COURT FILE NUMBER

Clerk's Stamp

COURT: COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE: CALGARY

APPLICANT(S): ERNST & YOUNG INC. IN ITS CAPACITY AS COURT APPOINTED MONITOR OF 1252064 ALBERTA LTD., AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY

RESPONDENT(S): HARBOUR VIEW CAPITAL INC. AND HARBOUR VIEW LANDING INC.

DOCUMENT: **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT:

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AFFIDAVIT OF NEIL NARFASON

Sworn on February 1, 2013

I, Neil Narfason, of the City of Calgary, Alberta, MAKE OATH AND SAY THAT:

1. I am a Senior Vice-President with Ernst & Young Inc. (the "**Monitor**"), the court appointed monitor of 1252064 Alberta Ltd. ("**125 Alberta**") pursuant to an order issued under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") on July 5, 2012, as subsequently amended and restated (collectively, the "**125 Alberta Initial Order**"), and as such I have personal knowledge of the facts hereinafter deposed to except where stated on information and belief, in which case I verily believe such facts to be true.

2. 125 Alberta obtained protection from its creditors under the CCAA pursuant to the 125 Alberta Initial Order. The 125 Alberta Initial Order provides the Monitor with enhanced powers in respect of 125 Alberta, including the power to manage, operate or carry on the business of 125 Alberta, to initiate proceedings in respect of 125 Alberta and to exercise any additional

rights that 125 Alberta may have. A true copy of the 125 Alberta Initial Order is attached hereto and marked as Exhibit "**A**" to this my Affidavit.

3. Harbour View Capital Inc. ("**HVC**") is a corporation incorporated pursuant to the laws of the Province of Alberta. A true copy of a corporate search in respect of HVC is attached hereto and marked as Exhibit "**B**" to this my Affidavit.

4. Harbour View Landing Inc. ("**HVL**") is a corporation incorporate pursuant to the laws of the Province of Alberta. A true copy of a corporate search in respect of HVC is attached hereto and marked as Exhibit "**C**" to this my Affidavit. The HVL Offering Memorandum (as defined herein) indicates that 125 Alberta owns 51,464 class "B" common shares in HVL.

The Harvest Group of Companies

5. Each of HVC and HVL (collectively, the "**Harbour View Entities**") are part of a group of legal entities commonly known as the Harvest Group of Companies (the "**Harvest Group**"). Mr. Ronald Aitkens ("**Aitkens**") is the director and controlling mind of various legal entities comprising the Harvest Group, including the Harbour View Entities. The Monitor has reviewed financial information pertaining to the Harvest Group, and based on this review, has determined that the Harvest Group raised in excess of $250 million between 2004 and 2010, largely through the issuance of bonds to investors, and used the funds to acquire lands and make other investments. Various entities within the Harvest Group have defaulted on their obligations to bondholders and have obtained CCAA protection. The Monitor is (or was, in respect of Harvest Group entities that have exited from CCAA proceedings) the court appointed monitor of a total of 23 entities within the Harvest Group that have been granted protection from their creditors pursuant to the CCAA. A listing of the various entities that the Monitor is the court appointed monitor of is attached hereto and marked as Exhibit "**D**" to this my Affidavit.

6. Gary Bentham and BTM Advisory Services Inc. have been jointly appointed as the chief restructuring officer (collectively, the "**CRO**") of a total of 13 entities with the Harvest Group that are currently restructuring under the CCAA. A listing of the various entities that the CRO is the court appointed chief restructuring officer of is attached hereto and marked as Exhibit "**E**" to this my Affidavit.

The Monitor's concern regarding the Harbour View Entities

7. The Monitor is in the process of preparing a sources and uses of funds analysis in respect of the Harvest Group (the "**Harvest Group SUF**") and has been granted full and complete access to the books and records of certain entities within the Harvest Group, including HVL, as more particularly identified in an order issued in respect of 125 Alberta on July 5, 2012, a true copy of which is attached hereto and marked as Exhibit "**F**" to this my Affidavit. In addition, the CRO has been granted full and complete access to the books, records and premises of the Harvest Group pursuant to an initial order issued under the CCAA in respect of 1357686 Alberta Ltd. ("**135 Alberta**") on August 24, 2012 (the "**135 Alberta Initial Order**"). A true copy of the 135 Alberta Initial Order is attached hereto and marked as Exhibit "**G**" to this my Affidavit. The CRO has been assisting the Monitor in reviewing the books and records of the Harvest Group for the purposes of preparing the Harvest Group SUF.

8. In preparing the Harvest Group SUF, the Monitor has determined that Aitkens frequently transferred funds between entities within the Harvest Group or advanced investment or other funds to third parties from within the Harvest Group. Some of transactions are explained in greater detail in the Second Report of the Monitor filed in Court File No. 1101-17318 (the "**Legacy/Airdrie SUF Report**"). A true copy of the Legacy/Airdrie SUF Report is attached hereto and marked as Exhibit "**H**" to this my Affidavit. The Legacy/Airdrie SUF Report identifies the following related party transactions involving entities within the Harvest Group:

(a) Legacy Communities Inc. advanced $4.6 million to 125 Alberta in respect of an investment in Panama;

(b) Legacy Communities Inc. advanced $2.7 million to 125 Alberta and 1330075 Alberta Ltd. (another entity with the Harvest Group that has obtained creditor protection under the CCAA) in respect of an investment in Balsam Lake, Ontario; and

(c) Legacy Communities Inc. advanced $1.35 million to 125 Alberta in respect of an investment in Red Deer, Alberta.

9. Similar to the Harbour View Entities, Legacy Communities Inc. raises monies through offering memorandums that advised investors that the funds raised were to be used for the acquisition of land and development of a large scale residential real estate project.

10. Because of the way that funds were frequently transferred between entities within the Harvest Group, some of which transfers are described above, in preparing the Harvest Group SUF the Monitor has identified various transactions involving the Harbour View Entities and has grave concerns about the Harbour View Project, all of which are further detailed in this my Affidavit:

(a) The Harbour View Entities raised approximately $16.113 million pursuant to various offering memorandums for the purposes of developing a residential real estate project. Approximately $2.640 million of funds raised by the Harbour View Entities has been advanced to other members of the Harvest Group or is otherwise unaccounted for;

(b) HVL has not prepared financial statements or held shareholders meetings in accordance with the requirements of the *Business Corporations Act* (Alberta);

(c) HVL has failed to remit property taxes in respect of the lands it acquired to develop the project; and

(d) The Monitor has received several phone calls from persons who have invested in the Harbour View Entities and has been forced to advise these callers that it does not have any authority to take action in respect of the Harbour View Entities because they are not in a court-sanctioned creditor protection process.

11. The Monitor is also concerned with the fact that that Aitkens caused HVL to make withdrawals totalling $150,000 in December 2012 and January 2013. $100,000 of these funds were paid to Foundation Capital Corporation ("**FCC**") and the remaining $50,000 were paid to an unknown entity. Attached hereto and marked as Exhibit "I" to this my Affidavit is a true copy of a corporate search in respect of FCC. FCC is another entity within the Harvest Group that is owned and controlled by Aitkens, but is not currently in creditor protection under the CCAA. While FCC is entitled to receive certain payments from HVL for management services, the payments are to be made by HVL to FCC on a monthly basis, are based on the quantum of loans made by HVL and are capped at $200,000 per annum. The Monitor has not been able to determine why these recent withdrawals were made from the HVL bank account.

12. Although Aitkens' control of most of the entities within the Harvest Group has been reduced pursuant to court orders in the various CCAA proceedings involving the Harvest Group,

Aitkens remains in complete control of the Harbour View Entities and the Harbour View Project. Given the various issues concerning the Harbour View Entities and the recent withdrawals made by FCC from the HVL bank account, the Monitor is extremely concerned with the status of the Harbour View Project and the assets of the Harbour View Entities.

13. The CRO and the Litigation Committee (as defined herein) have advised the Monitor that they support the within application.

The Harbour View Project

14. The Harbour View Entities were formed for the purpose of acquiring and developing a residential real estate project (the "**Harbour View Project**") on a 23.92 acre parcel of property situated outside of Comox, British Columbia (the "**Harbour View Lands**").

15. HVL is the current owner of the Harbour View Lands. A true copy of a land title search in respect of the Harbour View Lands is attached hereto and marked as Exhibit "**J**" to this my Affidavit.

16. The Harbour View Entities raised the funds to acquire the Harbour View Lands through the issuance of bonds and shares pursuant to the Offering Memorandums (as defined herein). While the Offering Memorandums are further discussed herein, the general structure for raising funds for the Harbour View Project was similar to other structures used by the Harvest Group and is described as follows:

(a) HVL entered into a purchase agreement with 0747618 B.C. Ltd. ("**074 BC**"), a related party that was indirectly owned and controlled by Aitkens, to acquire the Harbour View Lands for $9.75 million, plus GST. A true copy of a corporate search in respect of 074 BC is attached hereto and marked as Exhibit "**K**" to this my Affidavit The offering memorandums disclose that Aitkens had caused 125 Alberta to acquire all of the issued and outstanding shares in 074 BC from an arms-length third party in June 2008 for $4.6 million for the purposes of acquiring the Harbour View Lands, with the result that Aitkens (through his control of 125 Alberta and 074 BC) realized a profit of $5.15 million by flipping the Harbour View Lands from 074 BC to HVL;

(b) The Harbour View Entities marketed the Harbour View Project to investors through offering memorandums by having HVC grant redeemable bonds in the amount of $100 each (with a minimum subscription of $10,000) (collectively, the "**HVC Bonds**");

(c) Persons acquiring bonds from HVC were also granted an equal number of class "B" common shares in HVL, at a price of $0.10 each (with a minimum subscription of $100) (collectively, the "**HVL Shares**"), with the result that each bondholder in HVC also held a corresponding number of class "B" common shares in HVL;

(d) Funds raised by HVC through the issuance of the HVC Bonds were loaned to by HVC to HVL to acquire the Harbour View Lands from 074 BC and to engage in the development of the Harbour View Project; and

(e) The loan made by HVC to HVL was secured by a mortgage granted by HVL against the Harbour View Lands.

The Offering Memorandums

17. The Monitor has been able to locate two offering memorandums issued in respect of the Harbour View Project:

(a) An offering memorandum issued by HVC, dated January 30, 2009, pursuant to which HVC offered the HVC Bonds at a price of $100 per bond and bearing simple interest at a rate of 6.0% and maturing on April 30, 2014 (the "**HVC Offering Memorandum**"); and

(b) An offering memorandum issued by HVL, dated August 27, 2010, pursuant to which HVL offered the HVL Shares at a price of $0.10 per share (the "**HVL Offering Memorandum**", or when reference is being made to the HVC Offering Memorandum and the HVL Offering Memorandum, the "**Offering Memorandums**").

18. A true copy of the HVC Offering Memorandum is attached hereto and marked as Exhibit "**L**" to this my Affidavit and a true copy of the HVL Offering Memorandum is attached hereto and marked as Exhibit "**M**" to this my Affidavit.

19. The HVC Offering Memorandum, which was issued in January 2009 and prior to (but in contemplation of) the acquisition of the Harbour View Lands by HVL from 074 BC, provided the following information:

(a) HVC would make a minimum offering of $1.4 million and a maximum offering of $14.0 million;

(b) HVC was raising funds pursuant to the offering for the purposes of advancing a loan to HVL to acquire the Harbour View Lands and potentially develop the Harbour View Project (section 2.3);

(c) The Harbour View Project would be developed as a seaside residential resort to include up to approximately 150 multi-family and single family units (section 2.6);

(d) It was necessary for the Harbour View Lands to be re-zoned in order to develop the Harbour View Project. HVL anticipated that development approval of the Harbour View Project, if obtained, would be forthcoming in 24 to 30 months from the date of the HVC Offering Memorandum (i.e., between January and June 2011) and that construction of the Harbour View Project would be commenced within 36 months of the date of the HVC Offering Memorandum (i.e., January 2012) (section 2.6); and

(e) The preliminary estimate of development costs associated with the Harbour View Project was $38.312 million (section 2.7).

20. The HVL Offering Memorandum, which is dated August 27, 2010 (approximately 18 months after the date of the HVC Offering Memorandum), indicates that:

(a) HVL acquired the Harbour View Lands from 074 BC on May 15, 2009 and paid the purchase price in installments directly to 125 Alberta (section 2.3);

(b) That the sum of $600,000 (from the total purchase price of $9.750 million) remained due and owing from HVL to 074 BC in respect of the purchase price for the Harbour View Lands as of August 27, 2010 (section 2.3); and

(c) 125 Alberta and HVL had entered into a stock option agreement pursuant to which 125 Alberta had the right to acquire 3 class "B" common shares of HVL at a price of $0.10 per share for every 7 class "B" common shares issued by HVL pursuant to previous offerings, and that HVL had issued 51,464 class "B" common shares to 125 Alberta as of the date of the HVL Offering Memorandum August 27, 2010).

The Harbour View SUF

21. The CRO has prepared a draft sources and uses of funds statements for the Harbour View Entities, on a combined basis and for the period February 1, 2009 to January 15, 2013, in order to assist with the preparation of the Harvest Group SUF (the "**Harbour View SUF**"). A true copy of the Harbour View SUF as prepared on a combined basis by the CRO is attached hereto and marked as Exhibit "**N**". The Harbour View SUF indicates the following:

(a) HVC and HVL raised $16.113 million through the issuance of the HVC Bonds and HVL shares to various persons (collectively, the "**HVC Bondholders**") pursuant to the HVC Offering Memorandum;

(b) From the $16.113 million raised, the Harbour View Entities expended the following amounts relating to the Harbour View Project:

(i) $9.750 million to acquire the Harbour View Lands from 074 BC;

(ii) $2.139 million in respect of commissions, issuances and operating costs to sales persons for the sale of the HVC Bonds to the HVC Bondholders; and

(iii) $1.079 million in costs related to the development of the Harbour View Lands and the Harbour View Project;

(c) As of January 15, 2013, the Harbour View Entities had approximately $529,000 (on a combined basis) in their bank accounts; and

(d) Approximately $2.640 million (net of funds received) of the funds raised by the Harbour View Entities has been advanced to other members of the Harvest Group or is otherwise unaccounted for in the Harbour View SUF.

22. The Monitor and the CRO's present understanding of where the $2.640 million in funds was disbursed to is set forth herein.

The Related Party Transactions

23. As previously indicated herein, the Monitor and the CRO have identified a number of transactions involving the Harbour View Entities through their review of the books and records of the Harvest Group. These various transactions are described as follows:

(a) The Harbour View Entitles advanced $1.0 million to 135 Alberta on December 7, 2010. Neither the Monitor nor the CRO have been able to locate any supporting documentation, such as a loan agreement or promissory note, in respect of this advance. 135 Alberta is presently restructuring its affairs pursuant to the CCAA and has a significant amount (approximately $14.7 million) of secured indebtedness;

(b) The Harbour View Entities advanced $10.385 million to 125 Alberta. Pursuant to the Offering Memorandums the purchase price for the Harbour View Lands of $9.75 million was paid in monthly installments by HVL to 125 Alberta, with the result that the Harbour View Entities appear to have overpaid the purchase price (on a net basis and after accounting for the $600,000 owing by HVL to 074 BC) for the Harbour View Lands in the amount of $635,000;

(c) The Harbour View Entities advanced $400,000 to the Silver Law Firm. These advances appear to have been for loans by HVC to Azimuth Risk Management Ltd. ("**Azimuth**"). While Azimuth is not a member of the Harvest Group, it has provided debtor-in-possession credit facilities under the CCAA to various entities within the Harvest Group. To date, the sum of $268,000 has been repaid by Azimuth to HVC, leaving a remaining principal balance owing of $132,000 by Azimuth to HVC;

(d) The Harbour View Entitles advanced $330,000 to Harvest Capital Management Inc. ("**HCMI**") pursuant to advances made on December 22, 2011 and March 1, 2012. HCMI is a member of the Harvest Group and obtained CCAA protection pursuant to the 125 Alberta Initial Order;

(e) The Harbour View Entities' records indicate an advance of $300,000 in respect of "Priest Lake". While one of the entities within the Harvest Group has invested in a residential development project in Idaho commonly known as "Priest Lake", these funds appear to have been advanced by the Harbour View Entities to Foundation Mortgage 3 Corporation ("**FM3**"). A true copy of a corporate search in respect of FM3 is attached hereto and marked as Exhibit "**O**" to this my Affidavit. Aitkens is a shareholder of FM3;

(f) Approximately $205,000 of funds has been disburse by the Harbour View Entities in various advances that the Monitor and the CRO have been unable to trace or account for; and

(g) The Harbour View Entities made an advance of $37,500 to Foundation Mortgage Corporation ("**FM1**"). FM1 is a member of the Harvest Group and is presently in CCAA protection.

24. The Monitor's concern in respect of the above-noted transactions is based on the following:

(a) The Offering Memorandums did not indicate that the Harbour View Entities would be making advances to related parties or other investments. The advances made by the Harbour View Entities are generally missing supporting records so as to document the purpose for the advance;

(b) At all material times, Aitkens was the controlling mind of the Harbour View Entities and the various entities within the Harvest Group that received funds from the Harbour View Entities and caused these transactions to occur;

(c) The Harbour View Entities do not appear to have made any efforts to collect amounts owing to them by other entities; and

(d) 135 Alberta, HCMI, FM1 and 125 Alberta are presently under CCAA protection and recoveries from these entities are likely to be significantly less than the amounts advanced to them by the Harbour View Entities.

The Management Services Agreement

25. HVL and FCC are party to a management services agreement, dated January 30, 2009 (the "**Management Services Agreement**"). A true copy of the Management Services Agreement is attached hereto and marked as Exhibit "**P**" to this my Affidavit.

26. The Management Services Agreement is dated effective as the same date as the HVC Offering Memorandum (January 30, 2009). The Management Services Agreement indicates that HVL was intending to raise funds through an offering of bonds and shares pursuant to a January 30, 2009 offering memorandum. Although HVL did not actually issue any bonds (as such bonds were issued by HVC), the Monitor believes, based on the review of the books and records of the Harvest Group, that the "bonds and shares" referenced in the Management Services Agreement are the HVC Bonds and the HVL Shares.

27. The Management Services Agreement indicates that:

(a) HVL's business was to focus on bridge and mezzanine financing for the acquisition, development and interim financing requirements for real estate developers and other individuals;

(b) HVL indicated that the loans made by it would be high-yield and short term in nature; and

(c) HVL would be compensated by any combination of commitment fees, interest, equity or profit participation.

28. Pursuant to the Management Services Agreement, FCC was entitled to be paid annual compensation of 1% of total loans made by HVL, up to a maximum of $200,000, and with payments to be made in monthly installments.

29. The Management Services Agreement is not referenced or described in the HVC Offering Memorandum but is described in the HVL Offering Memorandum as an agreement pursuant to which FCC would provide management services to HVL in respect of the offering and day to day business of HVL. In addition, the Offering Memorandums indicated that the funds raised would be used (a) to acquire the Harbour View Lands and (b) as a working capital facility to develop the Harbour View Lands (section 1.2). While the Offering Memorandums did indicate that the funds may be reallocated for sound business purposes, there is no reference in the Offering Memorandums to HVL engaging in the business of a high-yield bridge or mezzanine lender.

30. To date, HVL has made approximately $85,000 in payments to FCC (which amount does not include the recent $100,000 in recent payments made by HVL to FCC). The Monitor

and the CRO have not been able to confirm the extent, if any, to which FCC may be entitled to receive funds from HVL pursuant to the Management Services Agreement.

Recent withdrawals from Harbour View accounts

31. As previously indicated herein, there have been two recent withdrawals in significant amounts from the HVL bank account. The recent withdrawals are described as follows:

(a) On December 20, 2012, HVL transferred funds in the amount of $50,000 to an account that the Monitor has been unable to identify; and

(b) On January 5, 2013, HVL issued a cheque to FCC in the amount of $100,000. A true copy of this cheque is attached hereto and marked as Exhibit "**Q**" to this my Affidavit. The cheque is signed by Aitkens and the funds have cleared the HVL bank account.

32. The Monitor has not had the opportunity to speak with Aitkens regarding the recent $150,000 in withdrawals from the HVL bank account. Although there may have been amounts owing by HVL to FCC pursuant to the Management Agreement, the fees payable under the Management Agreement are payable in monthly installments. As present, the Monitor is unaware as to why such large sums were withdrawn from HVL's bank account and is significantly concerned about the status of such funds and the potential for additional amounts to be withdrawn from HVL. I am advised by the CRO that it is also significantly concerned about the status of such funds and the potential for additional withdrawals to be made from HVL for purposes other than the Harbour View Project.

Corporate Governance Issues

33. I am advised by Mr. Diana Rousay that she is a HVC Bondholder. As Ms. Rousay is a HVC Bondholder, she was also issued Class "B" common shares in HVL. I am further advised by Ms. Rousay that:

(a) She has never received financial statements from HVL; and

(b) She has never received notice of any shareholders meeting in respect of HVL.

Property Taxes

34. HVL has failed to pay outstanding property taxes and, as of October 31, 2012, was indebted to the British Columbia Ministry of Finance in the amount of $9,441.66 in respect of 2012 property taxes. On January 29, 2013, HVL received correspondence from the British Columbia Ministry of Finance dated January 20, 2013, indicating that collection action may be taken in the event that the outstanding property taxes were not remitted within fifteen days. Attached hereto and marked as Exhibit "**R**" to this my Affidavit are true copies of the correspondence from the British Columbia Ministry of Finance and the outstanding property tax account.

The Harvest Litigation Committee

35. The Harvest Litigation Committee (the "**Litigation Committee**") is a committee comprised of various persons who made investments in the Harvest Group, including the Harbour View Entities, and was created to initiate an action against Aitkens and the various members of the Harvest Group.

36. Mr. Ernie Callow is the President of the Litigation Committee. I am advised by Mr. Callow that the Litigation Committee is supportive of the Monitor's application to be appointed as receiver and manager of the property of the Harbour View Entities.

Priority Charges

37. On the within application, the Monitor seeks the following charges on the property of the Harbour View Entities:

(a) A receiver's charge to secure payment of the fees and disbursements of the receiver and its legal counsel; and

(b) A receiver's borrowing charge, up to the maximum amount of $250,000 or such other amount as may be ordered by the court, to secure amounts advanced to the receiver so as to allow the receiver to conduct the receivership.

(collectively, the "**Charges**")

38. It is proposed that the Charges will rank in priority to all existing charges, liens and encumbrances against the property of the Harbour View Entities.

39. Attached hereto and marked as Exhibit "**S**" to this my Affidavit are true copies of Alberta personal property registry searches against HVL and HVC, dated January 31, 2013. The searches indicate there are no registrations against either HVL or HVC in Alberta.

40. Attached hereto and marked as Exhibit "**T**" to this my Affidavit are true copies of British Columbia personal property registry searches against HVL and HVC, dated January 21, 2013. The searches indicate there are no registrations against either HVL or HVC in British Columbia.

41. Previously attached and marked as Exhibit "**J**" to this my affidavit was a true copy of title to the Harbour View Lands. The title indicates that the only financial encumbrance registered against the Harbour View Lands is the mortgage granted by HVL in favour of HVC.

Conclusion

42. The Monitor and the CRO have determined that approximately $2.640 million in funds raised from the HVC Bondholders have been disbursed by the Harbour View Entities to other members of the Harvest Group that were controlled by Aitkens or are otherwise unaccounted for. The Offering Memorandums indicated that funds raised by the Harbour View Entities would be used for the acquisition of the Harbour View Lands and to establish a working capital facility in respect of the Harbour View Project, and did not disclose that the Harbour View Entities would be making advances to related third parties also controlled by Aitkens. The Harbour View Entities have not made any efforts to recover such amounts, and recovery is now uncertain due to the solvency issues affecting the recipients of such advances. Over the course of the Monitor's involvement with the Harvest Group, HVC Bondholders have contacted the Monitor and expressed concern about the Harbour View Project.

43. Based on the facts deposed herein, Aitkens has caused the business and affairs of the Harbour View Entities to be exercised in a manner that is oppressive and unfairly prejudicial the HVC Bondholders, all of whom are also class "B" common shareholders of HVL, and the other creditors of the Harbour View Entities.

44. The Monitor is increasingly concerned that, without intervention in the Harbour View Project, withdrawals will continue to be made from the bank accounts of the Harbour View Entities and any existing value in the Harbour View Project will be lost. In the event that a receiver and manager is appointed, the Harbour View Project and the other property of the Harbour View Entities will be preserved (including existing amounts in its bank accounts). The

Monitor would thereafter look to develop a formal restructuring or liquidation plan for the Harbour View Entitles for the benefit of all stakeholders.

45. I swear this Affidavit in support of the Originating Application filed by the Monitor.

SWORN BEFORE ME, at Denver, Colorado,)
this 1st day of February, 2013)

Carol Ealey

A NOTARY PUBLIC)
in and for the State of Colorado)

Neil Narfason

CAROL EALEY
NOTARY
PUBLIC
STATE OF COLORADO

My Commission Expires: 03/12/2015

027052/444385
MT DOCS 12147685

CAROL EALEY
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires: 03/12/2015

Carol Ealey

This is Exhibit "**A**" referred to in the Affidavit of Neil Narfason, sworn on February 1, 2013.

CLERK OF THE COURT
FILED
AUG 27 2012
JUDICIAL CENTRE
OF CALGARY

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

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36

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 **AMENDED AND RESTATED CCAA INITIAL ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

NORTON ROSE CANADA LLP
400 3rd Avenue SW, Suite 3700
Calgary, Alberta T2P 4H2

Phone: +1 403.267.8196
Fax: +1 403.264.5973

Attention: Randal S. Van de Mosselaer
File No. 284324

I hereby certify this to be a true copy of the original Order
Dated this 27 day of Aug 2012
for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: August 24, 2012

LOCATION OF HEARING OR TRIAL: Calgary, Alberta

NAME OF MASTER/JUDGE WHO MADE THIS ORDER: Madam Justice B.E.C. Romaine

UPON the application of 1252064 Alberta Ltd. ("125"), 1330075 Alberta Ltd. ("133") and Harvest Capital Management Inc. ("HCMI") (125, 133, and HCMI being hereinafter collectively referred to as the "Applicants"); **AND UPON HAVING READ** the Originating Application and the Affidavit of Ronald Aitkens, sworn June 5, 2012 (the "June 5 Aitkens Affidavit") and the Affidavit of Ron Aitkens, sworn August 23, 2012; **AND UPON HAVING READ** the consent of Ernst & Young Inc. to Act as monitor of the Applicants; **AND UPON HAVING BEEN REFERRED** to the pleadings and proceedings filed in Court File Number 1101-17318; **AND UPON HEARING** the submissions of counsel for the Applicants and any other counsel in attendance;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this Application on all creditors of the Applicants is hereby dispensed with. Service of notice of this Application, including on all Critical Suppliers (as that term is defined below) is hereby deemed good and sufficient.

APPLICATION

2. The Applicants are companies to which the *Companies' Creditors Arrangement Act* R.S.C. 1985, c. C-36 (the "CCAA") applies.

2A. The terms of the Initial Order granted in these proceedings shall be operative and shall continue to govern the period until the granting of this Amended and Restated Initial Order and the terms of the Initial Order are hereby amended and restated by the terms of this Amended and Restated Initial Order from and after the granting of this Amended and Restated Order, provided that any and all actions taken by or on behalf of the Applicants and the Monitor pursuant to and in accordance with the terms of the Initial Orders and prior to the granting of this Amended and Restated Initial Order are hereby validated; and, for greater certainty, the Charges as defined in the Initial Order shall continue to apply with respect to claims and obligations covered by such Charges from the effective time and date of such Initial Orders until the effective time and date of this Amended and Restated Initial Order.

PLAN OF ARRANGEMENT

3. Subject to the provisions of paragraph 28 of this Amended and Restated Initial Order, the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement or plans of compromise or arrangement (hereinatter referred to as the "Plan") in accordance with the CCAA.

POSSESSION OF PROPERTY AND OPERATIONS

4. Subject to the provisions of paragraph 28 of this Amended and Restated Initial Order, the Applicants shall:

(a) remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, but excluding the Lethbridge Lands (as that term is defined in the June 5 Aitkens Affidavit) and any proceeds or rental revenue therefrom (the "Property");

(b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their business (the "Business") and Property; and

(c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Amended and Restated Initial Order.

5. Subject to the provisions of paragraph 28 of this Amended and Restated Initial Order and to the extent permitted by law, the Applicants shall be entitled but not required to pay the following expenses, incurred prior to or after this Amended and Restated Initial Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, bonuses and expenses payable on or after the date of this Amended and Restated Initial Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

(b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

6. Subject to the provisions of paragraph 28 of this Amended and Restated Initial Order and except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Amended and Restated Initial Order, and in

carrying out the provisions of this Amended and Restated Initial Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the Applicants following the date of this Amended and Restated Initial Order.

7. Subject to the provisions of paragraph 28 of this Amended and Restated Initial Order, the Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of:

(i) employment insurance,

(ii) Canada Pension Plan,

(iii) income taxes,

but only where such statutory deemed trust amounts arise after the date of this Amended and Restated Initial Order, or are not required to be remitted until after the date of this Amended and Restated Initial Order, unless otherwise ordered by the Court;

(b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Amended and Restated Initial Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Amended and Restated Initial Order; and

(c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

8. Subject to the provisions of paragraph 28 of this Amended and Restated Initial Order, until such time as the Applicants repudiate a real property lease in accordance with the CCAA, the Applicants may pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Applicants from time to time for the period commencing from and including the date of this Amended and Restated Initial Order ("Rent"), but shall not pay any rent in arrears.

9. Except as specifically permitted in this Amended and Restated Initial Order, the Applicants are hereby directed, until further order of this Court:

(a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of the date of this Amended and Restated Initial Order;

(b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and

(c) not to grant credit or incur liabilities except in the ordinary course of the Business or as otherwise provided by this Amended and Restated Initial Order.

RESTRUCTURING

10. Subject to the provisions of paragraph 28 of this Amended and Restated Initial Order and the requirements as are imposed by the CCAA, the Applicants shall have the right to:

(a) permanently or temporarily cease, downsize or shut down any of their business or operations and to dispose of redundant or non-material assets not exceeding $50,000 in any one transaction and $250,000 in the aggregate (or in excess of these amounts with leave of this Court);

(b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate on such terms as may be agreed upon between the Applicants and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;

(c) disclaim or resiliate, on notice given in the prescribed form, any agreement to which the Applicants or any one of them are a party on the date of this Amended and Restated Initial Order;

(d) repudiate such of their arrangements or agreements of any nature whatsoever, whether oral or written, as the Applicants deem appropriate on such terms as may be agreed upon between the Applicants and such counter-parties, or failing such agreement, to deal with the consequences thereof in the Plan; and

(e) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing;

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

11. Subject to the provisions of paragraph 28 of this Amended and Restated Initial Order, the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further order of this Court upon application by the Applicants on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicants repudiate the

lease governing such leased premises in accordance with section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute, and the repudiation of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

12. Subject to the provisions of paragraph 28 of this Amended and Restated Initial Order, if a lease is repudiated by the Applicants in accordance with section 32 of the CCAA, then:

(a) during the notice period prior to the effective time of the repudiation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice; and

(b) at the effective time of the repudiation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

13. Until and including November 30, 2012, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person"), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Amended and Restated Initial Order shall:

(a) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on;

(b) exempt the Applicants from compliance with statutory or regulatory provisions relating to health, safety or the environment;

(c) prevent the filing of any registration to preserve or perfect a security interest; or

(d) prevent the registration of a claim for lien.

15. Nothing in this Amended and Restated Initial Order shall prevent any party from taking an action against the Applicants where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Amended and Restated Initial Order, and notice in writing of such action be given to the Applicants and the Monitor at the first available opportunity.

NO INTERFERENCE WITH RIGHTS

16. During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, or seek to replace, challenge, or otherwise dispossess the Applicants of any real estate project or contract in relation to the Business or the Property, except with the written consent of the Applicants and the Monitor, or leave of this Court.

AUTHORIZED EXCEPTIONS TO THE STAY PERIOD

16a. Notwithstanding any other provision of this Amended and Restated Initial Order:

(a) IMOR Capital Corp. ("IMOR") is authorized to continue to prosecute the foreclosure proceedings previously commenced by IMOR against the Lethbridge Lands (as that term is defined in the June 5 Aitkens Affidavit) in respect of IMOR mortgage Registration Number 101 078 082 (the "IMOR Mortgage") and the associated Assignment of Rents under Court of Queen's Bench of Alberta Action No. 1001-0639, provided that any deficiency judgment which may be obtained by IMOR as a result of the said foreclosure proceedings shall be subject to the Stay Period;

(b) Any proceedings by IMOR to enforce any other security or debt other than the IMOR Mortgage and the associated Assignment of Rents shall be subject to the Stay Period;

(a) Notwithstanding any other provision of this Amended and Restated Initial Order, 125 shall remit to IMOR the rental amounts received from tenants of the Lethbridge Lands.

16b. Notwithstanding any other provision of this Amended and Restated Initial Order, Saddle Springs Development Ltd. ("Saddle Springs") and G and J GP Inc. ("G and J") are hereby authorized to continue with the judicial listing obtained in foreclosure proceedings commenced in respect of Saddle Springs mortgage Registration Number 091 158 991against the Priddis Lands (as that term is are defined in the June 5 Aitkens Affidavit) provided that any offer which may be received as a result of such judicial listing shall be brought before this Honourable Court for consideration, and any deficiency judgment which may be obtained by Saddle Springs or G and J as a result of the said foreclosure proceedings shall be subject to the Stay Period.

CONTINUATION OF SERVICES

17. During the Stay Period, all persons having:

(a) statutory or regulatory mandates for the supply of goods and/or services; or

(b) oral or written agreements or arrangements with the Applicants, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Applicants;

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicants or exercising any other remedy provided under such agreements or arrangements. The Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Amended and Restated Initial Order are paid by the Applicants in accordance with the payment practices of the Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court. Nothing in this Amended and Restated Initial Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided after the date of this Amended and Restated Initial Order.

NO OBLIGATION TO ADVANCE MONEY OR EXTEND CREDIT

18. Except as required by paragraphs 19 to 22 hereof, no person shall be prohibited from requiring immediate payment for goods, services use of lease or licensed property or other valuable consideration provided on or after the date of this Amended and Restated Initial Order, nor shall any Person be under any obligation on or after the date of this Amended and Restated Initial Order to advance or re-advance any monies or otherwise extend any credit to the Applicants.

CRITICAL SUPPLIERS' CHARGE

19. Those suppliers listed in Schedule "A" hereto are declared to be critical suppliers (each a "Critical Supplier" and collectively, the "Critical Suppliers") and shall in accordance with paragraphs 19 to 22 hereof, from June 7, 2012, continue to supply goods and services to the Applicants on such terms and conditions as are consistent with the supply relationship existing between the Critical Supplier and the Applicants as of June 7, 2012 (the "Existing Supply Relationship");

20. The Critical Suppliers are hereby granted a charge (the "Critical Suppliers' Charge") as follows:

    (a) All 125 Critical Suppliers with the exception only of Type Three Management (the "**OpCosts Suppliers**"), shall have and are hereby granted a Critical Suppliers' Charge on the Operating Costs (as that term is defined in the June 5 Aitkens Affidavit) which are collected by 125 from its tenants, and such Operating Costs shall be paid to the OpCosts Suppliers from time to time in satisfaction of such Critical Suppliers' Charge;

    (b) The balance of the Critical Suppliers (the "**Remaining Critical Suppliers**") are hereby granted a Critical Suppliers' Charge on the Property of the Applicants as security for any amounts for which the Applicants become indebted to the Remaining Critical Suppliers for the supply of goods or services after June 7, 2012; and

    (c) The quantum of the amount owing to Ron Aitkens for the supply of services after June 7, 2012 and the quantum of the resulting critical supplier charge shall be subject to further order of this Court.

21. The Critical Suppliers' Charge shall have the priority set out in paragraph 40 hereof.

22. The Critical Suppliers and the Applicants shall each cooperate in determining the prevailing terms and conditions of their Existing Supply Relationship, and the Critical Suppliers and the Applicants are hereby granted liberty to apply for such further orders or directions as may be necessary to resolve any disputes arising in connection with their supply relationships;

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

23. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 15 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the

Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

24. The Applicants shall indemnify their directors and officers from all claims, costs, charges and expenses relating to the failure of the Applicants, after the date hereof, to make payments of the nature referred to in subparagraphs 6(a), 7(a), 7(b) and 7(c) of this Order which they sustain or incur by reason of or in relation to their respective capacities as directors and/or officers of the Applicants except to the extent that, with respect to any officer or director, such officer or director has participated in the breach of any related fiduciary duties or has been grossly negligent or guilty of wilful misconduct.

25. The directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of $300,000, as security for the indemnity provided in paragraph 24 of this Order. The Directors' Charge shall have the priority set out in paragraph 40 herein.

26. Notwithstanding any language in any applicable insurance policy to the contrary:

(a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and

(b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 24 of this Order.

APPOINTMENT OF MONITOR

27. Ernst & Young Inc. ("E&Y" or the "Monitor") is hereby appointed pursuant to the CCAA as the Monitor, as an officer of this Court, to monitor the Property and the Applicants' conduct of the Business with the powers and obligations set out in the CCAA or set forth herein and the Applicants and their shareholders, officers, directors, and Assistants shall

advise the Monitor of all material steps taken by the Applicants pursuant to this Amended and Restated Initial Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations.

28. The Monitor, as an officer of the Court and in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to, on behalf of the Applicants and without any personal liability therefor:

(a) to take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including but not limited to, the changing of locks and security codes, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage, operate and carry on the Business of the Applicants, including the powers to enter into any agreements, incur any obligations in the ordinary course of the Business, to retain or terminate any of the Assistants, to cease to carry on all or any part of the Business, or cease to perform any contracts of the Applicants;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;

(e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to maintain the Property or continue the operation of the Business;

(f) to oversee and direct the preparation of the Applicants' cash flow statements and to assist in the dissemination of financial and other information in these proceedings, but only to the extent necessary in the Monitor's judgment to inform this Court and the parties to this proceeding and to facilitate the Transaction;

(g) to take possession of any of the Applicants' books, records, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the Business, the Property or the Applicants, including any computer programs, computer tapes, computer disks, or other data storage media containing any such information as may be necessary for the completion of its duties under this Order;

(h) to receive, collect and take possession of all monies and accounts now owed or hereafter owing to the Applicants, and to exercise all remedies of the Applicants in collecting such monies, including, without limitation, to enforce any security held by the Applicants;

(i) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any parts thereof and negotiating the terms and conditions of such sale as the Monitor in its discretion may deem appropriate;

(j) to sell, convey, transfer, lease or assign the Property or any parts thereof:

(i) without the approval of this Court in respect of any transaction not exceeding $50,000, provided that the aggregate of such transaction does not exceed $250,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or aggregate purchase price, as the case may be, exceeds the applicable amount as set out in the preceding clause;

and in each such case notice under subsection 60(8) of the Personal Property Security Act, R.S.A. 2000, c. P 7, shall not be required;

(k) to initiate, prosecute, continue the prosecution of and defend or respond to the Panamanian Litigation (as that term is defined in the June 5 Aitkens Affidavit) and any and all additional proceedings now pending or hereafter instituted with respect to the Applicants or the Property, and to settle or compromise the Panamanian Litigation and any and all additional such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(l) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Applicants or the Property, whether in the Monitor's name or in the name and on behalf of the Applicants, for any purpose expressly contemplated by this Order;

(m) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought to be desirable by the Monitor, in the name of the Applicants;

(n) to report to, meet with and discuss with any Persons the Monitor deems appropriate on any matter relating to the Applicants, the Business or the Property;

(o) to assume sole conduct and management, in the place and stead of the Applicants, of any and all inter-company accounts receivable and accounts payable as may exist between the Related Entities (as that term is defined in the order issued in the within proceedings on 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;

(p) to file tax returns on behalf of the Applicants;

(q) to exercise any other rights which the Applicants may have; and

(r) to perform such other duties or take any steps reasonably incidental to the exercise of the powers and obligations conferred upon the Monitor by this Order or any further Order of this Court.

29. The Applicants and all Persons, including the Applicants' shareholders, officers, directors, employees, agents and representatives shall co-operate fully with the Monitor in the exercise of its powers and discharge of its duties and obligations, including providing the Monitor with access to the Applicants' books, records, assets and premises as the Monitor requires, and no Person shall interfere with the Monitor's exercise of its powers and duties under this Amended and Restated Initial Order or any other Order of the Court.

30. The Monitor shall not have any additional powers and duties beyond those set out in this Amended and Restated Initial Order, and shall not have the power to direct or cause the direction of the management and policies of the Applicants. Nothing in this Amended and Restated Initial Order shall require the Monitor to occupy or to take control, care,

charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Amended and Restated Initial Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation.

31. The Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

32. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall not incur any liability or obligation as a result of the fulfillment of its duties as set out herein, save and except for any liability or obligation arising from wilful misconduct by the Monitor, and no action or other proceedings may be commenced against the Monitor relating to its appointment or its conduct in these proceedings except with the prior leave of this Court and the posting of security for costs on a solicitor and own client, full indemnity basis, provided further that any liability of the Monitor hereunder shall not in any event exceed the quantum of the fees paid to or incurred by the Monitor in connection herewith. Nothing in this Amended and Restated Initial Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

33. The Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a bi-weekly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicants, retainers in the respective amounts of $50,000, to be held by them as

security for payment of their respective fees and disbursements outstanding from time to time.

34. The Monitor and its legal counsel shall pass their accounts from time to time.

35. The Monitor, counsel to the Monitor, if any, and the Applicants' counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Amended and Restated Initial Order, shall be entitled to the benefits of and are hereby granted a charge (the "Administration Charge") on the Property of the Applicants, jointly, which charge shall not exceed an aggregate amount of $450,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraph 39 hereof.

TERMINATION OF INSPECTION ORDER

36. Except as provided below, the powers granted to E&Y and the obligations imposed on the Applicants pursuant to the Consent Order (the "Inspection Order") granted in Court File Number 1101-17318 on March 21, 2012 are hereby terminated, with the fees of E&Y under the Inspection Order up to the date hereof being dealt with in accordance with the terms of the Inspection Order, and the fees of E&Y as of the date hereof being dealt with in accordance with the terms of this Order.

37. Notwithstanding the foregoing, the Monitor is hereby directed to conclude the Sources and Uses Report directed by the Inspection Order.

DIP FINANCING

38. The Monitor shall be permitted to apply for Debtor-in-Possession financing ("DIP Financing") for the Applicants, or any of them, at a later date.

39. If DIP Financing is approved, it shall be used firstly to pay in full any Remaining Critical Suppliers who hold a Critical Suppliers' Charge, and upon payment of such Remaining Critical Supplier the related Critical Suppliers' Charge shall be discharged.

VALIDITY AND PRIORITY OF CHARGES

40. The priorities of the Administration Charge, the Critical Suppliers' Charge, and the Directors' Charge, as among them, shall be as follows:

First	Administration Charge (to the maximum amount of $450,000)
Second	Critical Suppliers' Charge; and
Third	Directors' Charge (to the maximum amount of $300,000).

41. The filing, registration or perfection of the Administration Charge, the Critical Suppliers' Charge, and the Directors' Charge (collectively, the "Charges") shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

42. Each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall, except as subsequently set out herein, rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, "Encumbrances") in favour of any Person. The Charges shall be subordinate to the mortgage held by IMOR Capital Corp. and registered in the Alberta Lands Titles Office as instrument number 101 078 082.

43. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that ranks in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Financing lender (if any), and the beneficiaries of the Charges.

44. The Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") thereunder shall not otherwise be limited or impaired in any way by:

(a) the pendency of these proceedings and the declarations of insolvency made in this Order;

(b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;

(c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;

(d) the provisions of any federal or provincial statutes; or

(e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

(i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof shall create or be deemed to constitute a new breach by the Applicants of any Agreement to which it is a party;

(ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and

(iii) the payments made by the Applicants pursuant to this order, and the granting of the Charges, do not and will not constitute fraudulent preferences, fraudulent conveyances, oppressive conduct, settlements or other challengeable, voidable or reviewable transactions under any applicable law.

ALLOCATION

45. Any interested Person may apply to this Court on notice to any other party likely to be affected, for an order to allocate the Charges amongst the various assets comprising the Property.

SERVICE AND NOTICE

46. The Monitor shall, within five business days of the date of entry of this Amended and Restated Initial Order, send a copy of this Amended and Restated Initial Order to their known creditors, other than employees and creditors to which the Applicants owe less than $1000, at their addresses as they appear on the Applicants' records, and shall promptly send a copy of this Amended and Restated Initial Order:

    (a) to all Persons requesting notice; and

    (b) to any other interested Person requesting a copy of this Amended and Restated Initial Order.

47. The Applicants and the Monitor shall be at liberty to serve this Amended and Restated Initial Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or e-mail to the Applicants' creditors or other interested Persons at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery, facsimile transmission or e-mail shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing. The Monitor shall post a copy of any or all such materials on its website at www.ey.com/ca/foundationgroup pursuant to section 23(1) of the CCAA.

GENERAL

48. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

49. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

50. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or in Panama, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative

status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

51. Each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Amended and Restated Initial Order and for assistance in carrying out the terms of this Amended and Restated Initial Order.

52. The Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Amended and Restated Initial Order.

53. Any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

54. This Amended and Restated Initial Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date hereof.

"B.E.C. Romaine"
Justice of the Court of Queen's Bench of Alberta

Schedule "A"
Critical Suppliers

CAROL EALEY
NOTARY PUBLIC
STATE OF COLORADO

My Commission Expires: 03/12/2015

Carol Ealey

This is Exhibit "**B**" referred to in the Affidavit of Neil Narfason, sworn on February 1, 2013.

Government of Alberta ■ Corporation/Non-Profit Search
Corporate Registration System

Date of Search: 2013/01/31
Time of Search: 12:36 PM
Search provided by: MCCARTHY TETRAULT LLP

Service Request Number: 19177910
Customer Reference Number: 027052 – 444385/tc

Corporate Access Number: 2014468033
Legal Entity Name: HARBOUR VIEW CAPITAL INC.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2009/01/13 YYYY/MM/DD
Date of Last Status Change: 2012/06/19 YYYY/MM/DD

Registered Office:
Street: #18, 11410 - 27 STREET SE
City: CALGARY
Province: ALBERTA
Postal Code: T2Z 3R6

Records Address:
Street: #18, 11410 - 27 STREET SE
City: CALGARY
Province: ALBERTA
Postal Code: T2Z 3R6

Directors:

Last Name: AITKENS
First Name: RON
Street/Box Number: 4, 4002 - 9 AVENUE N
City: LETHBRIDGE
Province: ALBERTA

Postal Code: T1H 6T8

Voting Shareholders:

Last Name: AITKENS
First Name: RON
Street: #4, 4002 - 9 AVENUE NORTH
City: LETHBRIDGE
Province: ALBERTA
Postal Code: T1H 6T8
Percent Of Voting Shares: 40

Legal Entity Name: TARGET CAPITAL INC.
Corporate Access Number: 207639972
Street: SUITE 255, 9 AVE S.E.
City: CALGARY
Province: ALBERTA
Postal Code: T2G 0P6
Percent Of Voting Shares: 60

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE "A" ATTACHED HERETO.
Share Transfers Restrictions: NONE
Min Number Of Directors: 1
Max Number Of Directors: 11
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE SCHEDULE "B" ATTACHED HERETO.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2012	2012/06/19

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2009/01/13	Incorporate Alberta Corporation
2009/01/30	Change Address
2012/03/02	Status Changed to Start for Failure to File Annual Returns
2012/06/19	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2009/01/13
Other Rules or Provisions	ELECTRONIC	2009/01/13

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.

REGISTRAR OF CORPORATIONS

CAROL EALEY
NOTARY
PUBLIC
STATE OF COLORADO
My Commission Expires: 03/12/2015

Carol Ealey

This is Exhibit "**C**" referred to in the Affidavit of Neil Narfason, sworn on February 1, 2013.

Government of Alberta ■

Corporation/Non-Profit Search
Corporate Registration System

Date of Search: 2013/01/31
Time of Search: 12:35 PM
Search provided by: MCCARTHY TETRAULT LLP

Service Request Number: 19177896
Customer Reference Number: 027052 – 444385/tc

Corporate Access Number: 2014468124
Legal Entity Name: HARBOUR VIEW LANDING INC.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2009/01/13 YYYY/MM/DD
Date of Last Status Change: 2012/06/19 YYYY/MM/DD

Registered Office:
Street: #18, 11410 - 27 STREET SE
City: CALGARY
Province: ALBERTA
Postal Code: T2Z 3R6

Records Address:
Street: #18, 11410 - 27 STREET SE
City: CALGARY
Province: ALBERTA
Postal Code: T2Z 3R6

Directors:

Last Name: AITKENS
First Name: RON
Street/Box Number: 4, 4002 - 9 AVENUE N
City: LETHBRIDGE
Province: ALBERTA

Postal Code: T1H 6T8

Voting Shareholders:

Last Name:	AITKENS
First Name:	RON
Street:	#4, 4002 - 9 AVE N.
City:	LETHBRIDGE
Province:	ALBERTA
Postal Code:	T1H 6T8
Percent Of Voting Shares:	100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure:	SEE SCHEDULE "A" ATTACHED HERETO.
Share Transfers Restrictions:	NONE
Min Number Of Directors:	1
Max Number Of Directors:	11
Business Restricted To:	NONE
Business Restricted From:	NONE
Other Provisions:	SEE SCHEDULE "B" ATTACHED HERETO.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2012	2012/06/19

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2009/01/13	Incorporate Alberta Corporation
2009/01/30	Change Address
2012/03/02	Status Changed to Start for Failure to File Annual Returns
2012/06/19	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2009/01/13
Other Rules or Provisions	ELECTRONIC	2009/01/13

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.

CAROL EALEY
NOTARY
PUBLIC
STATE OF COLORADO

My Commission Expires: 03/12/2015

Carol Ealey

This is Exhibit "**D**" referred to in the Affidavit of Neil Narfason, sworn on February 1, 2013.

<u>Ernst & Young Inc. - Monitor</u>

Harvest Capital Management Inc.

1252064 Alberta Ltd.

1330075 Alberta Ltd.

Legacy Communities Inc.

Airdrie Country Estates Inc.

Airdrie Capital Corporation

Railside Industrial Park Inc.

Railside Capital Inc.

Foundation Place Inc.

Foundation Place Capital Inc.

Foundation Mortgage Corporation

Foundation Mortgage "2" Corporation

Liberty Crossing Limited Partnership

Liberty Crossing General Partner Inc.

Rocky View Estates Corp.

Rocky View Capital Corp.

Spruce Ridge Estates Inc.

Spruce Ridge Capital Inc.

Stoney View Crossing Inc.

Stoney View Capital Inc.

Harvest Group GP Corporation

1610822 Alberta Ltd.

1357686 Alberta Ltd.

CAROL EALEY
NOTARY
PUBLIC
STATE OF COLORADO
My Commission Expires: 03/12/2015

Carol Ealey

This is Exhibit "**E**" referred to in the Affidavit of Neil Narfason, sworn on February 1, 2013.

<u>BTM Advisory Services Inc. - CRO</u>

Foundation Mortgage Corporation

Foundation Mortgage "2" Corporation

Liberty Crossing Limited Partnership

Liberty Crossing General Partner Inc.

Rocky View Estates Corp.

Rocky View Capital Corp.

Spruce Ridge Estates Inc.

Spruce Ridge Capital Inc.

Stoney View Crossing Inc.

Stoney View Capital Inc.

Harvest Group GP Corporation

1610822 Alberta Ltd.

1357686 Alberta Ltd.

CAROL EALEY
NOTARY
PUBLIC
STATE OF COLORADO
My Commission Expires: 03/12/2015

Carol Ealey

This is Exhibit "**F**" referred to in the Affidavit of Neil Narfason, sworn on February 1, 2013.

I hereby certify this to be a true copy of
the original Order
Dated this 5 day of July, 2012
for Clerk of the Court

CLERK OF THE COURT
FILED
JUL 0 5 2012
JUDICIAL CENTRE
OF CALGARY

F-1

Form 49
[Rule 13.19]

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** **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	**ORDER** **(Stay Extension)**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**NORTON ROSE CANADA LLP** 400 3rd Avenue SW, Suite 3700 Calgary, Alberta T2P 4H2 Phone: +1 403.267.8222 Fax: +1 403.264.5973 Attention: Randal Van de Mosselaer File No. 284891
DATE ON WHICH ORDER WAS PRONOUNCED	**July 5, 2012**
NAME OF JUSTICE WHO MADE THIS ORDER	**The Honourable Madam Justice B.E.C. Romaine**

UPON THE APPLICATION of 1252064 Alberta Ltd., 1330075 Alberta Ltd. and Harvest Capital Management Inc., (collectively the "**Applicants**"); **AND UPON** having read the Affidavit of Ronald Aitkens sworn July 3, 2012, and the pleadings and proceedings filed herein; **AND UPON** hearing from counsel for the Applicants, the Monitor, and from any other affected parties that may be present;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. The time for service of this notice of this Application for this Order is hereby abridged and deemed good and sufficient and this Application is properly returnable today.

Extension of Stay of Proceedings

2. Paragraph 13 of the June 7, 2012, Initial Order (the "**Initial Order**") of this Court is hereby amended to extend the stay period until and including August 20, 2012.

Administrative Charge

3. The amount of the Administration Charge as set out in paragraphs 34 and 38 of the Initial Order is hereby increased to $450,000.

Expansion of Monitor's Powers

4. Paragraph 28(e) of the Initial Order is hereby amended to read:

    e) have full and complete access to the books, records and management, employees and advisors of the Applicant and the Related Parties and to the Business and the Property to the extent required to perform its duties arising under this Order;

where "Related Parties" is defined as those parties listed in Schedule "A" to this Order.

The Honourable Madam Justice B.E.C. Romaine
Of the Court of Queen's Bench of Alberta

SCHEDULE "A"

Company	Related to: HCMI/133/125
1236120 Alberta Ltd.	133
1277169 Alberta Ltd.	133
Cimarron Development Limited Partnership, its general partner 1610822 Alberta Ltd. and a limited partner Harvest Group Real Estate Development Trust	133
Foundation Mortgage 2 Corporation	125
Harvest Group LP	125
Spruce Ridge Estates Inc.	125/133
Stoney View Crossing Inc.	125/133
1252064 Alberta Ltd.	133
1379599 Alberta Ltd.	125
Foundation Capital Corp.	125
Foundation Mortgage Corporation	125
Harbour View Landing Inc.	125
Harvest Water Ltd.	125
Liberty Crossing Limited Partnership	125
Stoney View Capital Corporation	133
West Springs Village LP	125/133

CAROL EALEY
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires: 03/12/2015

Carol Ealey

This is Exhibit "**G**" referred to in the Affidavit of Neil Narfason, sworn on February 1, 2013.

Clerk's Stamp

CLERK OF THE COURT
FILED
AUG 27 2012
JUDICIAL CENTRE
OF CALGARY

COURT FILE NUMBER	1201-10692
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36

AND IN THE MATTER OF 1357686 ALBERTA LTD.

DOCUMENT **CCAA INITIAL ORDER**

I hereby certify this to be a true copy of the original Order
Dated this 27 day of Aug. 2012
for Clerk of the Court

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

NORTON ROSE CANADA LLP
400 3rd Avenue SW, Suite 3700
Calgary, Alberta T2P 4H2

Phone: +1 403.267.8196
Fax: +1 403.264.5973

Attention: Howard A. Gorman
Randal S. Van de Mosselaer
File No. 284891

DATE ON WHICH ORDER WAS PRONOUNCED: August 24, 2012

LOCATION OF HEARING OR TRIAL: Calgary, Alberta

NAME OF MASTER/JUDGE WHO MADE THIS ORDER: Madam Justice B.E.C. Romaine

UPON the application of 1357686 Alberta Ltd. ("135" or the "Applicant"); **AND UPON HAVING READ** the Originating Application and the Affidavit of Ronald Aitkens, sworn August 23, 2012 (the "August 23 Aitkens Affidavit"); **AND UPON HAVING READ** the consent of Ernst & Young Inc. to Act as Monitor; **AND UPON HAVING BEEN REFERRED** to the pleadings and proceedings filed in Court File Numbers 1101-17318, 1201-06934, and 1201-08478; **AND UPON HEARING** the submissions of counsel for the Applicants and any other counsel in attendance;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1 The time for service of the notice of application for this order is hereby abridged and deemed good and sufficient and this application is properly returnable today.

APPLICATION

2 The Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3 The Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

POSSESSION OF PROPERTY AND OPERATIONS

4 The Applicant shall:

(a) remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property");

(b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of its business (the "Business") and Property; and

(c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5 To the extent permitted by law, the Applicant shall be entitled but not required to pay the following expenses, incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

(b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

6 Except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the Applicant following the date of this Order.

7 The Applicant shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of:

(i) employment insurance,

(ii) Canada Pension Plan, and

(iii) income taxes,

but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;

(b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

(c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

8 Until a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicant may pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Applicant from time to time for the period commencing from and including the date of this Order ("Rent"), but shall not pay any rent in arrears.

9 Except as specifically permitted in this Order, the Applicant is hereby directed, until further order of this Court:

(a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of the date of this Order;

(b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and

(c) not to grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10 The Applicant shall subject to such requirements as are imposed by the CCAA have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its business or operations and to dispose of redundant or non-material assets not exceeding

$50,000 in any one transaction or $250,000 in the aggregate (or in excess of these amounts, by order of this Court);

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate on such terms as may be agreed upon between the Applicant and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;

(c) disclaim or resiliate, on notice given in the prescribed form, any agreement to which the Applicant is a party on the date of this Order;

(d) repudiate such of their arrangements or agreements of any nature whatsoever, whether oral or written, as the Applicant deems appropriate on such terms as may be agreed upon between the Applicant and such counter-parties, or failing such agreement, to deal with the consequences thereof in the Plan; and

(e) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "Restructuring").

11 The Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further order of this Court upon application by the Applicant on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicant repudiates the lease governing such leased premises in accordance with section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute, and the repudiation of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

12 If a lease is repudiated by the Applicant in accordance with section 32 of the CCAA, then:

(a) during the notice period prior to the effective time of the repudiation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice; and

(b) at the effective time of the repudiation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicant of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

13 Until and including September 21, 2012, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14 During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person"), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:

(a) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on;

(b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;

(c) prevent the filing of any registration to preserve or perfect a security interest; or

(d) prevent the registration of a claim for lien.

15 Nothing in this Order shall prevent any party from taking an action against the Applicant where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH RIGHTS

16 During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17 During the Stay Period, all persons having:

(a) statutory or regulatory mandates for the supply of goods and/or services; or

(b) oral or written agreements or arrangements with the Applicant, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Applicant

(c) are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicant or exercising any other remedy provided under such agreements or arrangements. The Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with the payment practices of the Applicant, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order.

NO OBLIGATION TO ADVANCE MONEY OR EXTEND CREDIT

18 Notwithstanding anything else contained in this Order, no creditor of the Applicant shall be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19 During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 15 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20 The Applicant shall indemnify its directors and officers from all claims, costs, charges and expenses relating to the failure of the Applicant, after the date hereof, to make payments of the nature referred to in subparagraphs 6(a), 6(b), 7(a) and 7(b) of this Order which they sustain or incur by reason of or in relation to their respective capacities as directors and/or officers of the Applicant except to the extent that, with respect to any officer or director, such officer or director has participated in the breach of any related fiduciary duties or has been grossly negligent or guilty of wilful misconduct.

21 The directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of $250,000, as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 32 and 34 herein.

22 Notwithstanding any language in any applicable insurance policy to the contrary:

(a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and

(b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

APPOINTMENT OF MONITOR

23 Ernst & Young Inc. ("E&Y" or the "Monitor") is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business and financial affairs and the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24 The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicant's receipts and disbursements, Business and dealings with the Property;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicant;

(c) assist the Applicant, to the extent required by the Applicant, in its dissemination to the DIP Lender and its counsel on a monthly basis of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings, including reporting on a basis as reasonably required by the DIP Lender;

(d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than monthly, or as otherwise agreed to by the DIP Lender;

(e) advise the Applicant in its development of the Plan and any amendments to the Plan;

(f) advise the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form and other financial documents of the Applicant to the extent that is necessary to adequately assess the Applicant's Property, Business and financial affairs or to perform its duties arising under this Order;

(h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(i) assume sole conduct and management, in place and stead of the Applicant, of any application for debtor-in-possession financing which the Monitor determines that the Applicant may require;

(j) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicants and any other Person; and

(k) perform such other duties as are required by this Order or by this Court from time to time.

25 The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation.

26 The Monitor shall provide any creditor of the Applicant and the DIP Lender (if any) with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

27 In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

28 The Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges,

by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a bi-weekly basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in the respective amounts of $50,000, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

29 The Monitor and its legal counsel shall pass their accounts from time to time.

30 The Monitor, counsel to the Monitor, if any, and the Applicant's counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of $300,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 32 and 34 hereof.

DIP FINANCING

31 The Applicant or the Monitor shall be permitted to apply at a later date for Debtor-in-Possession financing ("DIP Financing") for the Applicant from a lender (the "DIP Lender") who will provide DIP Financing in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, and for the granting of a charge (the "DIP Lender's Charge") on the Property to secure all obligations in respect of the DIP Financing, in which case the DIP Lender's Charge shall have the priority set out in paragraphs 32 and 34 hereof, or such other priority as may be directed by further Order of this Court.

VALIDITY AND PRIORITY OF CHARGES

32 The priorities of the Directors' Charge, the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $300,000);

Second – DIP Lender's Charge (if any); and

Third – Directors' Charge (to the maximum amount of $250,000).

33 The filing, registration or perfection of the Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "Charges") shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

34 Subject to paragraph 35, hereof, each of the Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.

35 Notwithstanding the provisions of paragraph 34 hereof, the Charges shall all be subordinate to the mortgage interests of 158803 Alberta Ltd. in those mortgages registered as instruments numbered 081 085 610 and 081 085 611 in those lands standing in the name of the Applicant under certificates of title numbered 081 085 609 and 081 085 609 +1.

36 Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge or the DIP Lender's Charge, unless the Applicant also obtains the prior written consent of the Monitor, the DIP Lender (if any) and the beneficiaries of the Directors' Charge and the Administration Charge, or further order of this Court.

37 The Directors' Charge, the Administration Charge, and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by:

(a) the pendency of these proceedings and the declarations of insolvency made in this Order;

(b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;

(c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;

(d) the provisions of any federal or provincial statutes; or

(e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

(i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof shall create or be deemed to constitute a new breach by the Applicant of any Agreement to which it is a party;

(ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

(iii) the payments made by the Applicant pursuant to this order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

38 The engagement of BTM Advisory Services Inc. and Gary Bentham (jointly, the "CRO") as Chief Restructuring Officer of the Applicant is authorized and approved, on the same terms and conditions as the CRO's appointment in Court of Queen's Bench Action No. 1201-08478 (the "FM CCAA Proceedings"), and the CRO shall have the same rights, powers, authority and obligations (with all changes as may be necessary in the circumstances) as set out in the July 5, 2012 Order granted in the FM CCAA Proceedings.

39 The Applicant and its respective shareholders, officers, directors, employees, agents and representatives shall co-operate fully with the CRO in the exercise of its powers and

discharge of its duties and obligations, including providing the CRO with access to the Applicant and the Harvest Group of Companies' books, records, assets and premises as the CRO requires.

40 No director, officer, shareholder, employee, agent or representative of the Applicant, nor any party related to the business of the Applicant, shall interfere with the CRO's management of the business and affairs of the Applicant and the Restructuring and the exercise of its powers, duties, rights and obligations in connection therewith.

ALLOCATION

41 Any interested Person may apply to this Court on notice to any other party likely to be affected, for an order to allocate the Administration Charge, the DIP Lender's Charge and the Directors' Charge amongst the various assets comprising the Property.

SERVICE AND NOTICE

42 The Monitor shall (i) without delay, publish in the Calgary Herald a notice containing the information prescribed under the CCAA; (ii) within five (5) days after the date of this Order (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than $1,000 and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.

43 The Applicant and the Monitor shall be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or e-mail to the Applicant's creditors or other interested Persons at their respective addresses as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery, facsimile transmission or e-mail shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing. The Monitor shall post a copy of any or all such materials on its website at www.ey.com/ca/foundationgroup pursuant to section 23(1) of the CCAA.

GENERAL

44 The Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

45 Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

46 This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

47 Each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Monitor is authorized and empowered to act as a representative in respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

48 Any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

49 This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.

J.C.Q.B.A.