

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, 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

APPLICATION BY:

**Liberty Crossing Limited Partnership, Liberty
Crossing General Partner Inc., Spruce Ridge Capital
Inc. and Spruce Ridge Estates Inc.**

ADDRESS FOR SERVICE AND

CONTACT INFORMATION OF

PARTY FILING THIS

DOCUMENT

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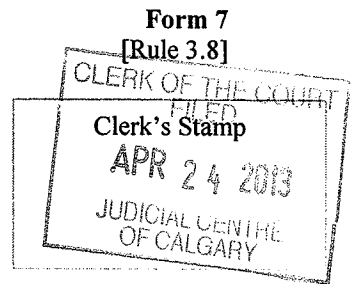
NOTICE TO THE RESPONDENT(S)

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: April 30, 2013



Time: 1:30 p.m.
 Where: Calgary Courts Centre, 601 – 5th Street S.W., Calgary, Alberta
 Before: The Honourable Madam Justice K. Horner

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

Remedy claimed or sought:

1. An order declaring service of notice of this application together with all supporting materials, including the Affidavit of Gary Bentham sworn on April 25, 2013 (the “Bentham Affidavit”), to be good and sufficient, and abridging the time for service of said documents, if necessary;
2. An order extending the stay period for Liberty Crossing Limited Partnership and Liberty Crossing General Partner Inc. (together, “Liberty Crossing”) from April 30, 2013 to September 30, 2013;
3. An order amending the Plan of Compromise and Arrangement for Spruce Ridge Capital Inc. (“SRC”) as more particularly outlined in the form of order attached as Schedule “A” hereto; and
4. Such further and other relief as counsel may advise and this Honourable Court permit.

Grounds for making this application:

Spruce Ridge Application

5. SRC presented its plan of compromise and arrangement (the “Plan”) to its creditors at the court approved creditors’ meetings held on January 28, 2013.
6. A majority of the creditors of SRC voted in favour of the Plan and the Plan was sanctioned pursuant to an Order of the Court on February 4, 2013 (the “Sanction Order”).
7. In the process of implementing the Plan, the Court appointed Chief Restructuring Officer (the “CRO”) obtained a Goods and Services Tax (“GST”) refund on behalf of Spruce Ridge Estates Inc. (“SRE”) from the Canada Revenue Agency in the amount of \$80,608 (the “GST Refund”).
8. Concurrently, it was discovered that SRE has approximately 11 unsecured creditors owed a total amount of \$562,290.67, which contradicts a statement at Article 1.1 of the Plan that SRE has no arms-length creditors.
9. The CRO has worked with the Monitor to devise a cost allocation strategy pursuant to which a portion of the GST Refund will be allocated to pay for the costs incurred by SRE in the CCAA

process and the remainder of the GST Refund will be paid to the Monitor to effect a distribution to the unsecured creditors of SRE.

Liberty Crossing Application

10. The CRO of Liberty Crossing has been working diligently and in good faith with the Monitor and its real estate consultants to maximize the value of the Liberty Crossing lands.
11. The CRO has also been working with the Monitor to address the complex inter-company debt issue which must be resolved before a plan or distribution can be effected.
12. Liberty Crossing intends to call a meeting of the limited partners in order to discuss and decide on the feasibility of a hold or sale strategy with respect to the Liberty Crossing lands. The CRO is hopeful that the limited partners' meeting can take place towards the end of May, 2013.
13. Such further and other grounds more particularly outlined in the Bentham Affidavit.

Material or evidence to be relied on:

14. The Bentham Affidavit and the previous Affidavits filed in these proceedings;
15. The Fifth Report of the Monitor and the previous Monitor's Reports filed in these proceedings;
16. The pleadings and proceedings had and taken in this action; and
17. Such further and other material or evidence as Counsel may advise and this Honourable Court permit.

Applicable rules:

18. Rule 11.27 and 13.5 of the *Alberta Rules of Court*.

Applicable Acts and regulations:

19. *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

Any irregularity complained of or objection relied on:

20. n/a

How the application is proposed to be heard or considered:

21. In person, on affidavit evidence.

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" – DRAFT ORDER

COURT FILE NUMBER **1201-10691**

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE Calgary

Clerk's Stamp

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*
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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**

(Plan Amendment)

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 File No. 439537-000005

DATE ON WHICH ORDER WAS PRONOUNCED: April 30, 2013

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: JUSTICE K. HORNER

UPON the application of Spruce Ridge Capital Inc. ("SRC") and Spruce Ridge Estates Inc. ("SRE") (together, the "Applicants"); AND UPON having read the Affidavit of Gary L. Bentham sworn April 25, 2013; AND UPON having read the Fifth Report of Ernst and Young Inc. filed in its capacity as

court appointed Monitor of the Applicants; **AND UPON** having read the previous affidavits, pleadings, reports and other materials filed in this action;

IT IS HEREBY ORDERED THAT:

1. Article 1.1 of the Plan of Compromise and Arrangement (the “Plan”) filed by SRC and sanctioned pursuant to Court Order dated February 4, 2013 shall be amended by deleting the last sentence in Article 1.1 on page 3 of the Plan which states that:

“SRE, which has no arms-length creditors other than SRC, will not be restructured and if Creditors and the Court approve this Plan, then on Plan Implementation the Spruce Ridge Lands will be transferred to SRC through a foreclosure, and SRE will likely be dissolved”

and replacing that sentence with the following:

“SRE, which has 11 arms-length unsecured creditors, will not be restructured and the Monitor shall seek approval from the Court for a distribution to these 11 unsecured creditors from the agreed upon portion of the Goods and Services Tax refund collected by SRE. If Creditors and the Court approve this Plan, then on Plan Implementation the Spruce Ridge Lands will be transferred to SRC through a foreclosure and after the distribution to SRE creditors is complete, SRE will likely be dissolved.”

J.C.Q.B.A.