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JUDICIAL CENTRE
OF CALGARY

COURT FILE NUMBER	1201-06934
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
COMPANIES	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	**SEVENTH REPORT OF THE MONITOR** **APRIL 25, 2013**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**MONITOR** 1000, 440 - 2nd Avenue SW Calgary, Alberta T2P 5E9 Attention: Neil Narfason / Cassie Riglin Telephone: 403-206-5067 / (403) 206-5130 Fax: 403-206-5075 Email: Neil.Narfason@ca.ey.com Cassie.Riglin@ca.ey.com **COUNSEL** McCarthy Tétrault LLP Suite 3300, 421 7th Avenue SW Calgary AB T2P 4K9 Attn: Sean Collins / Walker MacLeod Telephone: 403-260-3531 / 403-260-3710 Email: scollins@mccarthy.ca wmacleod@mccarthy.ca

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APPENDICIES TO THE SEVENTH REPORT

INTRODUCTION

1. On June 7, 2012, 1252064 Alberta Ltd. ("125"), 1330075 Alberta Ltd. ("133") and Harvest Capital Management Inc. ("HCMI") sought and obtained protection from their creditors under the Companies' Creditors Arrangement Act, R.S.C. 1985 c. C-36, as amended, (the "CCAA") pursuant to an order of this Honourable Court (the "Initial Order").

2. Pursuant to the Initial Order, Ernst & Young Inc. was appointed monitor of 125, 133 and HCMI (the "Monitor").

3. Pursuant to an Order of this Honourable Court dated August 20, 2012, the Monitor's powers were expanded to assume sole conduct and management of any and all inter-company accounts receivable and payable as may exist with any of Related Parties (as defined in the Order granted by the Honourable Court dated July 5, 2012) including the power to take such steps as the Monitor may deem necessary or advisable to realize on such accounts receivable or effect payment of such accounts payable.

4. Pursuant to an Order of this Honourable Court dated August 24, 2012, the Monitor's powers were further expanded (the "Expanded Powers") to increase the involvement and ability of the Monitor to facilitate transactions and commence realization of the Companies' assets.

5. 125, 133 and HCMI are sometimes collectively referred to as the "Companies" or the "Debtors".

6. The purpose of this seventh report (the "Seventh Report") of the Monitor is to provide this Honourable Court with the Monitor's comments in respect of the following:

   a) An update on the restructuring efforts;

b) The budget to actual cash flow results for the period for December 1, 2012 to April 30, 2013 (the "Reporting Period");

c) The cash flow forecasts ("Forecasts") through September 30, 2013 (the "Forecast Period");

d) The Monitor's comments regarding the Companies' request for an extension of the Stay Period; and

e) The Monitor's recommendation.

7. Capitalized terms not defined in this Seventh Report are as defined in the Initial Order.

8. All references to dollars are in Canadian currency unless otherwise noted.

BACKGROUND

9. Background for the Companies and their operations is contained in the materials filed in support of the application for the Initial Order including the June 5, 2012 affidavit of Mr. Ron Aitkens (the "June 5 Aitkens Affidavit"). These documents, together with other information regarding these CCAA proceedings, have been posted by the Monitor on its website at: www.ey.com/ca/foundationgroup.

TERMS OF REFERENCE

10. In preparing this Seventh Report, the Monitor has relied upon unaudited financial information, company records and discussions with former management of the Companies. The Monitor has not performed an audit, review or other verification of such information. An examination of the financial forecast as outlined in the Canadian Institute of Chartered Accountants Handbook has not been performed. Future orientated financial information relied upon in this report is based on assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

RESTRUCTURING EFFORTS

11. The Monitor with its Expanded Powers continues to review the various restructuring options available for 125, 133 and HCMI and is working towards developing a realization strategy for their assets. Given the complexity of the related party transactions, incomplete accounting records and supporting documentation of each of 125, 133 and HCMI, the review of restructuring options has gone much more slowly than initially planned.

12. The Monitor is continuing to review of the historical sources and uses of cash for 125, 133 and HCMI in order for the Monitor to investigate the material transactions and flows of funds that occurred in each of 125, 133 and HCMI prior to these CCAA proceedings. This work has been challenging given the lack of support for many transactions. As discussed in the Third Report, through this investigation the Monitor continues to understand the intricacies around the different assets within the Companies and the priorities to those assets.

13. As anticipated in the Third Report, the Monitor expected to have the sources and uses report (the "SUF Report") completed and reported to this Court in September 2012. The Monitor advises that, due to the issues outlined above, the SUF report is expected to be completed next month.

14. The Monitor has also engaged in the development of a proposed realization strategy. Once the Monitor has the SUF Report completed it will also finalize the realization strategy. The Monitor expects that the realization strategy will take many months to complete.

FORECAST TO ACTUAL RESULTS

125

15. The cash flow forecast to actual presented at Appendix A contains the cash receipts and disbursements incurred to date for 125 as compared to the cash flow forecasts previously provided to this Court.

1252064 Alberta Ltd. ("125")			
Cash Flow Forecast			
December 1, 2012- April 30, 2013			
	Forecast	**Actual**	**Variance**
Receipts	20,000	23,619	3,619
Disbursements	15,000	37,736	(22,736)
Net Cash Flows	5,000	(14,117)	(19,117)

16. The higher than expected disbursements during the Reporting period are primarily caused by the payment of operating expenses that were previously relying on the Critical Suppliers' Charge.

133

17. The cash flow forecast to actual presented at Appendix A contains the cash receipts and disbursements incurred to date for 133 as compared to the cash flow forecasts previously provided to this Court.

1330075 Alberta Ltd. ("133")			
Cash Flow Forecast			
December 1, 2012- April 30, 2013			
	Forecast	**Actual**	**Variance**
Receipts	-	13,553	13,553
Disbursements	-	7,513	(7,513)
Net Cash Flows	-	6,040	6,040

18. 133 received a rental payment related to pasture rental on the Mullen lands near Priddis, and as a result was able to pay the outstanding property taxes on the Balsam Lake lands.

HCMI

19. The cash flow forecast to actual presented at Appendix A contains the cash receipts and disbursements incurred to date for HCMI as compared to the cash flow forecasts previously provided to this Court.

Harvest Capital Management Inc. ("HCMI")			
Cash Flow Forecast			
December 1, 2012 - April 30, 2013			
	Forecast	**Actual**	**Variance**
Receipts	-	1,081	1,081
Disbursements	(340,000)	213,091	(553,091)
Net Cash Flows	340,000	(212,010)	(552,010)

20. The positive variance in the cash receipts for the Reporting Period relate primarily to the interest earned on the cash balance and a quarterly distribution on a minor investment owned by HCMI.

21. Disbursements of approximately $213,000 were made during the Reporting Period to pay property taxes and operating costs related to the Lethbridge office and for professional fees.

22. Monitor's counsel has concluded that Legacy is likely entitled to assert legal set-off from the amounts owing under the HCMI DIP Financing against management fees that were overcharged to Legacy by HCMI. The total management fees paid by Legacy to HCMI were approximately $70,000.

23. The Monitor intends on formally notifying the interim board of directors of Legacy of the Monitor's view on set-off together with the Monitor's intention to repay the HCMI DIP. If Legacy, through its interim board or otherwise, advises that it takes a contrary view on set-off, then the Monitor will bring the matter forward to the court for determination.

CASH FLOW FORECAST THROUGH SEPTEMBER 30, 2013

24. The Companies, with the assistance of the Monitor, have prepared Forecasts for the Forecast Period which are attached as Appendix B to this report. The Forecasts are based on the most current information available.

25. The table below summarizes the Forecasts for the Forecast Period:

Cash Flow Forecast May 1, 2013 -September 30, 2013	125	133	HCMI
RECEIPTS			
Net Lethbridge office proceeds	-	-	451,250
Total receipts	-	-	**451,250**
DISBURSEMENTS			
Mortgage repayment	-	-	130,000
Operating expenses	-	-	10,000
Reduction of Administration Charge	-	-	320,000
CCAA professional fees	125,000	125,000	125,000
Administrative Charge offset	(125,000)	(125,000)	(125,000)
Total disbursements	**$ -**	**$ -**	**$ 460,000**
NET CASH FLOWS	**$ -**	**$ -**	**$ (8,750)**
OPENING CASH	$ 2,139	$ -	$ 135,732
NET CHANGE IN CASH FLOWS	-	-	(8,750)
ENDING CASH	**$ 2,139**	**$ -**	**$ 126,982**

26. As outlined above, 125 will have no cash receipts or disbursements in the Forecast Period, with the exception of professional fees of $25,000 per month. Assuming professional fees can be paid through the Administration Charge granted by this Honourable Court, 125 will have sufficient funds to satisfy their projected uses of cash for the Forecast Period.

27. As outlined above, 133 will have no cash receipts or disbursements in the Forecast Period, with the exception of professional fees of $25,000 per month. Assuming professional fees can be paid through the Administration Charge granted by this Honourable Court, 133 will have sufficient funds to satisfy their projected uses of cash for the Forecast Period.

28. As outlined above, HCMI will have net proceeds from the sale of the Lethbridge office of approximately $451,000 and will have total disbursements of $460,000 to retire the mortgage on the Lethbridge office, operating expenses and reduce the professional fees currently relying on the Administration Charge.

29. The Monitor has reviewed the assumptions supporting the Forecast and believes the assumptions to be reasonable.

30. The Forecasts indicate that 125, 133 and HCMI will not require further financing to meet their respective current obligations through the Forecast Period.

THE COMPANIES' REQUEST FOR AN EXTENSION OF THE STAY PERIOD

31. Pursuant to an Order of this Honourable Court dated November 23, 2012, the Stay Period expires on April 30, 2013. The Company is seeking an extension of the Stay Period up to and including September 30, 2013 (the "Stay Extension").

32. The stay period is required to allow 125, 133 and HCMI and the Monitor the time explore realization alternatives and develop a restructuring realization plan.

33. In the Monitor's view, the 125, 133 and HCMI are acting in good faith and with due diligence.

RECOMMENDATION

34. The Monitor recommends that this Honourable Court approve the Stay Extension.

Dated at Calgary, this 25th day of April, 2013.

ERNST & YOUNG INC.
in its capacity as
Monitor of 125, 133 and HCMI

Neil Narfason, CA•CIRP, CBV
Senior Vice-President

Cassie Riglin, CA
Manager

APPENDIX A

1252064 Alberta Ltd. ("125")
Cash Flow Forecast
December 1, 2012- April 30, 2013

	Notes		Actual		Forecast		Difference
RECEIPTS							
Miscellaneous Income	1		23,619		20,000		3,619
Total receipts		**$**	**23,619**	**$**	**20,000**	**$**	**3,619**
DISBURSEMENTS							
Lein Settlement	2		15,000		15,000		-
Legal Fees	3		5,193		-		5,193
Operating Expenses	4		17,543		42,500		(24,957)
Suppliers Charge offset	5		-		(42,500)		42,500
CCAA professional fees	6		-		125,000		(125,000)
Administrative Charge offset	7		-		(125,000)		125,000
Total disbursements		**$**	**37,736**	**$**	**15,000**	**$**	**22,736**
NET CASH FLOWS		**$**	**(14,117)**	**$**	**5,000**	**$**	**(19,117)**
OPENING CASH		$	16,256	$	16,256		
NET CHANGE IN CASH FLOWS			(14,117)		5,000		
ENDING CASH		**$**	**2,139**	**$**	**21,256**		

Notes and Assumptions

1 Sales of minor stock investments and proceeds from Lethbridge house mortgage.
2 Lien settlement related to the sale of the Lethbridge Lands.
3 Legal fees paid to the Monitor's legal counsel in Panama
4 Operating expenses incurred related primarily to the Global site. No further costs are expected.
5 Suppliers Charge was not required to offset operating expenses
6 Estimated professional fees for the period
7 Administrative Charge will be required to offset professional fees

1330075 Alberta Ltd. ("133")
Cash Flow Forecast
December 1, 2012- April 30, 2013

	Notes	Actual	Forecast	Difference
RECEIPTS				
Pasture Rent	1	13,500	-	13,500
Miscellaneous Income		53	-	53
Total receipts		**$ 13,553**	**$ -**	**$ 13,553**
DISBURSEMENTS				
Property taxes	2	7,513	-	7,513
CCAA professional fees	3	-	125,000	(125,000)
Administrative Charge offset	4	-	(125,000)	125,000
Total disbursements		**$ 7,513**	**$ -**	**$ 7,513**
NET CASH FLOWS		**$ 6,040**	**$ -**	**$ 6,040**
OPENING CASH		$ 9,772	$ -	
NET CHANGE IN CASH FLOWS		6,040	-	
ENDING CASH		**$ 15,811**	**$ -**	

Notes and Assumptions

1 Rental income from pasture land rented during summer 2012.
2 Property taxes of approximately $7.5k were outstanding on the Balsam Lake lands
3 Estimated professional fees for the period
4 Administrative Charge will be required to offset professional fees

Harvest Capital Management Inc. ("HCMI")
Cash Flow Forecast
December 1, 2012- April 30, 2013

	Notes		Actual		Forecast		Difference
RECEIPTS							
Miscellaneous Income	1		1,081		-		1,081
Total receipts		**$**	**1,081**	**$**	**-**	**$**	**1,081**
DISBURSEMENTS							
Property Taxes	2		9,136		-		9,136
Operating Expenses	3		6,853		62,717		(55,864)
Suppliers Charge offset	4		-		(62,717)		62,717
CCAA professional fees	5		197,103		440,000		(242,897)
Administrative Charge offset	6		-		(100,000)		100,000
Total disbursements		**$**	**213,091**	**$**	**340,000**	**$**	**(126,909)**
NET CASH FLOWS		**$**	**(212,010)**	**$**	**(340,000)**	**$**	**127,990**
OPENING CASH		$	347,742	$	-		
NET CHANGE IN CASH FLOWS			(212,010)		(340,000)		
ENDING CASH		**$**	**135,732**	**$**	**(340,000)**		

Notes and Assumptions

1 Interest income and quartlerly distribution on LP units held in Imperial Square.
2 Property taxes on Lethbridge office.
3 Operating expenses primarily incurred to operate Lethbridge office.
4 Suppliers Charge was not required to offset operating expenses
5 Estimated professional fees for the period
6 Administrative Charge will be required to offset professional fees

APPENDIX B

1252064 Alberta Ltd. ("125")
Cash Flow Forecast
May 1, 2013 -September 30, 2013

	Notes	May	June	July	August	September	Total
RECEIPTS							
Total receipts	1	-	-	-	-	-	-
DISBURSEMENTS							
CCAA professional fees	2	25,000	25,000	25,000	25,000	25,000	125,000
Administrative Charge offset	3	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(125,000)
Total disbursements		$ -	$ -	$ -	$ -	$ -	$ -
NET CASH FLOWS		$ -	$ -	$ -	$ -	$ -	$ -
OPENING CASH		$ 2,139	$ 2,139	$ 2,139	$ 2,139	$ 2,139	$ 2,139
NET CHANGE IN CASH FLOWS		-	-	-	-	-	-
ENDING CASH		**$ 2,139**	**$ 2,139**	**$ 2,139**	**$ 2,139**	**$ 2,139**	**$ 2,139**

<u>Notes and Assumptions</u>

1 125 has no operating revenue.
2 Estimated professional fees for the period
3 Administrative Charge will be required to offset professional fees

1330075 Alberta Ltd. ("133")
Cash Flow Forecast
May 1, 2013 -September 30, 2013

	Notes	May	June	July	August	September	Total
RECEIPTS	1	-	-	-	-	-	-
DISBURSEMENTS							
CCAA professional fees	2	25,000	25,000	25,000	25,000	25,000	125,000
Administrative Charge offset	3	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(125,000)
Total disbursements		$ -	$ -	$ -	$ -	$ -	$ -
NET CASH FLOWS		$ -	$ -	$ -	$ -	$ -	$ -
OPENING CASH		$ -	$ -	$ -	$ -	$ -	$ -
NET CHANGE IN CASH FLOWS		-	-	-	-	-	-
ENDING CASH		$ -	$ -	$ -	$ -	$ -	$ -

Notes and Assumptions

1 133 has no operating revenue
2 Estimated professional fees for the period
3 Administrative Charge will be required to offset professional fees

Harvest Capital Management Inc. ("HCMI")
Cash Flow Forecast
May 1, 2013 -September 30, 2013

	Notes	May	June	July	August	September	Total
RECEIPTS	1						
Net Lethbridge office proceeds	2	451,250	-	-	-	-	451,250
DISBURSEMENTS							
Repayment of RBC mortgage	2	130,000	-	-	-	-	130,000
Operating expenses	3	10,000	-	-	-	-	10,000
Reduction of Administration Charge	4	320,000	-	-	-	-	320,000
CCAA professional fees	5	25,000	25,000	25,000	25,000	25,000	125,000
Administrative Charge offset	6	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(125,000)
Total disbursements		**$ 460,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 460,000**
NET CASH FLOWS		**$ (8,750)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (8,750)**
OPENING CASH		$ 135,732	$ 126,982	$ 126,982	$ 126,982	$ 126,982	$ 135,732
NET CHANGE IN CASH FLOWS		(8,750)	-	-	-	-	(8,750)
ENDING CASH		**$ 126,982**	**$ 126,982**	**$ 126,982**	**$ 126,982**	**$ 126,982**	**$ 126,982**

Notes and Assumptions

1 HCMI has no operating revenue
2 Proceeds fromt the sale of the Lethbridge office will be used to pay off the mortgage on the property.
3 Estimated operating expenses to clear the Critical Suppliers' Charge
4 Professional fees incurred to date that have been relying on the Administration Charge will be paid in May 2013.
5 Estimated professional fees for the period
6 Administrative Charge will be required to offset professional fees