Form 27

CLERK OF THE COURT
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JUDICIAL CENTRE
OF CALGARY

Clerk's Stamp

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	**COMMERCIAL LIST:** **APPLICATION BY THE APPLICANTS LIBERTY CROSSING LIMITED PARTNERSHIP AND LIBERTY CROSSING GENERAL PARTNER INC.**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Patrick T. McCarthy, Q.C./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

NOTICE TO RESPONDENT(S)

This application is made by Liberty Crossing Limited Partnership and Liberty Crossing General Partner Inc. (together, "Liberty Crossing"). You are a respondent.

Respondents have the right to state their side of this matter before the judge.

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

Date	November 12, 2013
Time	12:00 PM
Where	Calgary Courts Centre, 601 – 5 Street SW, Calgary, AB T2P 5P7

Before Whom: The Honourable Justice R.G. Stevens

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

Remedy claimed or sought:

1. An Order of this Honourable Court substantially in the form of order attached as Schedule "A" hereto:

   (a) Declaring that service of notice of this application and the supporting materials is validated and abridging the time for service of notice of this application and/or any supporting materials;

   (b) Approving the Agreement of Purchase and Sale entered into between Liberty Crossing General Partner Inc. in its capacity as General Partner of Liberty Crossing Limited Partnership as Vendor and Melcor Developments Ltd. or its nominee as Purchaser, dated October 5, 2013 (the "Purchase Agreement") substantially in the form as that attached to the Affidavit of Gary L. Bentham sworn November 6, 2013 (the "Bentham Affidavit");

   (c) Vesting to the Purchaser the right, title and interest in and to the Lands, as defined in the Purchase Agreement and in accordance with the terms of the Purchase Agreement;

   (d) Authorizing and directing the distribution of the sale proceeds to the Creditors including the unsecured creditors in accordance with the claims approved in the Claims Process and in accordance with the inter-company claims approved in the Order of Madam Justice B.E.C. Romaine dated August 16, 2013;

   (e) Extending the stay of proceedings granted in the within proceedings from December 31, 2013 to March 31, 2014; and

2. Such further and other relief as this Honourable Court may deem just and appropriate in the circumstances.

Grounds for making this application:

3. Liberty Crossing obtained an initial order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "CCAA") on August 24, 2012. Ernst and Young Inc. was appointed the Monitor (the "Monitor") and Gary L. Bentham and BTM Advisory Services Inc. was appointed the Chief Restructuring Officer (the "CRO") of Liberty Crossing in the CCAA proceedings.

4. Since obtaining the initial order, Liberty Crossing, through the CRO and with the assistance of the Monitor, has been working diligently and in good faith to determine the best way to maximize value for the benefit of the Liberty Crossing creditors. In that regard, the CRO has, among other

things, attempted to negotiate a refinancing of the secured debt held by First Calgary Savings & Credit Union Ltd., discussed refinancing and sales options with the limited partnership unit holders, and failing identifying a feasible refinancing solution, undertaken a marketing and sales process with CBRE pursuant to Order of this Court dated June 12, 2013.

5. After consulting with members of the Investor Advisory Group, the CRO determined it was in the best interests of the limited partners and the creditors to enter into a sale with Melcor Developments Ltd. ("Melcor") in the Court approved sales process. The Melcor offer is fair and commercially reasonable in the circumstances.

6. Upon collecting the proceeds of the sale to Melcor, the CRO with the supervision and support of the Monitor would seek to effect a distribution of the sale proceeds to the Creditors of Liberty Crossing, including payments to the following:

   (a) First Calgary Savings & Credit Union Ltd. as secured creditor, owed as of November 4, 2013, approximately \$8.47 million net of a cash reserve in the amount of \$221,453;

   (b) The beneficiaries of the Administration Charge, as such term is defined in the Initial Order dated August 24, 2012 and subsequently amended pursuant to an Order of this Honourable Court dated September 30, 2013;

   (c) The Canada Revenue Agency (the "CRA"), expected to be owed approximately \$150,000;

   (d) Unsecured creditors whose claims were approved in the Court sanctioned claims process, owed approximately \$38,000; and

   (e) Payment of the Related Company Claims, as such term is defined in the Bentham Affidavit.

7. The remainder of the sale proceeds would be distributed to the limited partners on a pro rata basis in accordance with their respective unit holdings.

8. Because of the post-closing adjustment period in the Melcor offer, as well as the fact that the CRA debt is expected to be confirmed in early 2014, the CRO does not anticipate being in a position to effect a distribution of the sale process until March, 2014. As such, Liberty Crossing seeks an extension of the stay of proceedings from December 31, 2013 to March 31, 2014.

9. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

10. The Affidavit of Gary L. Bentham sworn November 6, 2013;

11. The Ninth Report of the Monitor, Ernst and Young Inc.;

12. The Pleadings and proceedings had and taken in this action; and

13. Such further and other material or evidence as counsel may advise and this Honourable Court permit.

Applicable rules:

14. Rules 6.47, 11.27 and 13.5 of the *Alberta Rules of Court*, Alta Reg 124/2010

Applicable Acts and regulations:

15. The *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, including but not limited to section 36(3) and 36(6)

Any irregularity complained of or objection relied on:

16. n/a

How the application is proposed to be heard or considered:

17. 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 give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

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 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	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: 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 ___, 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 ___, 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 this 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, which 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;

(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 or the Monitor 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.