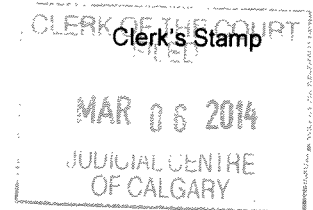


COURT FILE NUMBER 1201-06934
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



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 CORPORATIONS ACT, R.S.A. 2000, c. B-9

AND IN THE MATTER OF 1252064 ALBERTA LTD., 1330075 ALBERTA LTD. and HARVEST CAPITAL MANAGEMENT INC.

DOCUMENT APPLICATION

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

McCARTHY TÉTRAULT LLP
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NOTICE TO 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 master/judge.

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

Date: March 13, 2014
Time: 2:00 pm
Where: Calgary Courts Center (Commercial List)
Before Whom: Justice J. Strekaf

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

Remedy Claimed or Sought: Ernst & Young Inc. (the "**Receiver**"), in its capacity as court appointed receiver and manager of 1252064 Alberta Ltd., 1330075 Alberta Ltd. and Harvest Capital Management Inc. (collectively, the "**Debtors**") pursuant to the order issued by Justice G.

C. Hawco in the within proceedings on September 30, 2013 (the "**Receivership Order**") applies for an order, substantially in the form attached as Schedule "**A**" hereto:

1. Declaring that the time for service of this Application and the second report of the Receiver, dated March 5, 2014 (the "**Second Receiver's Report**"), is abridged, if necessary, the Application is properly returnable today, that service of the Application and the Second Receiver's Report on the service list is validated, good and sufficient and that no persons other than those on the service list are entitled to service of the Second Receiver's Report or the Application.
2. Declaring that 1252064 Alberta Ltd. ("**125 Alberta**") is the legal and beneficial owner 59 limited partnership units (the "**Disputed Units**") in Liberty Crossing Limited Partnership ("**Liberty LP**") and that Legacy Communities Inc. ("**Legacy**") has no entitlement or claim to the Disputed Units.
3. Such further and other grounds as counsel for the Receiver may advise.

Grounds for Making this Application: The grounds for the Application are as follows:

4. The Receiver was appointed as receiver and manager of the Debtors pursuant to the Receivership Order.
5. Liberty LP raised funds through the issuance of limited partnership units and was the beneficial owner of a shopping mall complex in Red Deer, Alberta (the "**Complex**"). The Complex has been sold and creditors have been paid in full with the result that proceeds are available for distribution to unit holders.
6. The Disputed Units are subject to two separate but identical limited partnership unit certificates, one of which was issued in the name of 125 Alberta and one of which was issued in the name of Legacy. The books and records of Liberty LP conflict in respect of who is the owner of the Disputed Units with certain records indicating that 125 Alberta is the owner and other records indicating that Legacy is the owner.
7. The Receiver's accounting analysis in respect of Liberty LP demonstrated conclusively that the funds to acquire the Disputed Units were advanced by 125 Alberta and that Legacy, while a significant creditor of 125 Alberta, did not advance any funds to 125 Alberta that were used to acquire the Disputed Units.

8. The Receiver requires a resolution to the issue with the Disputed Units so that the proceeds in respect of the limited partnership units can be distributed and the administration of the estate of the Debtors may continue.

9. Such further and other grounds as counsel for the Receiver may advise.

Material or Evidence to be Relied On: The Receiver will rely on the following evidence:

10. The Second Receiver's Report.

11. Such further and other evidence as counsel for the Receiver may advise.

Applicable Rules:

12. Rule 6.3(1) and 6.9 of the *Alberta Rules of Court*.

13. Such further and other rules as counsel for the Receiver may advise.

Applicable Acts and Regulations:

14. The *Companies' Creditors Arrangement Act* (Canada).

15. Such further and other acts and regulations as counsel for the Receiver may advise.

Any Irregularity Complained of or Objection Relied On:

16. There are no irregularities complained of, or objections relied on.

How the Application is Proposed to be Heard or Considered:

17. The Receiver proposes that the Application be heard in person with one, some, or all of the parties present.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

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 applicants.

SCHEDULE "A"

Clerk's Stamp

COURT FILE NUMBER

1201-06934

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**

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CORPORATIONS ACT, R.S.A. 2000, c. B-9**

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LTD., 1330075 ALBERTA LTD. and HARVEST
CAPITAL MANAGEMENT INC.**

DOCUMENT

ORDER

ADDRESS FOR SERVICE
AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

McCARTHY TÉTRAULT LLP
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Suite 3300, 421 - 7th Avenue S.W.
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Fax: 403-260-3501
Email: scollins@mccarthy.ca / wmacleod@mccarthy.ca

DATE ON WHICH ORDER WAS PRONOUNCED:

March 13, 2014

LOCATION OF HEARING OR TRIAL:

Calgary, Alberta

NAME OF MASTER/JUDGE WHO MADE THIS ORDER:

Justice J. Strekaf

UPON THE APPLICATION of Ernst & Young Inc. (the "**Receiver**"), in its capacity as court appointed receiver and manager of 1252064 Alberta Ltd., 1330075 Alberta Ltd. and Harvest Capital Management Inc. (collectively, the "**Debtors**") pursuant to the order issued by Mr. Justice G. C. Hawco in the within proceedings on September 30, 2013 (the "**Receivership Order**"); **AND UPON** having read the second report of the Receiver, dated March •, 2014 (the "**Second Receiver's Report**"); **AND UPON** having read the Affidavit of Service of •, sworn March •, 2014 (the "**Service Affidavit**"); **AND UPON** hearing counsel for the Receiver, and counsel present for other parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of the corresponding Application and the Second Receiver's Report is abridged, the Application is properly returnable today, service of the Application and the Second Receiver's Report on the service list, in the manner described in the Service Affidavit is validated, good and sufficient and no other persons are entitled to service of the Second Receiver's Report or the Application.
2. 1252064 Alberta Ltd. ("**125 Alberta**") is the legal and beneficial owner 59 limited partnership units in Liberty Crossing Limited Partnership ("**Liberty LP**") as identified in limited partnership certificate number LC 00239 (the "**59 Partnership Units**"). 125 Alberta is entitled to receive all distributions, capital returns and other payments from Liberty LP in respect of the 59 Partnership Units and Legacy Communities Inc. ("**Legacy**") has no entitlement or claim to the 59 Partnership Units or any distributions, capital returns or other payments that may be made thereon from Liberty LP.
3. Nothing herein shall alter or affect any claim that Legacy may have against 125 Alberta.
4. 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.

J.C.Q.B.A.