COURT FILE NUMBER	1201-10692
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 1357686 ALBERTA LTD.
DOCUMENT	**FIFTH REPORT OF THE MONITOR** **January 22, 2014**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**MONITOR** Ernst & Young Inc. 1000, 440 - 2nd Avenue SW Calgary, Alberta T2P 5E9 Attention: Neil Narfason / Nick Purich Telephone: 403-206-5067 / (403) 206-5170 Fax: 403-206-5075 Email: Neil.Narfason@ca.ey.com Nick.JB.Purich@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 FIFTH REPORT

INTRODUCTION

1. On August 24, 2012, 1357686 Alberta Ltd. ("135") sought and obtained protection from its 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. 135 is sometimes referred to herein as the "Company" or the "Debtor".

3. Pursuant to the Initial Order, Ernst & Young Inc. was appointed monitor of the Company (the "Monitor").

4. Pursuant to an order of this Honourable Court dated August 24, 2012, BTM Advisory Services Inc. ("BTM") was appointed the Chief Restructuring Officer ("CRO") of the Company.

5. The purpose of this fifth report (the "Fifth Report") of the Monitor is to provide this Honourable Court with comments on:

    a) The results to date of the marketing process (the "Marketing Process") of Calaway Lands (defined below);

    b) The forecast to actual cash flow results for the company for the period of October 1, 2013 to January 27, 2014 (the "Reporting Period");

    c) The cash flow forecast (the "Forecast") from January 27, 2014 to April 30, 2014 (the "Forecast Period");

    d) The Debtor's request for an extension of the Stay Period; and

    e) The Monitor's recommendation.

6. Capitalized terms not defined in this Fifth Report are as defined in the Initial Order.

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

BACKGROUND

8. The primary asset of 135 is 298 acres of development land located in Rocky View County immediately west of Calgary, adjacent to the Calaway Park amusement facility and immediately south of the Trans-Canada highway. These lands are legally described as SE/4 32-24-3 W5M and SW/4 33-24-3 W5M and are known collectively as the "Calaway Lands."

9. Background for the Debtor 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 Fifth Report, the Monitor has relied upon unaudited financial information, company records and discussions with the CRO of the Company. 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 management's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

MARKETING PROCESS UPDATE

11. A process to market the Calaway Lands (the "Marketing Process") was approved by this Honourable Court on December 19, 2012. The Marketing Process was commenced in early January, 2013 and extended into November, 2013. The Marketing Agent (as defined in the Third Report of the Monitor) and CRO negotiated with a number of parties throughout the Marketing Process but were not able to reach an acceptable agreement.

12. On November 7, 2013, the CRO received a letter of intent (the "LOI") to purchase the Calaway Lands from 1522028 Alberta Ltd. ("152"). The CRO's negotiations with 152 resulted in a revised LOI to purchase the Calaway Lands. On November 19, 2013, the CRO received a formal purchase agreement for the Calaway Lands from 152.

13. 135 subsequently executed a purchase and sale agreement ("PSA") with 152 conditional upon receiving the approval of this Honourable Court and upon 152 satisfactorily completing its due diligence (the "152 Sale Transaction"). The PSA stipulated that 152 was to complete its due diligence by January 15, 2014, after which time 135 was to obtain the approval of this Honourable Court for the 152 Sale Transaction.

14. On January 15, 2014, 152 advised that it was not able to waive its due diligence condition and would not be proceeding to close the 152 Sale Transaction.

15. Subsequent to January 15, 2014, the CRO advised the Monitor that it has been actively contacting the parties who had previously expressed interest in the Calaway Lands with the intention of entering into a new sale agreement as soon as reasonably possible.

16. The Monitor and the CRO received certain unsolicited expressions of interest during 152's due diligence period which are now also being pursued by the CRO.

17. Additional information regarding 135's Marketing Process can be found in the supporting Affidavit of Mr. Gary L. Bentham, Sworn January 22, 2014 (the "Bentham Affidavit").

FORECAST TO ACTUAL RESULTS

18. The cash flow forecast to actual presented at Appendix A contains the cash receipts and disbursements incurred to date for 135 as compared to the cash flow forecast previously provided to this Court in the Fourth Report of the Monitor dated September 25, 2013.

19. Outlined below is a summary of the actual results to January 27, 2014:

135 Forecast to Actual						
October 1, 2013 - January 27, 2014						
		Forecast		Actual		Variance
Receipts	$	34,461	$	18,368	$	(16,093)
Disbursements		34,461		17,903		16,558
Net Cash Flows		-		465		(32,652)
Opening Cash	$	104	$	104		
Net Cash Flows		-		465		
Ending Cash	$	104	$	569		

20. 135 received advances of approximately $3,000 as compared to expected receipts of approximately $34,000, from Harvest CCAA Operations Ltd. to cover its portion of operating costs during the Reporting Period. 135 also received a GST refund of approximately $15,000 during the reporting period. No other significant cash receipts were received during the Reporting Period.

21. Disbursements of approximately $18,000 were paid during the Reporting Period for 135. These payments relate primarily to consulting and professional fees, and repayment of advances received from Harvest CCAA Operations Ltd. The disbursements were lower than forecast due to the lower than forecast cash receipts.

CASH FLOW FORECAST THROUGH APRIL 30, 2014

22. The Company, with the assistance of the CRO and the Monitor, has prepared a Forecast for the Forecast Period. The Forecast is based on the most current information available.

23. The table below summarizes the cash flows for 135 for the Forecast Period:

135 Cash Flow Forecast January 27, 2014 - April 30, 2014	Total
Receipts	
Advances from related parties	$ 24,570
Total receipts	24,570
Disbursements	
Repayment of advances from Harvest CCAA	
Operations	3,319
CCAA consulting and operating expenses	11,251
Planning fees	10,000
CCAA professional fees	105,000
Administrative charge offset	(105,000)
Total disbursements	24,570
Net cash flows	-
Opening cash	569
Net cash flow	-
Ending cash	$ 569

24. As summarized above, 135 is projecting cash advances of approximately $25,000 to April 30, 2014 against cash disbursements of the same amount resulting in no change in cash over the Forecast Period. The advances will be provided by related parties holding secured charges against the 135 land in order to preserve their security position. During the Forecast Period, the professional fees will rely on the Administration Charge.

INTERIM FINANCING

25. The interim financing lender (the "Interim Lender") has provided an extension on the facility to February 28, 2014. The Interim Lender has advised that its decision to further extend the interim financing facility, if requested, will be considered in light of the progress of the marketing process at that time.

26. In light of the position of the Interim Lender, 135 is seeking a stay extension beyond the date on which the interim financing facility matures on the basis that 135 believes it will have made significant progress in negotiating either a sale or joint venture agreement for the Calaway Lands prior to February 28, 2014 that will result in the Interim Lender providing a further extension. In the event that a sale or joint venture

agreement is not negotiated prior to February 28, 2014, 135 will need to reach a resolution with the Interim Lender as to how to proceed beyond that date.

THE COMPANY'S REQUEST FOR AN EXTENSION OF THE STAY PERIOD

27. Pursuant to the Stay Extension Order of this Honourable Court dated September 30, 2013 the Stay Period expires on January 31, 2014 for the Company.

28. The Company is seeking an extension of the Stay Period up to and including April 30, 2014 (the "Stay Extension").

29. The Stay Extension is necessary to allow the Company to continue the Marketing Process with a view to bringing a sale transaction to this Honourable Court for approval.

30. In the Monitor's view, the Company is acting in good faith and with due diligence.

MONITOR'S RECOMMENDATIONS

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

Dated at Calgary, this 22nd day of January, 2014.

ERNST & YOUNG INC.
in its capacity as Monitor of 135
and not in its personal or corporate capacity

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

Nick JB Purich, CA
Senior

Appendix A

135 Cash Flow Forecast

January 27, 2014 - April 30, 2014	**Notes**	**Feb**	**Mar**	**Apr**	**Total**
Receipts					
Advances from related parties	2	$ 13,945	$ 7,813	$ 2,813	$ 24,570
Total receipts		13,945	7,813	2,813	24,570
Disbursements					
Repayment of advances from Harvest CCAA Operations	2	3,319	-	-	3,319
CCAA consulting and operating expenses	3	5,626	2,813	2,813	11,251
Planning fees	4	5,000	5,000	-	10,000
CCAA professional fees	5	30,000	40,000	35,000	105,000
Administrative charge offset	5	(30,000)	(40,000)	(35,000)	(105,000)
Total disbursements		13,945	7,813	2,813	24,570
Net cash flows		-	-	-	-
Opening cash		569	569	569	569
Net cash flow		-	-	-	-
Ending cash		$ 569	$ 569	$ 569	$ 569

Notes and Assumptions

1 1357686 Alberta Ltd.'s primary asset is the Calaway Lands. The lands are being actively marketed for sale to or investment by third parties. Sale proceeds have not been estimated due to the uncertainy of the timing of a sale and the volatility of the land market.

2 Funding will be provided by related parties holding secured charges against the land in order to preserve their security postion.

3 CCAA consulting fees and operating expenses comprise Calaway's share of Harvest Calgary office monthly operating expenses. Funding for these expenses is provided by a related party through Harvest CCAA Operations.

4 Planning fees are for ongoing costs relating to the subdivision of the lands and transportation issues.

5 Professional fees will be offset by the Administrative Charge (currently court approved amount of $500,000) until such time that the property sold. At January 27, 2014, 2013 there were approximatley $337,000 of unpaid professional fees secured by the Administration Charge.