 1900, 520 3rd Ave. S.W. Calgary, AB T2P 0R3 Telephone: (403) 232-9774 Facsimile: (403) 266-1395 Email: rgurofsky@blg.com File No. 439537-000005

I hereby certify this to be a true copy of
the original order
Dated this 5 day of feb, 2013
for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: February 4, 2013

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: Justice K. Yamauchi

UPON THE APPLICATION of Spruce Ridge Capital Inc. ("SRC") and Spruce Ridge Estates Inc. ("SRE") (sometimes, together referred to as "Spruce Ridge"); **AND UPON** having read the third report of Ernst and Young Inc. (the "Third Report"), in its capacity as the Monitor of Stoney View (the "Monitor") dated January 31, 2013 as well as the previous reports of the Monitor filed herein; **AND UPON** hearing the representations of legal counsel for BTM Advisory Services Corp. ("BTM"), the Court appointed

chief restructuring officer of Spruce Ridge, the Monitor and any other legal counsel in attendance at the hearing of this application; **AND UPON** being advised of the results of the meeting of the Creditors of SRC (the "Creditors' Meeting") and in particular, the voting by the Creditors to approve the plan of arrangement and compromise for SRC (the "Plan"); **IT IS HEREBY ORDERED THAT:**

Capitalized Terms

1. Capitalized terms not otherwise defined herein shall, unless stated to be otherwise, have the meaning ascribed to them in the Plan.

Service

2. Service of notice of this application is hereby abridged so that the application is properly returnable today and, further, that any requirement for service of the application and supporting materials upon any party not served is hereby dispensed with.

Sanction of Plan

3. SRC has complied in all material respects with the provisions of the CCAA and the previous Orders of this Honourable Court granted in these proceedings.

4. The Plan has been agreed to and approved by the Required Majority of the Creditors in accordance with the requirements of the CCAA and the Creditors' Meeting Order granted in these proceedings on December 19, 2012.

5. The Plan is found to be fair and reasonable to the Creditors, in the best interests of SRC and all affected parties, and is hereby finally and absolutely sanctioned and approved pursuant to the provisions of the CCAA.

6. The Plan Implementation Dates, the Plan and all associated steps, compromises, transactions, arrangements, assignments, releases and reorganizations effected thereby are approved, binding and effective as set out in the Plan, upon SRC, all Creditors and all other Persons and Parties affected by the Plan.

7. The Plan shall be implemented and effected in the sequential order set out in Section 8.3 of the Plan on the Plan Implementation Dates.

8. In order to give effect to the Plan, SRC is hereby authorized and directed to:

(a) direct that the Exit Financing Net Proceeds be paid to the Monitor;

(b) direct the Monitor to make the payments contemplated by the Plan;

(c) direct the Monitor to deliver confirmation of issuance of the statements outlining the Replacement Bonds and New SRC Shares to Creditors as contemplated by the Plan;

(d) declare that the releases referred to in Section 9.1 of the Plan relating to Creditors have become effective in accordance with the Plan;

(e) terminate and discharge the Administration Charge, the Directors' Charge and the DIP Charge upon payment to the Monitor of the Exit Financing Net Proceeds in sufficient amounts to pay all amounts outstanding under the Administration Charge; and

9. It is hereby declared that on implementation of and in accordance with the Plan, the fundamental changes described in Schedules "C" and "D" to the Plan shall become effective.

Distribution in Full and Final Satisfaction of Claims

10. All payments or distributions of shares made or to be made by or on behalf of SRC in accordance with the Orders of this Court in these proceedings shall constitute full and final payment or distribution and satisfaction of the Claims in respect of which such payments or distributions will be made.

11. Without limiting anything in the Claims Procedure Order granted by this Honourable Court in these proceedings on September 20, 2012, any Creditors who failed to prove claims or successfully dispute SRC's assessment of their claims in accordance with the Claims Procedure Order, on their own behalf or on behalf of their respective present or former employees, agents, officers, directors, principals, spouses, dependents, heirs, attorneys, successors, assigns and legal representatives, are permanently and forever barred, estopped, stayed and enjoined, on and after the date hereof from:

(a) Commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever against SRC;

(b) Enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against SRC or the property of SRC;

(c) 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, or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever against any person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against SRC; and

(d) Creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind.

12. Until all Disputed Claims have either been finally dismissed or have become, in whole or in part, Proven Claims, SRC shall not:

(a) issue additional Class "A" Bonds except in connection with the resolution of Disputed Claims as contemplated by the Plan; or

(b) make any distribution of cash or securities to holders of Class "A" Bonds or New SRC Shares.

Continuation of Agreements

13. All agreements to which SRC is a party as at the date hereof, including all obligations, agreements or leases to which SRC is a party, and which have not been repudiated shall remain in full force and effect, unamended, and no person or entity shall, after the date hereof, accelerate, terminate, rescind, refuse to perform, renew or otherwise repudiate its obligations under, or assert, enforce or exercise any right, option or remedy or make any demand under or in respect of any such agreement by reason of:

(a) any event which occurred prior to, and not continuing after, the Plan Implementation Dates or which is or continues to be suspended or waived under the Plan, which would have entitled any other party to enforce those rights or remedies;

(b) SRC having sought or obtained or become the subject of relief under the CCAA;

(c) any default or event of default arising as a result of the financial condition or insolvency of SRC;

(d) the effect upon SRC of the completion of any of the transactions contemplated under the Plan;

(e) SRC having complied with any Orders made in these CCAA proceedings; or

(f) any compromises, settlements, restructurings or reorganizations effected pursuant to the Plan.

14. SRC is authorized and may, as required, execute the Exit Financing Agreement and the Exit Financing Security and may grant the security interests contemplated by the Exit Financing Security, and effect the registration or other perfection of the Exit Financing Security, however, such Exit Financing Security shall not become effective until Plan Implementation.

Discharge of the Monitor

15. The Monitor is hereby authorized to perform its functions and to fulfil its obligations under the Plan to facilitate the implementation of the Plan.

16. The actions, conduct and activities of the Monitor outlined in the Monitor's Third Report and in all of the previous reports filed by the Monitor in these proceedings are hereby approved and it is hereby declared that the Monitor has exercised all of its powers and performed all of its duties and functions honestly, in good faith and in compliance with the Code of Ethics referred to in section 13.5 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-6.

17. Upon completion by the Monitor of its duties in respect of SRC and SRE pursuant to the CCAA and the Orders granted in these proceedings, including without limitation, the Monitor's duties in respect of the Claims Procedure and the distribution of confirmations of the issuances of Class "A" Bonds and New SRC Shares to be made by the Monitor in accordance with the Plan, the Monitor shall file with the Court a certificate of Plan termination ("Plan Termination Certificate") stating that all of its duties in respect of SRC and SRE pursuant to the CCAA and the Orders granted in these proceedings have been completed and thereupon, the Monitor shall be deemed to be discharged from its duties as Monitor of SRC and SRE and shall thereafter have no further liabilities, obligations, responsibilities or duties under the Initial Order of this Honourable Court dated August 24, 2012 (the "Initial Order") or otherwise in respect of these proceedings.

18. Upon the filing of this Order and the Plan Termination Certificate, the Monitor, its affiliates and their respective officers, directors, employees, and agents, attorneys and solicitors for the Monitor (collectively, the "Monitor Parties" and each a "Monitor Party") will be released and forever discharged from any and all claims, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission of a Monitor Party in any way relating to, arising out of or in respect of the performance or intended performance of the Monitor's mandate or any activity related thereto in these CCAA proceedings, save and except for any claim against a Monitor Party arising out of any gross negligence or wilful misconduct on the part of that Monitor Party.

19. No action or other proceeding in any way arising from or related to the performance or intended performance of the Monitor's mandate or any activity in these CCAA proceedings shall be commenced against a Monitor Party except with prior leave of this Court and on prior written notice to the Monitor Party and upon further order securing, as security for costs, the solicitor and his own client costs of the Monitor in connection with any proposed action or proceeding.

Releases

20. Upon the filing of this Order, SRC, its shareholders, employees, servants and agents of SRC, the Chief Restructuring Officer appointed pursuant to Order dated August 24, 2012, Harvest CCAA Operations Inc. ("HCO") and the attorneys and solicitors for SRC and SRE

(collectively, the "Stoney View Parties") will be fully, finally, irrevocably and unconditionally released and forever discharged from: (i) any and all Claims, and (ii) any and all liabilities, obligations and claims, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising out of, or in any way related to, in whole or in party, directly or indirectly these CCAA proceedings.

21. All proceedings with respect to, in connection with or relation to such Claims, liabilities, obligations or claims shall be permanently stayed, subject only to the rights of Creditors to receive distributions of Class "A" Bonds and New SRC Shares pursuant to the Plan in respect of their Claims.

22. Paragraph 20 of this Order does not apply to any Released Claims or other causes of action which the Bondholders of SRC may have against the directors or officers of SRC.

23. Without limiting anything in this Order or anything in the Claims Procedure Orders, all Creditors whose Claims are to be paid by the Monitor in accordance with Section 6.2 of the Plan are, conditional upon such payments being made, on their own behalf and on behalf of their respective present or former employees, agents, officers, directors, principals, spouses, dependents, heirs, attorneys, successors, assigns and legal representatives, permanently and forever barred, estopped, stayed and enjoined, on and after the date hereof, with respect to Claims, from:

(a) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever against the Stoney View Parties or any of them;

(b) 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 Stoney View Parties or any of them or the property of any of the Stoney View Parties;

(c) 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, or under the provisions of

any statute or regulation, or other proceedings of any nature or kind whatsoever against any person who makes a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Stoney View Parties; and

(d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrances of any kind.

Investigation Holdback

24. The investigation holdback in the amount of $35,000 (the "Holdback") is hereby approved and the Monitor is authorized to pay any costs related to the investigation of SRC or SRE from the Holdback.

25. The Holdback shall be held in trust by the Monitor for a period of 2 years after which time any unused portion of the Holdback shall be returned to SRC.

Termination of these Proceedings

26. The Initial Order shall have no further force or effect from and after 11:59 p.m. on last of the Plan Implementation Dates.

27. Without limiting the foregoing, all charges against SRC and SRE provided for in the Initial Order and any subsequent Order granted in these proceedings, including but not limited to the Administration Charge, the Directors' Charge and the DIP Charge, will be fully and finally terminated, discharged and released as of 11:59 p.m. on the last of the Plan Implementation Dates.

28. All liens, including all security registrations against SRC shall be fully discharged and extinguished on the last of the Plan Implementation Dates.

29. These CCAA proceedings are declared completed and the Stay Period (under the Initial Order, as extended) shall be terminated as of 11:59 p.m. on the last of the Plan Implementation Dates.

Further Advice and Direction

30. Notwithstanding the foregoing, SRC, SRE, the CRO, the Monitor and any other interested party are hereby granted leave to apply to this Court for such further advice, direction or assistance as may be necessary or give effect to the terms of this Order.

Meeting of Shareholders Following Plan Implementation Dates

31. SRC shall, pursuant to the terms of the Plan, hold a meeting of shareholders within four months following the last of the Plan Implementation Dates, for the purpose of *inter alia* electing a board of directors.

General

32. SRC and SRE shall deliver by electronic mail to each party served with this notice of this application a copy of this Order.

33. Notwithstanding:

(a) the pendency of these proceedings;

(b) a bankruptcy of SRC or SRE; and

(c) the provisions of any federal or provincial statute,

none of the transactions contemplated by this Order will be void or voidable at the instance of creditors and claimants and do not constitute nor shall they be deemed to be settlements, fraudulent preferences, assignments, fraudulent conveyances or other reviewable transactions under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislations, and they do not constitute conduct meriting an oppression remedy and shall be binding on a trustee in bankruptcy in respect of SRC or SRE.

JUSTICE K. YAMAUCHI