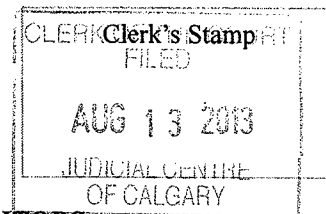


COURT FILE NUMBER **1201-10691**
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE Calgary



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**

Commercial List

ADDRESS FOR SERVICE AND Patrick T. McCarthy Q.C./Robyn Gurofsky
CONTACT INFORMATION OF Borden Ladner Gervais LLP
 1900, 520 3rd Ave. S.W.
PARTY FILING THIS Calgary, AB T2P 0R3
 Telephone: (403) 232-9441/232-9774
DOCUMENT Facsimile: (403) 266-1395
 File No. 439375-000005

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: August 16, 2013
Time: 3:00 p.m.
Where: Calgary Courts Centre, 601 – 5th Street S.W., Calgary, Alberta
Before: The Honourable Justice B.E.C. Romaine

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 substantially in the form attached as Schedule "A":
 - (a) Declaring service of notice of this application together with all supporting materials, including the Affidavit of Gary Bentham sworn on August __, 2013 (the "**Bentham Affidavit**"), to be good and sufficient, and abridging the time for service of said documents, if necessary;
 - (b) Approving the Settlement Proposal, attached as Exhibit "C" to the Bentham Affidavit and authorizing the Court appointed Monitor and Chief Restructuring Officer to execute such further agreements or documents to effect the settlement outlined in the Settlement Proposal
 - (c) Deeming the claim filed on behalf of FCC in the claims process approved by the Court on September 20, 2012, as \$NIL and declaring any further claims by FCC against Liberty LP be forever barred and extinguished;
 - (d) Such further and other relief as counsel may advise and this Honourable Court permit.

Grounds for making this application:

2. The applicant, Liberty Crossing Limited Partnership ("**Liberty LP**"), together with certain other related entities, obtained an Initial Order granted by the Honourable Justice B.E.C. Romaine of the Court of Queen's Bench of Alberta on August 24, 2012 pursuant to the *Companies' Creditors Arrangement Act*.
3. Since that date, Liberty LP has been working diligently through its court appointed Chief Restructuring Officer (the "**CRO**"), with its real estate and legal advisors and with Ernst & Young Inc. in its capacity as court appointed Monitor (the "**Monitor**") to develop a strategy to maximize value of the benefit of stakeholders.
4. The development of a strategy to maximize value for the benefit of stakeholders has been hindered by:
 - (a) uncertainty surrounding various inter-company claims (the "**Inter-Company Debt Claims**") discovered by the CRO in the course of his review of the books and records of Liberty LP; and
 - (b) the existence of damages claims (the "**Litigation Claims**") more particularly outlined in the Bentham Affidavit, which if pursued, could effectively render a large portion of the Inter-Company Debt Claims at \$NIL.

5. Recognizing that pursuit of the Litigation Claims would be expensive and time-consuming, Liberty LP has worked diligently with the CRO and Ernst & Young Inc. as Monitor and/or Co-Manager as the case may be, to devise the Settlement Proposal to address both the Inter-Company Debt Claims and the Litigation Claims in an efficient and cost-effective manner.
6. The Settlement Proposal, conditional upon Court approval, is reasonable in the circumstances and in the best interests of Liberty LP and its stakeholders in the within CCAA proceedings.
7. Such further and other grounds as are stated in the Bentham Affidavit.

Material or evidence to be relied on:

8. The Bentham Affidavit filed in these proceedings;
9. The Seventh Report of the Monitor, Ernst and Young Inc.;
10. The pleadings and proceedings had and taken in this action; and
11. Such further and other material or evidence as Counsel may advise and this Honourable Court permit.

Applicable rules:

12. Rule 11.27 of the Alberta *Rules of Court*.

Applicable Acts and regulations:

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

Any irregularity complained of or objection relied on:

14. n/a

How the application is proposed to be heard or considered:

15. In person before Madam Justice B.E.C. Romaine, with oral submissions based 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"

COURT FILE NUMBER

1201-10691

Clerk's Stamp

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

Calgary

APPLICANTS

**IN THE MATTER OF THE *COMPANIES' CREDITORS*
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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

(Approval of Settlement Proposal)

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

DATE ON WHICH ORDER WAS PRONOUNCED: August 14, 2013

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: JUSTICE B.E.C. Romaine

UPON the application of Liberty Crossing Limited Partnership ("Liberty LP"); AND UPON having read the Affidavit of Gary L. Bentham sworn August __, 2013 (the "Bentham Affidavit") attaching as Exhibit "C" the settlement proposal between Liberty LP, Liberty Crossing General Partner Inc., Harvest Capital Management Inc. ("HCM"), 1252064 Alberta Ltd. ("125"), 1330075 Alberta Ltd.

("133"), Foundation Mortgage "2" Corporation and Harvest Group Limited Partnership (the "Settlement Proposal"); **AND UPON** having read the Seventh Report of the Monitor, Ernst and Young Inc., filed August ___, 2013; **AND UPON** hearing the submissions of counsel for the Applicant, counsel for the Monitor, counsel for HCMI, 125 and 133, and any other counsel in attendance; **AND UPON** being satisfied that the Settlement Proposal is commercially reasonable and in the best interests of the parties in the circumstances;

IT IS HEREBY ORDERED THAT:

1. Service of the Application and supporting materials including the Bentham Affidavit and the Seventh Report of the Monitor is hereby abridged to the date of actual service and service, including the manner of service of the application materials on the Service List is hereby approved and validated, the application is properly returnable today and further service of the Application is hereby dispensed with.
2. The claim filed by Foundation Capital Corporation ("FCC") in the Liberty LP Claims Process approved by this Court on September 20, 2012 is hereby conclusively deemed to be accepted at \$NIL and any further claims by FCC against Liberty LP arising on or before August 24, 2012 are hereby forever barred and extinguished.
3. The Settlement Proposal is hereby approved.
4. The Monitor and the Court appointed Chief Restructuring Officer (the "CRO") are hereby authorized and directed to execute the Settlement Proposal on behalf of each of the parties listed therein, and are further authorized and directed to take all steps and actions necessary to implement the Settlement Proposal, including without limitation, authorizing the Monitor and the CRO to execute any documents necessarily incidental or ancillary to give effect to the Settlement Proposal.

J.C.Q.B.A.