Form 49
[Rule 13.19]



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| 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**<br><br>**AND IN THE MATTER OF 1357686 ALBERTA LTD.** |
| DOCUMENT | **AFFIDAVIT OF GARY L. BENTHAM SWORN September 24, 2013** |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | **NORTON ROSE FULBRIGHT CANADA LLP**<br>400 3rd Avenue SW, Suite 3700<br>Calgary, Alberta T2P 4H2<br>CANADA<br><br>Phone: +1 403.267.8222<br>Fax: +1 403.264.5973<br><br>Attention: Howard A. Gorman<br>Randal S. Van de Mosselaer<br><br>File No. 01024427-0001 |

I, Gary L. Bentham, of the City of Calgary in the Province of Alberta, Chartered Accountant, SWEAR AND SAY THAT:

1. I am the president of BTM Advisory Services Inc. ("BTM"), which has been appointed as the Chief Restructuring Office (the "CRO") of the Applicant 1357686 Alberta Ltd. ("135") pursuant to an Order granted in the within action on August 24, 2012 (the "Initial Order") and as such I have personal knowledge of the matters and facts hereinafter deposed to, except where stated to be based on information and belief and where so stated, I verily believe the same to be true.

2. 135 sought and obtained creditor protection under the *Companies' Creditors Arrangement Act* (the "CCAA") pursuant to the Initial Order. The stay of proceedings granted in the Initial Order currently expires on September 30, 2013.

**135 Update**

3. As CRO of 135 I have continued to work diligently to better assess restructuring opportunities available to the Applicant. In doing so, I have been working closely with Noel Winter, the real estate professional who has been assisting 135 and certain other related entities with their restructuring efforts, with a view to determining how best to preserve and maximize value for 135's stakeholders.

4. The primary asset of 135 is 298 acres of development land located in Rocky View County immediately west of Calgary and adjacent to the Calaway Park amusement facility and immediately south of the Trans-Canada highway, which are known as the Calaway Lands (as that term is defined in the affidavit sworn in this action by Ronald Aitkens on August 23, 2012) .

5. Between December, 2012 and March 28, 2013 135 conducted the Property Marketing Process which was approved by Order of this Honourable Court on December 19, 2012. In my affidavit filed with this Honourable Court on April 25, 2013 I advised that we did not receive acceptable proposals for the sale of all of the Calaway Lands but did receive written and verbal communication from interested parties that they were interested in purchasing parts but not all of the Calaway Lands. In addition, we received interest from parties wishing to jointly develop the Calaway Lands with 135. With the agreement of the Monitor, I decided that it would be in the best interests of the creditors to pursue the sale and joint venture opportunities for the Calaway Lands that had been identified though the Property Marketing Process. Accordingly, on April 30, 2013 this Honourable Court granted 135's application for a further stay of proceedings to September 30, 2013 in order that those opportunities could be pursued.

6. With Noel Winter and Avison Young (135's marketing Agent) I have continued discussions with potential purchasers for their purchase of all or portions of the Calaway Lands. Further, we are continuing to assess joint venture development opportunities for the Calaway Lands with several Calgary-based developers. Based on those discussions and marketing activities, I expect to reach an acceptable agreement for sale or joint venture development of the Calaway Lands by October 31, 2013 at which time I would seek Court approval for such transaction.

**DIP Financing**

7. On September 24, 2012 this Honourable Court approved an interim credit facility with the DIP Lender (as that term is defined in the September 24, 2012 Order in the within Action). It was a term of the agreement with the DIP Lender that the facility provided by the DIP Lender would mature on July 31, 2013. That facility may be extended for an additional six months at the sole option of the DIP Lender. The DIP Lender has extended the facility to October 31, 2013. The DIP Lender has advised that it will consider whether or not to renew the DIP facility beyond October 31, 2013 (if it is requested to do so) in light of the status of the sale process at that time.

**Administration Charge**

8. The Initial Order granted an Administration Charge as security for the fees and disbursements of the Monitor and 135's counsel, which charge was not to exceed an aggregate amount of $300,000. The Court subsequently granted an Order on May 2, 2013 whereby the CRO and the land consultant to the CRO were declared entitled to the benefit of the Administration Charge.

9. Due to the lengthy marketing process and the complexities relating to the pre-development planning for the Calaway Lands, the Administration Charge will not be sufficient to secure payment of the expected fees and disbursements covered by the Charge. In addition, 135 has had limited financial resources and has relied on a subordinated lender to the property to advance funds for operating expenses. However, there have been insufficient funds from that source to pay the fees and disbursements covered by the Charge. I estimate that there will be approximately $210,000 of unpaid fees and disbursements secured by the Charge by September 30, 2013. I expect that the fees and disbursements required to complete the sale, refinancing, or development opportunity for the Calaway Lands and to complete a Plan of Arrangement for approval by 135's creditors will be substantially more than the $90,000 room that is remaining for security under the Administration Charged.

10. In view of the expected continuing lack of financial resources, the Monitor, it's counsel, and the CRO are only able to rely on the Administration Charge, and the ultimate proceeds of sale or refinancing, to satisfy their ongoing fees and disbursements. Given that those additional fees and disbursements will exceed the balance remaining in the Administration Charge, I request that the amount of the Administration Charge be increased to $500,000 to permit this matter to be completed.

**Extension of Stay Period**

11. The Applicant has been working diligently and in good faith with its advisors and the Monitor toward identifying the nature and value of its assets and, if a sale or joint venture development agreement can be reached, that transaction will form the basis for the development of a plan to be presented to 135's creditors. As such, 135 seeks an extension of the stay period granted in the Initial Order up to and including January 31, 2014.

**Relief Requested**

12. I make this Affidavit in support of applications by the Applicant for an order of this Honourable Court extending the stay of proceedings up to and including January 31, 2014 and increasing the Administration Charge to $500,000.

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| SWORN BEFORE ME at Calgary, Alberta, this 24th day of September, 2013. | ) | |
| Commissioner for Oaths in and for the Province of Alberta<br>Randal Van de Mosselaer<br>Barrister + Solicitor | ) | GARY L. BENTHAM |