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	**SECOND REPORT OF THE MONITOR** **DECEMBER 14, 2012**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**MONITOR**

CLERK OF THE COURT
FILED
Clerk's Stamp
DEC 17 2012
JUDICIAL CENTRE OF CALGARY

MONITOR

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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 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 second report (the "Second Report") of the Monitor is to provide this Honourable Court with comments on:

    a) The process to select the proposed Marketing Agent (the "Proposed Marketing Agent");

    b) The proposed marketing process (the "Marketing Process");

    c) The forecast to actual cash flow results for the company for the period of September 20, 2012 to December 7, 2012 (the "Reporting Period");

    d) The cash flow forecast (the "Forecast") from December 8, 2012 to April 30, 2013 (the "Forecast Period");

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

    f) The Monitor's recommendations.

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

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

BACKGROUND

8. 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

9. In preparing this Second 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.

RETENTION OF A MARKETING AGENT

10. The Monitor and the CRO are of the view that it is necessary to retain the services of a marketing agent along with the development and implementation of a court-approved marketing process and timeline (as discussed further below) to properly market the property of 135 (the "Property") with the goal of achieving maximum realizations for all creditors and stakeholders.

11. On November 22, 2012, the CRO sent out a request for proposal ("RFP") to six marketing entities (the "Candidates") to act as the Proposed Marketing Agent for the Property. The RFP requested that the Candidates outline in their proposals their qualifications, their proposed approach to marketing the Property and their views on how to maximize the value of the Property through the Marketing Process. The RFP's were due on December 7, 2012.

12. The Monitor and the CRO believe that the five Candidates that submitted a proposal to market the Property are all qualified to undertake the engagement.

13. The selection of the Proposed Marketing Agent will be based on, but not limited to, the Proposed Marketing Agent's:

a) Industry experience;

b) Credentials in selling real estate with a high degree of complexity and expertise in the health care industry;

c) Reputation within the local commercial and medical real estate industry;

d) Pre-marketing preparation and general understanding of the Property;

e) Marketing approach in selling the Property;

f) Proposed time line;

g) Associated fees charged to complete the sales process; and

h) Previous experience of selling assets owned by companies in insolvency proceedings.

14. The CRO will review each of the proposals and seek comments and input from the Monitor regarding the proposals.

15. Based on the CRO's analysis of each of the proposals, with the support of the Monitor, the CRO, will select the Proposed Marketing Agent by December 31, 2012.

16. The terms of the Proposed Marketing Agent's engagement, proposed marketing strategy and timeline will need to include:

a) Developing an effective pre-marketing preparation process;

b) Assisting the Monitor and the CRO in executing a successful marketing process in determining how to best maximize realization of the Property through marketing the Property solely *en bloc* or marketing in a combination of *en bloc* and/or selling the Property in various parcels;

c) Exposing the Property to the market with a carefully managed, transparent, yet competitive bid process; and

d) Adhering to the Marketing Process and timeline (as discussed further below) that will provide the standard to be used for all bidders in the offering process that will allow for some flexibility in the final stages of the marketing and completion process.

17. The Monitor believes that the process undertaken to select Proposed Marketing Agent is thorough and reasonable and also believes that the terms and conditions of the proposal, the proposed marketing strategy and time line will also be reasonable, appropriate and competitive based on the proposals received.

PROPOSED MARKETING PROCESS

18. The Company is seeking approval from this Honourable Court to approve a court-supervised marketing process to solicit offers to market and sell the Property of 135.

19. The Monitor and the CRO, are of the view that in order generate the best offers from qualified buyers, the Property should be marketed as either one complete parcel or in four smaller parcels, should a subdivision of the property be approved, whichever would result in the highest possible total price realized.

20. The Marketing Process including the time line is attached as Appendix A to this report.

Proposed time line

21. The Monitor, with the assistance of the CRO, developed a proposed timeline in selling the Property that will be used are described as follows:

a) The Marketing Process will commence on or about January 15, 2013;

b) The Proposed Marketing Agent will prepare the marketing material and provide the same to the Monitor and the CRO for approval, while at the same time contact interested parties and distribute marketing materials;

c) Within the first couple of weeks of the marketing period an advertisement will be placed in the *Calgary Herald*, *Globe and Mail* (Tuesday Real Estate edition) and any other publication that the Proposed Marketing Agent, in consultation with the Monitor and the CRO, determines to be appropriate;

d) Interested parties will receive an information package from the Marketing Agent and have access to due diligence materials;

e) The Proposed Marketing Agent will respond to requests for information, conduct tours and due diligence conference calls. In addition, all interested parties will conduct their own due diligence during this time period;

f) Interested parties must submit a non-binding proposal ("Proposal"), with a 5% refundable deposit, to the CRO, with a copy to the Monitor, by no later than March 28, 2013 (the "Proposal Date");

g) The Monitor and the CRO, with the assistance of the Proposed Marketing Agent, will review all submitted Proposal's and create a short list for bidders ("Short Listed Bidders") to participate in a second round bidding process. The CRO will distribute a purchase and sale agreement (the "PSA") to the Short Listed Bidders;

h) The Proposed Marketing Agent will respond to further requests for information from the Short List Bidders and the Proposed Marketing Agent, the Monitor and the CRO will respond to proposed changes to the PSA;

i) Interested Short Listed Bidders must submit a PSA, with a further 5% deposit, to the CRO, with a copy to the Monitor, by no later than April 26, 2013 (the "PSA Date");

j) Upon receipt of all PSAs from the Short List Bidders, a fulsome review will be completed by the Monitor and the CRO, with the assistance of the Proposed Marketing Agent, in order to finalize a definitive PSA;

k) Waiver of all condition by the Purchaser, if any, save and except for court approval in May 2013;

l) Court approval of the PSA will be required which is expected in late May 2013; and

m) Final closing requirements of the PSA in mid June 2013.

22. Based on the proposed timeframe, the final closing on the disposition of the Property is expected to be on or around June 15, 2013. The Monitor is of the opinion that the timeline is realistic to close the sale of the Property.

FORECAST TO ACTUAL RESULTS

23. The cash flow forecast to actual presented at Appendix B 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 First Report of the Monitor dated September 19, 2012.

24. Outlined below is a summary of the actual results to December 7, 2012:

135 Forecast to Actual Sept. 20 - Dec. 7, 2012	**Forecast**	**Actual**	**Variance**
RECEIPTS	6,390,000	5,952,181	(437,819)
DISBURSEMENTS	(6,055,667)	(5,912,286)	143,381
NET CASH FLOWS	334,333	39,894	(294,439)
OPENING CASH	-	518	
NET CHANGE IN CASH FLOW!	334,333	39,894	
ENDING CASH	334,333	$ 40,412	

25. 135 received DIP Financing, net of financing charges, during the Reporting Period of approximately $5.95 million. No other significant cash receipts we received during the Reporting Period.

26. Disbursements of approximately $5.91 million were paid during the Reporting Period for 135. These payments relate to the repayment of the first mortgage of approximately $5.7 million, partial repayment of the Foundation Mortgage Corporation loan of $150,000, approximately $32,000 of operating expenses, appraisal fees, environmental fees and GST, and approximately $21,000 of professional fees.

CASH FLOW FORECAST THROUGH APRIL 30, 2013

27. The Company, with the assistance of the CRO and the Monitor, have prepared a Forecast for the Forecast Period which is attached to this Second Report as Appendix C. The Forecast is based on the most current information available.

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

Cash Flow Forecast **December 8, 2012 - April 30, 2013**	**Total**
RECEIPTS	
Advances from Harvest CCAA Operations	$ 49,200
Total receipts	49,200
DISBURSEMENTS	
Salaries, consulting fees and operating expenses	49,200
Planning fees	30,000
CCAA professional fees	181,704
Administrative charge offset	(182,000)
Total disbursements	78,904
NET CASH FLOWS	(29,704)
OPENING CASH	40,412
NET CHANGE IN CASH FLOWS	(29,704)
ENDING CASH	$ 10,708

29. As summarized above, 135 is projecting cash advances of approximately $49,000 to April 30, 2013 against cash disbursements of approximately $79,000, resulting in a net decrease in cash of approximately $30,000 during the Forecast Period. During the Forecast Period, the professional fees rely on the Administration Charge.

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

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

31. Pursuant to the Initial Order of this Honourable Court dated September 20, 2012 the Stay Period expires on December 19, 2012 for the Company.

32. The Company is seeking an extension of the Stay Period up to and including April 30, 2013 (the "Stay Extension").

33. The Stay Extension is necessary to allow the Company to execute the Marketing Process.

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

MONITOR'S RECOMMENDATIONS

35. The Monitor recommends that this Honourable Court approve:

   a) The process to select the Proposed Marketing Agent;

   b) The Marketing Process; and

   c) The Stay Extension.

Dated at Calgary, this 14th day of December, 2012.

ERNST & YOUNG INC.
in its capacity as
Monitor of 135

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

Cassie Riglin, CA
Manager

APPENDIX A

1357686 ALBERTA LTD. PROPOSED MARKETING PROCESS

The Property

The property of 1357686 Alberta Ltd., (the "Company") including without limitation, the lands at SE-32-24-3W5 and SW-33-24-3W5 in the County of Rocky View (the "Property") would be offered for sale by the Company. The Property is comprised of approximately 298.58 acres of land located three miles west of the City of Calgary. The Property would be marketed as either one complete parcel or in four smaller parcels, should a subdivision of the property be approved.

Realization Process

The Company is authorized to market the Property pursuant to an Order of the Court of Queen's Bench of Alberta ("Court") dated December 19, 2012 and sell, convey, transfer, lease or assign the Property, subject to the approval of the Court. In this regard, the Company, subject to court approval, proposes to retain a marketing agent (the "Marketing Agent) to assist the Company in marketing the Property, employing a three phase process (i.e. pre-marketing, marketing and offer submission process), in the manner described below.

Pre-Marketing Preparation

Actions to be completed by the Marketing Agent during the pre-marketing period shall, without limitation include, preparation of: an Information Package ("the IP"), a prospective buyers list, an advertisement and any other documentation required in connection therewith (the "Marketing Material").

The Marketing Agent will also gather and review all required due diligence material to be provided to interested parties. The Marketing Material prepared or distributed by the Marketing Agent will be subject to the review and approval of the CRO and the Monitor.

During this period, the Monitor, the CRO and the Marketing Agent will develop a draft form of purchase and sale agreement ("Purchase Agreement").

Marketing

Upon completion of the pre-marketing phase, the Marketing Agent will commence marketing. During the marketing period, the Marketing Agent will, subject to approval of the Monitor and the CRO, place advertisements in approved publications and commence contacting parties on the prospective purchaser list, via telephone and/or email, distributing the Marketing Material and responding to requests for information from interested parties.

Upon request, interested parties may obtain the IP, access to due diligence material and a tour of the Property in order to conduct a due diligence review of the Property.

All information provided in connection with the Property will be provided solely for the convenience of the interested parties and will not provide any representations or warranties as to completeness or accuracy. Requests for this information and access will be directed to the Marketing Agent. All printed information shall remain the property of the Company and, if requested by the Company, shall be returned to the Company without further copies being made.

Offer Submission Process

The offer submission process will be initiated with the market being canvassed for proposals on an unpriced basis.

Subsequent to the pre-marketing and marketing phases, interested parties (the "Bidders"), will be invited to submit non-binding proposals for the purchase of all or a portion of the Property (the "Proposals"). The Bidders will be advised that Proposals are to be made on an "as is, where is" basis, and are to contain only minimal representations and warranties as would normally be provided under a court-ordered sale and that there are to be no material conditions in favour of the Bidder and no conditions as to material adverse change. At the Proposal submission deadline, the Monitor, the CRO and the Marketing Agent will open and record all Proposals received, analyze the submissions and select one or more of the Bidders to participate in a second round offering process.

The second round offering process will consist of providing the short-listed Bidders (the "Short Listed Bidders") with the pre-approved Purchase Agreement containing the minimum terms and conditions established by the Company. During this period, the Short Listed Bidders will be invited to discuss proposed changes to the Purchase Agreement, other than the minimum terms and conditions established by the Company.

At an established time, the Short Listed Bidders will be requested to submit a Purchase Agreement on a sealed basis. On the date specified for opening the Purchase Agreements, the Monitor, the CRO and the Marketing Agent will review the Purchase Agreements submitted and, if it is determined that one Purchase Agreement is acceptable, the Monitor and the CRO may elect to recommend it to the Court for approval.

Should no Purchase Agreement submitted be on terms and conditions that are considered acceptable, the Monitor and the CRO may choose one Short Listed Bidder with whom to negotiate an acceptable Purchase Agreement, subject to the approval of the Court, or may choose a number of Bidders if it is determined that a sale of a different Offer Configuration other than a sale of the Property to one Bidder is appropriate to maximize value. All Purchase Agreements submitted will be required to remain open for a reasonable period of time to allow the Monitor, the CRO and the Marketing Agent to negotiate a definitive Purchase Agreement.

The Monitor and the CRO will not be obliged under any circumstances to recommend or choose any particular Proposal or Purchase Agreement (collectively or individually referred to as "Offer Submission (s)") and the Monitor and the CRO may reject any Offer Submission for any reason. All Offer Submissions will be considered in private by the Monitor, the CRO and the Marketing Agent, and no parties, save and except for legal counsel for the Monitor and the CRO, will be invited to any opening of the Offer Submissions.

The Monitor and the CRO reserves the right to seek clarification and refinement of the Offer Submissions after receipt. In evaluating the Offer Submissions, the Monitor and the CRO will take into account a number of factors (see "Offer Submission Guidelines"), including, without limitation, the following:

1. The value and form of the consideration to be paid;

2. Conditions to the Offer Submission, including the expected feasibility of achieving the conditions; and

3. The ability of the interested parties to finance and consummate the proposed transaction within the timeline established by the Monitor and the CRO ("Offering Process Timeline").

The Monitor and the CRO will reserve the right to terminate at any time further participation in the offering process by any interested party, to modify dates or procedures as it deems appropriate or to terminate the process.

The Monitor and the CRO will endeavour to keep all interested parties informed of any material changes to the process.

Offer Submission Guidelines

A) Non-Binding Proposals

Bidders will be advised by the Marketing Agent of a date for submission of Proposals. Proposals must be submitted in sealed envelopes clearly marked "Proposal – Calaway" by 5 p.m. (Calgary time) on the 28th day of March, 2013 to:

1357686 Alberta Ltd.
18, 11410 27th Street SE, Calgary, AB, T2Z 3R6
Attention: Gary Bentham, CRO
Email: gbentham@btmadvisory.com

With a copy to:

Ernst & Young Inc. – Monitor of 1357686 Alberta Ltd.
1000, 440 – 2nd Ave SW Calgary, AB T2P 5E0
Attention: Cassie Riglin
Email: cassie.riglin@ca.ey.com

Cash is the preferred form of consideration but if the Proposal utilizes other consideration, a description of the material terms of the consideration should be provided together with reasonable detail associated with the valulation thereof.

All required corporate approvals of Bidders should be obtained prior to submitting any Proposals. Proposals should clearly indicate any significant conditions in favour of the purchaser to be resolved prior to closing the transaction.

To the extent that a Proposal is conditional upon new or amended agreements being entered into with other parties, the interested parties shall provide the proposed terms of such amended or new agreements and identify how such agreements may differ from existing agreements to which the Company may be a party. A Bidder's willingness to proceed without such conditions and, where such conditions are included in the Proposal, the likelihood of satisfying such conditions will be an important factor in the evaluation of the Proposals.

The Monitor and the CRO anticipate that any Proposal submitted by a Bidder will not include a provision that makes the obligation to close the transaction contingent upon obtaining financing and the inclusion of any such condition will place a potential Bidder at a disadvantage. Each Bidder must provide with its Proposal details regarding its ability to obtain and method of financing the transaction, the timetable for obtaining financing and, if appropriate, the amount of senior debt, subordinated debt, equity and any other source of financing contemplated in the pro forma capital structure.

All Proposals should outline the terms for the purchase of the Property and should include, at a minimum, the information and items described below:

1. Purchase price for the Property or portion of the Property offered to purchase;

2. Name of the ultimate beneficial owner(s) of the Bidder including their respective percentage interests;

3. Evidence of the Bidder's financial ability to complete the transaction, including the method and timing of financing the purchase;

4. Conditions, if any, associated with the transaction; and

5. Schedule of timing and events to complete closing.

Bidders will be specifically advised in writing that the Monitor and the CRO are under no obligation to respond to or accept any Proposal for the Property and that the Monitor and the CRO reserve the right to remove the Property from the market at its discretion.

A refundable deposit of 5% of the purchase price offered must accompany all Proposals. All deposit cheques are to be made out to 1357686 Alberta Ltd.

B) Purchase Agreements

Short Listed Bidders will be advised by the Marketing Agent of a date for the submission of the Purchase Agreements, and will be provided with a draft form of the Purchase Agreement.

Purchase Agreements must be submitted in sealed envelopes clearly marked "Purchase Agreement – Calaway" by 5 p.m. (Calgary time) on the 26th day of April, 2013 to:

> 1357686 Alberta Ltd.
> 18, 11410 27th Street SE, Calgary, AB, T2Z 3R6
> Attention: Gary Bentham, CRO
> Email: gbentham@btmadvisory.com

With a copy to:

> Ernst & Young Inc. – Monitor of 1357686 Alberta Ltd.
> 1000, 440 – 2nd Ave SW Calgary, AB T2P 5E0
> Attention: Cassie Riglin
> Email: cassie.riglin@ca.ey.com

A deposit cheque representing a further 5% of the purchase price offered which, in conjunction with the deposit provided at the time of the submission of Proposals, will form the Deposit that must accompany all Purchase Agreements. Deposits tendered with the Purchase Agreement will be nonrefundable and returned only if the transaction does not close due to an event not attributable to the Purchaser. All deposit cheques are to made payable to 1357686 Alberta Ltd.

Offering Process Timeline

By December 19, 2012	Court Order approving the sales process
By December 31, 2012	The CRO, in consultation with the Monitor selects the Marketing Agent
Tuesday, January 15, 2013	The Marketing Agent to prepare the Marketing Material and provide the same to the Monitor and the CRO for approval
Tuesday, January 15, 2013	The Marketing Agent to contact interested parties and distribute IP
Tuesday, January 22, 2013 and Tuesday, January 29, 2013	The Marketing Agent to place a newspaper advertisement in the *Globe and Mail*-Tuesday Real Estate edition and the *Calgary Herald*, in the first and second week of the marketing period
Tuesday, January 15, 2013 through Wednesday, March 27, 2013	The Marketing Agent to distribute the Information Package to interested parties
Tuesday, January 15, 2013 through Wednesday, March 27, 2013	The Marketing Agent, to respond to requests for information, conduct tours and due diligence conference calls. Interested parties to conduct due diligence
Thursday, March 28, 2013	Proposals to be submitted to the CRO with a copy to the Monitor
Friday, April 5, 2013	Selection of Short Listed Bidders to participate in second round bidding and distribution of the Purchase Agreement to the Short Listed Bidders
Friday, April 5, 2013 through Thursday, April 25, 2013	The Marketing Agent to respond to further requests for information. The Marketing Agent and the CRO to respond to proposed changes to the Purchase Agreement. The Short Listed Bidders to conduct final due diligence prior to submission of Purchase Agreements
Friday, April 26, 2013	The Purchase Agreements to be submitted by the Short Listed Bidders to the CRO with a copy to the Monitor
Friday, May 10 , 2013	Finalization of a definitive Purchase Agreement(s)
Friday, May 24, 2013	Deadline for waiver of conditions by the Purchaser, if any, save and except for Court Approval
Friday, May 31, 2013	Court approval of the definitive Purchase Agreement(s)
Friday, June 14, 2013	Closing

APPENDIX B

1357686 Alberta Ltd. ("Calaway")

Forecast to Actual Comparison

September 20 , 2012 - December 7, 2012	**Notes**	**Forecast**	**Actual**	**Variance**
RECEIPTS	2			
DIP financing advances	3	$ 6,400,000	$ 6,100,000	$ (300,000)
Less financing charges and legal fees	3	(10,000)	(150,217)	(140,217)
Other income		-	2,000	2,000
Advance from CCAA Operations	4		398	398
Total receipts		**6,390,000**	**5,952,181**	**(437,819)**
DISBURSEMENTS				
Repayment of first mortgage and related legal fees		5,600,000	5,709,866	(109,866)
Partial repayment of Foundation Mortgage Loan		250,000	150,000	100,000
Salaries, consulting fees and operating expenses	4	43,667	23,136	20,531
Appraisal and environmental assessment fees		6,000	7,350	(1,350)
CCAA professional fees	4	156,000	20,686	135,314
Goods and services taxes paid		-	1,249	(1,249)
Total disbursements		**6,055,667**	**5,912,286**	**143,381**
NET CASH FLOWS		**334,333**	**39,894**	**(294,439)**
OPENING CASH	5	-	518	(518)
NET CHANGE IN CASH FLOWS		334,333	39,894	(294,439)
ENDING CASH		$ 334,333	$ 40,412	$(294,956)

Notes and Assumptions

1 1357686 Alberta Ltd.'s primary asset is the Calaway Lands.

2 1357686 Alberta Ltd. has no operating revenues

3 The original DIP financing commitment of $6.4 million was not met, and was revised to $6.1 million. A commitment fee equal to 2.25% of the loan was paid from the proceeds, along with related legal fees.

3 Salaries, consulting fees and office expenses comprise 1357686's share of Harvest Calgary office monthly operating expenses. Harvest CCAA advancesd $398 to meet a cash shortfall which will be repaid subsequent to December 19, 2012.

4 CCAA professional fees estimated to be $60,000 to December 7 have been deferred for payment subsequent to December 7, 2012 and will be covered by the Administrative Charge.

5 Opening cash as at September 20, 2012 not previously recognized.

APPENDIX C

1357686 Alberta Ltd. ("Calaway")
Cash Flow Forecast

December 8, 2012 - April 30, 2013	Notes	December	January	February	March	April	Total
RECEIPTS							
Advances from Harvest CCAA Operations	2	$ 17,500	$ 11,950	$ 11,200	$ 4,275	$ 4,275	$ 49,200
Total receipts		17,500	11,950	11,200	4,275	4,275	49,200
DISBURSEMENTS							
Salaries, consulting fees and operating expenses	3	17,500	11,950	11,200	4,275	4,275	49,200
Planning fees	4	-	30,000	-	-	-	30,000
CCAA professional fees		41,704	20,000	20,000	50,000	50,000	181,704
Administrative charge offset	5	(42,000)	(20,000)	(20,000)	(50,000)	(50,000)	(182,000)
Total disbursements		17,204	41,950	11,200	4,275	4,275	78,904
NET CASH FLOWS		296	(30,000)	-	-	-	(29,704)
OPENING CASH		40,412	40,708	10,708	10,708	10,708	40,412
NET CHANGE IN CASH FLOWS		296	(30,000)	-	-	-	(29,704)
ENDING CASH		$ 40,708	$ 10,708	$ 10,708	$ 10,708	$ 10,708	$ 10,708

Notes and Assumptions

1 1357686 Alberta Ltd.'s primary asset is the Calaway Lands. A court-sanctioned sale process will be conducted from January, 2013 to April 30, 2013. Sale proceeds have not been estimated due to the uncertainy of the timing of a sale and the volatility of the land market.

2 Calaway is not expected to generate any revenue during the forecast period.

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

4 Planning fees relate to the the costs of an anticipated land subdivision application.

5 Professional fees will be offset by the Administrative Charge until such time that additional DIP financing is arranged or the property sold.