COURT FILE NUMBER	1201-06934
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
COMPANIES	IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED AND IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, R.S.A. 2000, c. B-9 AND IN THE MATTER OF 1252064 ALBERTA LTD. 1330075 ALBERTA LTD. AND HARVEST CAPITAL MANAGEMENT INC.
DOCUMENT	**NINTH REPORT OF THE MONITOR** **AUGUST 30, 2013**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**MONITOR** 1000, 440 - 2nd Avenue SW Calgary, Alberta T2P 5E9 Attention: Neil Narfason / Cassie Riglin Telephone: 403-206-5067 / (403) 206-5139 Fax: 403-206-5075 Email: Neil.Narfason@ca.ey.com Cassie.Riglin@ca.ey.com **COUNSEL** McCarthy Tétrault LLP Suite 3300, 421 7th Avenue SW Calgary AB T2P 4K9 Attn: Sean Collins / Walker MacLeod Telephone: 403-260-3531 / 403-260-3710 Email: scollins@mccarthy.ca wmacleod@mccarthy.ca

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APPENDICIES TO THE NINTH REPORT

INTRODUCTION

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

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

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

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

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

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

   a) The Monitor's consolidated analysis of the sources and uses of funds ("SUF") of the Harvest Group of Companies (defined below) from inception; and

b) The Monitor's analysis of the sources and uses of funds of 125, 133, HCMI, 127 and 137 individually.

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

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

BACKGROUND

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

TERMS OF REFERENCE

10. In preparing this Ninth Report, the Monitor has relied upon unaudited financial information, records and discussions with management of the Harvest Group. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of such information contained in this Ninth Report.

11. The Monitor cautions that the information presented in this report is based on the information available to the Monitor as at the date of this report. Certain information requested by the Monitor remains outstanding and certain information could not be located by the Monitor at the time of writing this report. If this additional information is provided and/or the missing information is located the Monitor's findings and conclusions as noted in this report could change.

SOURCES AND USES OF FUNDS PROCESS

12. This consolidated sources and uses analysis ("Consolidated SUF Analysis") was prepared by aggregating the sources and uses of funds of a number of entities within the Harvest Group of Companies (the "Harvest Group"), as set out below:

a) 1252064 Alberta Ltd. ("125");

b) 1330075 Alberta Ltd. ("133");

c) Harvest Capital Management Inc. ("HCMI");

d) Legacy Communities Inc. ("Legacy");

e) Airdrie Capital Corp. and Airdrie Country Estates Inc. (collectively "Airdrie");

f) Railside Capital Inc. and Railside Industrial Park Inc. (collectively "Railside");

g) Foundation Place Capital Inc. and Foundation Place Inc. (collectively "Foundation Place");

h) Foundation Mortgage Corporation ("FM1");

i) Foundation Mortgage 2 Corporation ("FM2");

j) Liberty Crossing Limited Partnership ("LCLP") and Liberty Crossing General Partner Inc. ("LCGP") (collectively "Liberty Crossing");

k) Rocky View Capital Corp. and Rocky View Estates Corp. (collectively "Rocky View");

l) Spruce Ridge Capital Inc. and Spruce Ridge Estates Inc. (collectively "Spruce Ridge");

m) Stoney View Capital Inc. and Stoney View Crossing Inc. (collectively "Stoney View");

n) Harvest Group GP Corporation ("HGGP") (Note: HGGP is the general partner of Harvest Group Limited Partnership);

o) 1610822 Alberta Ltd. ("161") (Note: 161 is the general partner of Cimarron Development Limited Partnership);

p) 1357686 Alberta Ltd. ("135");

q) Harbour View Capital Inc. and Harbour View Landing Inc. (collectively "Harbour View");

r) Benchmark Capital Corporation ("Benchmark Capital") and 1211951 Alberta Inc. ("121") (collectively "Benchmark");

s) West Springs Village Limited Partnership and West Springs Village General Partner Inc. (collectively "WSV");

t) 1379599 Alberta Ltd. ("137"); and

u) 1277169 Alberta Ltd. ("127").

13. As a result of the deficiencies in the financial records the Monitor was required to complete a reconstruction of the Harvest Group's accounting records. The reconstruction consisted of identifying the cash transactions that occurred within the Harvest Group. The Monitor has reviewed the bank statements, cancelled cheques, deposit books, various trust accounts and other source documents to determine the sources and uses of funds within the Harvest Group from inception.

14. As the books and records of the Harvest Group were not complete or accurate, the process of preparing this comprehensive analysis was time consuming and costly.

15. Based on the review of the source documentation and with the assistance of certain management, the Monitor has classified each transaction into various categories (ie. investor funds, external loans, land and building purchases, land and buildings sales, operating expenses, and intercompany advances within the Harvest Group). Where the Monitor was unable to reasonably determine the nature of a transaction, it was classified in unknown receipts or disbursements.

16. The reconstruction of the Harvest Group's accounting records is substantially complete, however, it is subject to the limitations identified in this report and therefore is subject to change if the additional documentation is provided to and/or located by the Monitor.

17. In general the Harvest Group did not maintain accurate and complete books and records, maintained no complete set of financial statements that the Monitor has found and, in the Monitor's opinion, generally operated the business without

regard to observing corporate formalities, generally accepted accounting methods, and prudent governance practices.

18. The Monitor understands that Mr. Ronald Aitkens ("Mr. Aitkens") was the director and controlling mind of the legal entities comprising the Harvest Group, except for Benchmark which for a period of time was controlled by a third party.

19. The Monitor has analyzed financial information pertaining to the Harvest Group and, based on this analysis, has determined that the Harvest Group raised in excess of $266.0 million between 2004 and 2010, largely through the issuance of bonds and limited partnership units to investors, and used the funds primarily to acquire raw lands, commercial strip malls and make other investments.

20. EYI is (or was, in respect of Harvest Group entities that have exited from CCAA proceedings) the Court appointed monitor of a total of 27 entities within the Harvest Group that have been granted protection from their creditors pursuant to the CCAA and the Court appointed receiver and manager of Benchmark and 121.

21. As a result of 125 being the sole shareholder of WSV, the Monitor was able to include the sources and uses of funds of WSV, which neither is nor was in CCAA protection or receivership, in this analysis.

22. Although not in a formal CCAA proceeding directly, the Monitor though its further investigative powers was able to include the sources and uses of funds of 127 and 137. These entities are sole purpose entities used to facilitate the sale of certain lands into OM Companies (defined below) (ie. Rocky View and Stoney View respectively).

23. There are additional entities that are related to the Harvest Group not included in the Consolidated SUF analysis. These entities have been excluded because they are not part of the Harvest CCAA or Receivership proceedings. These entities include, but are not limited to:

a) Foundation Capital Corporation (“FCC”);

b) Foundation Resources Oil & Gas Trust ("FROG");

c) Foundation Mortgage "3" Corporation ("FM3");

d) 1236120 Alberta Ltd. ("123");

e) Haiku Limited Partnership ('Haiku LP");

f) Harvest Capital Investment Pool 1 Ltd. ("Harvest Capital Pool");

g) Harvest Financial Services Inc. ("Harvest Financial");

h) Harvest Group Capital Trust;

i) Harvest Group Construction LP;

j) Foundation Homes Inc. ("Foundation Homes");

k) Foundation Securities Corporation;

l) Harvest Diversified Investments 1 Ltd.;

m) Harvest Diversified Capital I Ltd.; and

n) 1111444 Alberta Ltd. (related to the ASI 17th Avenue Investment discussed further in the Eighth Report of the Monitor dated August 29, 2013.

CONSOLIDATED SOURCES AND USES OF FUNDS

24. The Consolidated SUF Analysis is attached to this Ninth Report as Appendix A. The individual entity SUF analysis presented in the Consolidated SUF Analysis may differ from those previously presented by the Monitor in other reports due to the Monitor's continued work on the analysis of intercompany transactions which has resulted in updates to those SUFs.

25. Each Harvest Group entity's individual SUF analysis are attached as Appendices D through V. More information on each of the individual entities within the

Harvest Group and their respective CCAA proceedings is available on the Monitor's website at www.ey.com/ca/foundationgroup.

26. The Monitor endeavoured to eliminate any transactions which occurred between Harvest Group companies in order to quantify the sources and uses of funds external to the Harvest Group.

27. Where the Monitor has identified an entity with a potential relationship to the Harvest Group but has not been able to obtain sufficient documentation or information to conclude as such, the entity has not been classified as related.

28. The following is a high level summary of the Consolidated SUF Analysis:

Harvest Group of Companies **Consolidated Sources and Uses of Funds** **($Cdn, Unaudited)**			
		Amount	Notes
Investor Funds	$	266,034,535	a
Intercompany Advances		8,406,120	b
External Loans		69,974,495	c
Sale of Land and Buildings		6,493,610	d
Rental Income		5,455,467	e
Interest Income		538,511	f
Receipts from Directors/Relatives		743,148	g
Miscellaneous Revenue		31,024,351	h
Unclassified Receipts		3,304,521	i
Total Cash Inflows	$	**391,974,758**	
Intercompany Advances	$	17,198,797	b
External Loans and Interest Costs		39,132,234	c
Land and Building Purchases		153,816,806	j
Land Development Costs		14,410,256	k
Other Asset Purchases		79,754,235	l
Operating and Administration Expenses		24,703,216	m
Investor Distributions		17,369,438	n
Payments to Directors / Relatives		471,469	g
Commissions Paid		34,082,195	o
Management Fees		2,994,349	p
Unclassified Outflows		6,060,686	i
Total Cash Outflows	$	**389,993,680**	
Net Cash Inflows/(Outflows)	$	**1,981,079**	

29. The significant transactions and assumptions underlying the Consolidated SUF Analysis are as follows:

a) Within the Harvest Group there are fourteen projects for which funds were raised funds from thousands of external investors under various offering memoranda. Twelve of these projects were real estate projects as follows: Legacy, Airdrie, Railside, Foundation Place, Liberty Crossing, Rocky View, Spruce Ridge, Stoney View, 161, Harbour View, Benchmark, and WSV. Two entities, FM1 and FM2, were intended as mortgage investment vehicles. These entities are referred to collectively as the "OM Companies". The OM companies raised $266.0 million from external investors, primarily through the issuance of debt securities of various terms and secondarily through equity offerings of limited partnership units as follows:

Consolidated Investor Funds

Entity	Number of Investors	Amount	Note
161 (Cimarron)	149	$ 2,996,146	
Airdrie	679	14,684,032	
Benchmark	91	3,669,300	
FM1	335	14,846,100	
FM2	379	16,547,300	
Foundation Place	405	8,514,105	
Harbour View	781	16,136,902	
Legacy	1,475	35,236,612	
Liberty Crossing	222	7,500,000	
Railside	1,469	34,233,968	
Rocky View	704	17,973,155	
Spruce Ridge	2,081	49,230,528	
Stoney View	1,395	31,616,388	
WSV	555	13,440,000	
Total	10,720	$ 266,624,535	i
Less 125 Investment in Liberty Crossing		(590,000)	ii
Net External Investment		$ 266,034,535	

i. The Monitor notes that the total number of investors includes duplicate investors, as some investors invested in multiple OM Companies and hold their investments in multiple investment accounts; and

ii. Intercompany elimination of the 125 investment in Liberty Crossing limited partnership units;

b) A total of $8.4 million was received from related entities outside of the Harvest Group. A total of $17.2 million was advanced from the Harvest Group to other related entities. As a result, the net advances out of the Harvest Group were approximately $8.8 million to other related entities. See Appendix B for further details;

c) The Harvest Group received external financing of approximately $70.0 million through obtaining new mortgages and assumption of existing mortgages in connection with asset purchases. Approximately $39.1 million was paid in principal and interest against this financing as follows (See Appendix C for further details):

Consolidated External Financing By Entity*

Entity	Proceeds	Payments	Net External Financing
125	$ 8,400,000	$ (7,589,822)	$ 810,178
127	5,010,000	(4,974,863)	35,137
133	28,388,694	(13,858,541)	14,530,153
137	1,631,000	(68,165)	1,562,835
161	7,174,000	(1,024,140)	6,149,860
Benchmark	1,086,166	(1,659,459)	(573,294)
FM1	1,096,134	(2,374,235)	(1,278,101)
FM2	500,000	(500,000)	-
HCMI	1,675,000	(402,053)	1,272,947
HGGP*	2,263,501	(2,233,430)	30,071
HVL	600,000	-	600,000
Liberty	10,650,000	(3,853,385)	6,796,615
WSV*	500,000	(500,000)	-
135	1,000,000	(94,142)	905,858
Total	$ 69,974,495	$ (39,132,234)	$ 30,842,261

*net of intercompany loan amounts which have been eliminated in this chart

d) Sale of land and buildings were as follows:

Consolidated Sale of Land and Buildings		
Entity	**Amount**	**Note**
125	$ 48,690,000	i
127	15,675,000	i
133	64,821,583	i
137	23,741,776	i
Benchmark	3,938,800	ii
HCMI	2,554,810	i
HGGP	3,818,360	iii
Subtotal	$ 163,240,328	
Less Intercompany Land and Building Sales	(156,746,718)	iv
Net Sale of Land and Buildings	$ 6,493,610	

i. The amounts for 125, 127, 133 and 137 are as described in their separate individual sources and uses of funds analysis below;

ii. Benchmark purchased and sold properties in the normal course of business;

iii. HGGP sold 161 the Cimarron lands, therefore this sale is eliminated through the intercompany elimination; and

iv. Sales of Land and Buildings within the Harvest Group have been eliminated to show only those sales to external third-party companies;

e) Rental income was earned as follows:

Consolidated Rental Income		
Entity	**Amount**	**Note**
125	$ 1,000,906	i
133	33,094	i
HCMI	52,199	i
Liberty Crossing	3,981,737	ii
Rocky View	3,000	
Spruce Ridge	13,531	
WSV	371,000	iii
	$ 5,455,467	

i. The amounts for 125, 133, and HCMI are as described in their individual separate sources and uses of funds analysis below;

ii. The Liberty Crossing rental income is generated from the rent of the shopping centre owned by Liberty Crossing; and

iii. WSV rental income is net of the expenses paid by the property manager;

f) Interest income was earned as follows:

Consolidated Interest Income		
Entity	**Amount**	**Note**
127	$ 21,265	
Benchmark	49,458	i
FM1	520,682	ii
FM2	1,557,570	ii
HCMI	118,733	iii
Legacy	11,392	
Subtotal	$ 2,279,100	
Less Intercompany Interest Income	(1,740,589)	ii
Net Income	$ 538,511	

i. Benchmark interest was earned on a GIC investment;

ii. Interest income in FM1 and FM2 consists primarily of amounts paid to FM1 and FM2 by other companies within the Harvest Group; and

iii. The amounts for HCMI are as described in its individual separate sources and uses of funds analysis below;

g) Net receipts from directors and relatives were as follows:

Consolidated Net Director/Relative Payments		
Entity		**Amount**
HCMI	$	743,148
Net Received from Directors/Relatives	$	743,148
125	$	(93,744)
133		(260,218)
HGGP		(42,500)
137		(75,007)
Total Paid to Directors and Relatives	$	(471,469)
Net Receipts from Directors/Relatives	$	271,680

h) Miscellaneous revenue was earned as follows:

Consolidated Miscellaneous Revenue		
Entity	**Amount**	**Note**
125	$ 1,973,861	i
133	130,191	i
135	2,552	
137	1,625,000	i
HCMI	12,632,168	i
HGGP	15,817,049	ii
Liberty Crossing	394,359	iii
Railside	40,613	
Spruce Ridge	1,108	
Stoney View	13,294	
WSV	166,831	iv
Subtotal	$ 32,797,024	
Less Intercompany Management Fees	(1,772,673)	v
Net Revenue	$ 31,024,351	

i. The amounts for 125, 133, HCMI and 137 are as described in their individual separate sources and uses of funds analysis below;

ii. HGGP's income primarily resulted from the sale of certain investments in NEO Exploration ($13 million), fees from FROG ($2.2 million) and other fees of approximately $600,000 earned for providing various services to other projects;

iii. Liberty Crossing's revenue relates to GST collected on rental income of $285,000 and other miscellaneous income;

iv. WSV's revenue relates to GST collected but not remitted to the Canada Revenue Agency, which have since been remitted; and

v. Certain management fees were paid within the Harvest Group and have been eliminated to present only the amounts paid outside of the Harvest Group;

i) The Monitor has requested supporting documentation from Mr. Aitkens to determine the nature of these receipts and disbursements but to date has not received sufficient information and documentation to provide a meaningful analysis. Unclassified sources and uses represent less than 1.2% of the aggregate cash flows;

j) Land and building purchases represents the amount paid to external third parties to purchase assets. The amounts paid by OM companies that purchased land from within the Harvest Group have been eliminated, therefore this amount excludes any front end profits ("Lifts") resulting from the resale of land and buildings by Harvest Group entities into the various OM Companies. The Lifts are discussed in further detail in the 125, 133, HCMI, 127 and 137 separate individual sources and uses of funds analysis below. Land and building purchases were as follows:

Consolidated Land and Building Purchases		
Entity	**Amount**	**Note**
125	$ 29,196,135	i
127	6,007,256	i
133	20,071,004	i
135	14,367,376	ii
137	15,544,748	i
161	11,031,976	ii
Airdrie	12,000,000	iii
Benchmark	4,781,693	ii
Foundation Place	4,420,000	iii
HGGP	15,144,199	ii
HVL	9,750,000	iii
Legacy	21,699,454	ii
Liberty Crossing	14,915,752	ii
Railside	22,733,376	iii
Rocky View	15,625,000	iii
Spruce Ridge	63,871,500	iii
Stoney View	23,731,684	iii
WSV	5,592,279	ii
Subtotal	$310,483,433	
Less Intercompany Land and Building Purchases	(156,666,627)	iii
Net Land and Building Purchases	$153,816,806	

i. The amounts for 125, 127, 133 and 137 are as described in their separate individual sources and uses of funds analysis below;

ii. Purchases made directly from third parties; and

iii. Purchases made from within the Harvest Group, therefore have been eliminated;

k) Land development costs are made up of architecture, planning, third party management, and construction expenses;

l) Other asset purchases and loan advances are as follows:

Consolidated Other Asset Purchases		
Entity	**Amount**	**Note**
125	$ 24,136,187	i
133	39,801,302	i
137	2,676,360	i
Benchmark	320,000	ii
HCMI	5,851,168	i
HGGP	7,127,069	iii
Harbour View	432,149	iv
Subtotal	$ 80,344,235	
Less Intercompany Asset Purchases	(590,000)	v
Net Asset Purchcases	$ 79,754,235	

i. Other asset purchases and loan advances for 125, 133, HCMI and 137 are discussed in detail in their separate individual sources and uses of funds analysis below;

ii. Benchmark advanced $320,000 to Planet Panels, a third-party;

iii. HGGP purchased shares in NEO Exploration for $7.1 million. These shares were subsequently sold for $13 million as mentioned above in paragraph 29 h)ii;

iv. Harbour View funded $432,149 of debtor-in-possession financing within the Harvest Group through an affiliated entity. This amount has subsequently been partially repaid. The amounts outstanding will be settled when the Foundation Place debtor-in-possession financing is repaid; and

v. 125 purchased 59 units in Liberty Crossing for $590,000. The Monitor notes that there was a promissory note issued to Legacy in relation to the purchase of the Liberty Crossing LP units. The Monitor is working to determine if these units are held in the name of Legacy or 125. This amount is eliminated to arrive at the total external asset purchases;

m) Operating and administrative costs include business expenses, salaries and wages, insurance, utilities, advertising, taxes, maintenance, bank fees, accounting/audit fees, legal fees and rent;

n) Investor distributions were paid on 161, FM1, FM2, Liberty Crossing, Rocky View, and WSV. Investor distributions by entity were as follows:

Consolidated Investor Distributions	
Entity	**Amount**
127	$ 4,151,791
161	66,719
Benchmark	1,956,375
FM1	5,916,824
FM2	3,959,128
Liberty Crossing	346,680
WSV	971,923
Total	$ 17,369,438

o) The OM Companies generally paid commissions to investment dealers, both internal and external to the Harvest Group, of 10% of funds invested with the exception of FM1 and FM2 which paid commissions of 5%. Total commissions paid by the Harvest Group were approximately $34.0 million. An override commission was also paid to Roy Beyer, a consultant to various entities within the Harvest Group, on certain of the real estate transactions. Commissions paid by entity were as follows:

Consolidated Commissions	
Entity	**Amount**
125	$ 1,744,020
133	1,705,710
137	794,731
161	298,710
Airdrie	1,397,880
Benchmark	185,621
FM1	679,200
FM2	634,354
Foundation Place	852,000
HCMI	4,962,586
HGGP	23,136
HVL	1,700,000
Legacy	3,632,394
Liberty Crossing	683,400
Railside	3,414,812
Rocky View	1,769,378
Spruce Ridge	4,906,787
Stoney View	3,115,076
WSV	1,582,400
Total	$ 34,082,195

p) Management fees were paid to entities within the Harvest Group and to third parties. Management fees paid, by entity, were as follows:

Consolidated Management Fees	
Entity	**Amount**
135	$ 80,000
137	21,000
Airdrie	109,293
Benchmark	11,429
FM2	36,285
Foundation Place	484,540
HGGP	801,846
HVL	150,000
Liberty Crossing	93,250
Legacy	243,469
Railside	165,521
Rocky View	173,883
Spruce Ridge	354,596
Stoney View	664,479
Subtotal	$ 3,389,591
Less Intercompany Management Fees	(395,242)
Net Management Fees	$ 2,994,349

125, 133, HCMI, 127 AND 137 SOURCES AND USES OF FUNDS SCOPE

30. Unlike other entities in the Harvest Group, 125, 133, HCMI, 127 and 137 did not raise funds from external investors. Their primary sources of funds were intercompany advances from other Harvest Group entities, and gains on the sales of land to other Harvest Group entities (ie. the Lifts).

31. The Monitor has attempted to capture all intercompany transactions by performing a comparison of intercompany payable and receivable balances between each of 125, 133, HCMI, 127 and 137 and the respective counterparties within the Harvest Group. Due to the vast number and complexity of the transactions, there may be additional intercompany transactions which have not been captured.

125 SOURCES AND USES OF FUNDS

32. The Monitor has prepared an analysis of the sources and uses of funds of 125 from its inception.

33. The Monitor's SUF analysis for 125 is as follows:

1256024 Alberta Ltd. Sources and Uses of Funds ($Cdn, Unaudited)			
		Amount	**Note**
Intercompany Advances	$	56,245,543	a
External Loans		8,400,000	b
Sale of Land and Buildings		48,690,000	c
Rental and Miscellaneous Income		2,974,766	d
Unclassified Receipts		536,868	e
Total Cash Inflows	$	116,847,177	
Intercompany Advances	$	46,228,186	a
External Loans and Interest Costs		7,589,822	b
Land and Building Purchases		29,196,135	c
Land Development Costs		2,462,279	f
Other Asset Purchases		24,136,187	g
Operating and Administration Expenses		4,125,544	h
Payments to Directors / Relatives		93,744	i
Commissions Paid		1,744,020	j
Unclassified Outflows		1,245,174	e
Total Cash Outflows	$	116,821,092	
Net Cash Inflows/(Outflows)	$	26,086	

34. The following were the significant receipts and disbursements of 125:

a) From 125's perspective intercompany advances resulted in a net inflow of approximately $10.0 million as shown:

1256024 Alberta Ltd.
Intercompany Transactions

Counterparty	125 Received	125 Disbursed	Net Cash Flow
123	$ 190,000	$ -	$ 190,000.00
127	3,228,107	(1,500,000)	1,728,107
133	10,625,259	(11,742,568)	(1,117,309)
135	120,815	(983,837)	(863,022)
137	1,267,200	-	1,267,200
Airdrie	1,040,000	(61,500)	978,500
Benchmark	-	(772,500)	(772,500)
FCC	140,000	(1,742,500)	(1,602,500)
FM1	2,071,875	(1,309,415)	762,460
FM2	1,600,000	(151,591)	1,448,409
FM3	300,000	-	300,000
Foundation Place	1,562,500	(50,000)	1,512,500
FROG	816,800	(1,735,000)	(918,200)
Haiku LP	729,375	(1,562,500)	(833,125)
Harbour View	635,000	(1,000)	634,000
HCMI	2,584,613	(3,980,368)	(1,395,754)
HGLP	1,009,696	(5,199,273)	(4,189,577)
Legacy	11,964,880	(4,031,250)	7,933,630
Liberty Crossing	6,786,558	(5,387,000)	1,399,558
Railside	7,205,000	(5,867,884)	1,337,116
Spruce Ridge	390,000	(150,000)	240,000
Stoney View	100,000	-	100,000
WSV	1,877,866	-	1,877,866
	$ 56,245,543	$ (46,228,186)	$ 10,017,357

b) 125 received external financing totalling $8.4 million which was comprised of new mortgages and loans to fund purchases and mortgages assumed on purchased lands. $7.6 million was either paid against this amount in principal and interest, or advanced as new mortgages as outlined below;

1256024 Alberta Ltd.							
External Loans							
Counterparty		**Loan Proceeds**		**Loan Repayments**		**Net**	**Notes**
Richard Braun Mortgage	$	3,000,000	$	(402,500)	$	2,597,500	i
Sara Braun/IMOR Capital Mortgage		2,250,000		(2,454,197)		(204,197)	ii
IMOR Capital Mortgage		-		(1,500,000)		(1,500,000)	iii
Kai Commercial Mortgage		2,850,000		(2,950,125)		(100,125)	iv
Teressa Moore Loan		300,000		-		300,000	v
Subtotal	$	8,400,000	$	(7,306,822)	$	1,093,178	
Employee Loans							
Abernathy Mortgage	$	-	$	(283,000)	$	(283,000)	vi
Subtotal	$	-	$	(283,000)	$	(283,000)	
Total	$	8,400,000	$	(7,589,822)	$	810,178	

i. Richard Braun took a vendor take back mortgage in the amount of $3 million as a result of the initial purchase of the Airdrie 2 Lands. The Airdrie 2 Lands have since been foreclosed on by Richard Braun with no recovery to 125;

ii. Sara Braun took a vendor take back mortgage in the amount of $2.25 million ("Sara Braun Mortgage") as a result of the initial purchase of the Airdrie Lands. The Sara Braun Mortgage was paid off by IMOR Capital Corp. ("IMOR"). The resulting IMOR mortgage was repaid through intercompany advances by 133 and HCMI;

iii. The Monitor understands 125 granted IMOR additional security for a separate real estate project that was outside of the Harvest Group, in the form of a $5 million mortgage (the "Second IMOR Mortgage") registered against a Calgary office condominium owned by 125 and other 125 lands located in the City of Lethbridge (ie. The Lethbridge Global Lands), as well as a general security agreement over 125's personal property, with no assets flowing into 125. The granting of this security further depleted 125's assets as no assets were received by 125, yet 125 was required to pay off this Second IMOR Mortgage. The repayment of

$1.5 million to IMOR shown above related to the proceeds of the sale of the Calgary office. The remaining $3.5 million due on the Second IMOR Mortgage was paid through the proceeds of the sale of the Lethbridge Global Lands during the CCAA process. These two sales are discussed in more detail later in this section;

iv. Kai Commercial loaned 125 $2.85 million as part of the initial purchase of the Airdrie Lands. This loan plus interest of $100,125 was repaid;

v. Teressa Moore, a former Harvest employee, advanced $300,000 to 125 with the intention of contributing to the Priest Lake JV. The funds were not in fact used in connection with the purchase of the Priest Lake JV, but were rather used to fund the ongoing operations of 125; and

vi. As described later in this section, a house in Lethbridge was purchased by 125 and resold to Ryan and Lisa Abernathy (Mr. Aitken's daughter). 125 took back a mortgage to secure repayment of the purchase price, which 125 has registered against the house. 125 has collected regular mortgage payments since the commencement of the CCAA proceedings;

c) A significant portion of 125's receipts and disbursements relate to the purchase of various land and buildings and resale of the same land and buildings to other companies within the Harvest Group. Land and other asset sales total $48.7 million. 125 realized a profit on land sales within the Harvest Group of approximately $19.5 million. The significant transactions within the Harvest Group are as follows:

1256024 Alberta Ltd.
Land and Building Purchases

Land	**Purchase**	**Sale**	**Lift**
Airdrie Land	$ (5,620,000)	$ 12,020,000	6,400,000
Foundation Place Land	(3,068,107)	4,420,000	1,351,893
Harbour View Land	(4,621,693)	9,750,000	5,128,307
Railside Land	(15,886,335)	22,500,000	6,613,665
	$ (29,196,135)	$ 48,690,000	$ 19,493,865

Certain of the funds used by 125 to purchase these lands were advanced from other entities within the Harvest Group. For example, Legacy advanced $5.3 million to 125, and a significant portion of these funds were used to purchase the Railside lands;

d) Rental and miscellaneous income is primarily from the sale of Harvest Group's Calgary office for $1.5 million, rents collected on property known as the Global Lands in Lethbridge, Alberta of $1.0 million, sale of a Lethbridge house (described below) for $283,000, acquisition income earned by 125 in relation to WSV of $150,000 and interest income earned on a GIC investment of $31,000;

e) The Monitor has requested supporting documentation from Mr. Aitkens to determine the nature of these receipts and disbursements but to date has not received sufficient information and documentation to provide a meaningful analysis. Unclassified sources and uses represent less than 1% of the aggregate cash flows;

f) Land Development costs are made up of architecture, planning, third party management, and construction expenses. These expenses have not been traced directly to any one specific project and may have been incurred by 125 prior to selling the land to other companies in the Harvest Group;

g) Approximately $24.1 million was spent on other asset purchases, investments and loan advances. The expenditures were made as follows:

1256024 Alberta Ltd. Other Asset Purchases			
Asset/Investment	**Investment**	**Estimated Net Recovery**	**Notes**
Airdrie 2 Lands	9,200,000	-	i
Panama Investment	5,228,722	unknown	ii
ASI Investment	3,310,793	450,000	iii
Lethbridge Global Lands	2,094,317	-	iv
Calgary Office	1,164,269	-	v
OKKO Communities Investment	875,000	-	vi
Liberty Crossing LP Units	590,000	unknown	vii
Planet Panels Investment	424,000	-	viii
Lethbridge House	271,826	283,000	ix
Bearspaw Investment	255,867	-	viii
Red Tail Capital Loan	235,000	-	viii
Emerging Equities Investments	149,893	21,000	x
RES Motors Investment	146,000	-	viii
eGreen Corporation Investment	85,000	-	viii
Thermablade Investment	50,000	-	viii
Accure Health Loan	30,000	-	viii
Harvest Water Loan	25,500	-	viii
	$ 24,136,187	$ 754,000	

i. As discussed above, the Airdrie 2 Lands were foreclosed on by the first mortgagee; therefore the value of this investment to 125 is $NIL;

ii. The Monitor is working with Panamanian legal counsel to obtain recognition of the 125 Initial Order in Panama which is necessary for the Monitor to pursue recoveries on these amounts;

iii. The ASI Investment was settled during the CCAA proceedings for $450,000. Further details can be found in the Eighth Monitor's Report dated August 29, 2013;

iv. The Lethbridge Global Lands were sold during the CCAA proceedings for $3.5 million. The proceeds of this sale were used to pay off the Second IMOR Mortgage. Further details can be found in the Fourth Report of the Monitor dated October 26, 2012;

v. 125 Purchased an office condominium in Calgary for $1.2 million. The property was subsequently sold for $1.5 million with the proceeds being used to pay down the Second IMOR Mortgage;

vi. The Monitor notes that there was a promissory note issued to Legacy in relation to the purchase of the Liberty Crossing LP units. The Monitor is working to determine if these units are held in the name of Legacy or 125;

vii. The Monitor is continuing to assess the recoverability of these investments and loans, however, it is currently estimating the recovery at $NIL;

viii. This house was sold to Lisa and Ryan Abernathy, relatives of Mr. Aiken for $283,000. 125 holds a mortgage for $283,000 on this property and collects monthly mortgage payments; and

ix. The remaining investments held with Emerging Equities were sold during the CCAA proceedings for approximately $21,000, resulting in a net loss on all investments made through Emerging Equities of approximately $129,000;

h) Operating and administration costs include the following:

i. $3.2 million on business expenses, including salaries and wages, insurance, utilities, advertising, taxes, maintenance, bank fees and accounting/audit fees;

ii. $403,000 interest paid on FM2 and FM2 mortgages;

iii. $288,000 on legal costs; and

iv. $234,000 on rent and other expenses;

i) The net amount paid to directors and relatives of directors of 125 was $94,000. Payments were made to Ron Aitkens, Lucile Aitkens, Ken Aitkens, Aimee Aitkens, Erin Aitkens, Lisa Abernathy and Ryan Abernathy. Offsetting receipts were received from Ron Aitkens and Ken Aitkens; and

j) An override commission was also paid to Roy Beyer, a consultant to various entities within the Harvest Group, on certain of the real estate transactions in addition to the commissions being paid by the OM Companies.

133 SOURCES AND USES OF FUNDS

35. The Monitor has prepared an analysis of the sources and uses of funds of 133 from its inception.

36. The Monitor's SUF analysis is as follows:

1330075 Alberta Ltd. **Sources and Uses of Funds** **($Cdn, Unaudited)**			
		Total	**Notes**
Intercompany Advances	$	34,975,288	a
External Loans		28,388,694	b
Sale of Land and Buildings		64,821,583	c
Rental and Miscellaneous Income		163,284	d
Unclassified Receipts		527,403	j
Total Cash Inflows	$	128,876,252	
Intercompany Advances	$	47,736,870	a
External Loans and Interest Costs		13,858,541	b
Land and Building Purchases		20,071,004	c
Land Development Costs		1,193,496	e
Other Asset Purchases		39,801,302	f
Operating and Administration Expenses		2,337,689	g
Payments to Directors / Relatives		260,218	h
Commissions Paid		1,705,710	i
Unclassified Outflows		1,893,294	j
Total Cash Outflows	$	128,858,122	
Net Cash Inflows/(Outflows)	$	18,130	

37. The following were the significant receipts and disbursements of 133:

a) 133 disbursed approximately $14.0 million net of repayments to companies within the Harvest Group as shown:

1330075 Alberta Ltd. Intercompany Transactions			
Counterparty	**133 Received**	**133 Disbursed**	**Net Cash Flow**
123	$ 1,210,000	$ -	$ 1,210,000
125	11,742,568	(10,625,259)	1,117,309
135	117,000	(5,488,060)	(5,371,060)
137	4,488,875	(1,381,000)	3,107,875
127	3,125,000	(500,000)	2,625,000
FCC	520,000	(767,171)	(247,171)
FM1	3,740,152	(957,602)	2,782,551
FM2	1,165,000	(715,274)	449,726
Foundation Place	387,000	-	387,000
FROG	3,515,001	(3,419,616)	95,385
Haiku LP	109,375	-	109,375
HCMI	920,220	(653,126)	267,094
HGLP	176,980	(324,074)	(147,093)
Legacy	2,000,000	(288,800)	1,711,200
Liberty Crossing	14,368	(658,853)	(644,485)
Spruce Ridge	-	(21,839,000)	(21,839,000)
Stoney View	-	(1,000)	(1,000)
Railside	-	(47,999)	(47,999)
WSV	1,743,749	(70,037)	1,673,712
	$ 34,975,288	$ (47,736,870)	$ (13,971,582)

b) 133 received external financing totalling $27.4 million which was comprised of new mortgages to fund purchases and mortgages assumed on purchased lands. $12.9 million of principal and interest was paid against these loans. 133 also advanced $1.0 million to employees as loans which have all been repaid. Details regarding these loans are as follows:

1330075 Alberta Ltd. External Loans							
External Loans		**Loan Proceeds**		**Loan Repayments**		**Net**	**Notes**
Calmar Lands Ltd.	$	2,055,453	$	(729,836)	$	1,325,617	i
G&J Paving		4,000,000		-		4,000,000	ii
Hancar Mortgage		332,162		(49,212)		282,950	i
IMOR Capital		10,895,395		(10,537,583)		357,812	iii
Yealland Mortgage		1,000,000		(1,086,886)		(86,886)	iv
Saddle Springs		7,000,000		-		7,000,000	ii
UDI Mortgage		2,079,639		(467,489)		1,612,150	i
Subtotal	$	27,362,649	$	(12,871,006)	$	14,491,643	
Employee Loans		**Loan Repayments**		**Loan Proceeds**		**Net**	**Notes**
Muir Loan	$	126,795	$	(120,000)		6,795	v
Olaf Mortgage		450,000		(425,010)		24,990	v
Teressa Moore		300,000		(300,000)		-	v
Roy Beyer		129,250		(122,525)		6,725	v
Woodroft Loan		20,000		(20,000)		-	v
Subtotal	$	1,026,045	$	(987,535)	$	38,510	
Total	$	28,388,694	$	(13,858,541)	$	14,530,153	

i. In addition to a mortgage from FM1, which is shown in this analysis as an intercompany loan, the Calmar Lands are also encumbered by the following third party mortgages:

(A) A mortgage in favour of Calmar Lands Ltd.;

(B) An undivided interest mortgage ("UDI Mortgage") which is discussed further in the Monitor's Eighth Report dated August 29, 2013; and

(C) A vendor take back mortgage in the name of Todd and Amanda Hancar;

ii. Saddle Springs Development Ltd. ("Saddle Springs") and G and J GP Inc. ("G&J") held the first and second position mortgages on the Priddis Lands. The Priddis Lands have been foreclosed by Saddle Springs;

iii. IMOR advanced funds as part of the original purchase of the Spruce Ridge Lands and in return registered a mortgage against the property. 133 then sold the Spruce Ridge Lands to Spruce Ridge and used those proceeds to repay this mortgage. As the mortgage has been discharged, the Monitor assumes it has been repaid in full and that the balance shown above of approximately $358,000 has been repaid;

iv. When 133 purchased the Balsam Lake Lands part of the sale included a vendor take-back mortgage for $1.0 million; and

v. 133 advanced certain loans to various former employees. As shown above, these loans have been repaid, some including interest amounts;

c) A significant portion of 133's receipts and disbursements relate to the purchase of various land and buildings, and the subsequent resale of the same land and buildings to other companies within the Harvest Group. Land and other asset sales to companies within the Harvest Group total $64.8 million. 133 realized a profit on land sales within the Harvest Group of approximately $44.8 million as follows:

1330075 Alberta Ltd.
Land and Building Purchases

Land		Purchase		Sale		Lift	Notes
Granum Land / Water Rights	$	(827,475)	$	950,083	$	122,608	i
Spruce Ridge		(19,243,529)		63,871,500		44,627,971	ii
	$	(20,071,004)	$	64,821,583	$	44,750,579	

i. The money used to purchase the Granum Lands was advanced by Legacy. In return Legacy was charged an additional $125,000 and received only the right to the water rights associated with the Granum Lands. The $125,000 is shown here as a Lift, however it was in fact never paid by Legacy and remains as a receivable on 133's books and is unlikely to be recovered. The Granum Lands have since been transferred to HGGP for nominal consideration; and

ii. The sale price of the Spruce Ridge lands was $63.8 million per the purchase and sale agreement between Spruce Ridge and 133. Of the $44.6 million Spruce Ridge Lift, only 24.6 million of it was paid by Spruce Ridge. The remaining $20 million was taken as a vendor take-back mortgage by 133, however the mortgage was registered behind the Spruce Ridge Capital mortgage and has been foreclosed off the property by Spruce Ridge Capital in the course of its restructuring. This $20 million vendor take-back has been shown as an intercompany advance from 133 to Spruce Ridge to reflect the form of the purchase and sale agreement, however, no cash was transferred between companies for this vendor take-back mortgage;

d) Miscellaneous and rental revenue relates primarily to the pasture rental from the Priddis Lands and Granum Lands;

e) Land Development costs are made up of architecture, planning, third party management, builders, contractors. These fees have not been traced directly to any one specific project and may have been incurred by 133 prior to selling the land to other companies in the Harvest Group;

f) The significant other assets purchased, investments and loan advances were:

1330075 Alberta Ltd. **Other Asset Purchases**					
Asset/Investment		**Investment**		**Estimated Net Recovery**	**Notes**
Priddis - Mullen Lands	$	14,788,749	$	-	i
Calmar Lands		8,070,119		-	ii
Priest Lake JV Investment		5,613,084		-	iii
Priddis - Fish Creek Lands		3,964,750		-	i
Egreen Investment		3,578,556		-	iv
Balsam Lake Lands		2,643,546		605,000	v
Duratech Loan		500,000		-	iv
OKKO Communities		300,000		-	vi
Business Edge Investment		157,375		-	iv
Calgary Condo		101,985		-	vii
Other Investments		83,137		-	iv
	$	39,801,302	$	605,000	

i. The Priddis Lands have been foreclosed upon by the first secured mortgage holder, Saddle Springs with no recovery to 133;

ii. The Calmar Lands have been listed for sale in cooperation with the first secured mortgagee. Based on the various debts secured against the Calmar Lands, it is not likely that 133 will have any recovery on the sale of the Calmar Lands other than for a portion of the administrative costs in relation to these CCAA proceedings;

iii. The Priest Lake JV has been liquidated under a Chapter 11 bankruptcy proceeding in the United States and no recoveries from this investment are anticipated;

iv. The Monitor is continuing to assess the recoverability of these investments and loans, however, is currently estimated the recovery at $NIL;

v. The Balsam Lake Land is in the process of being sold during the CCAA proceedings for $605,000. Further details can be found in the Eighth Report of the Monitor dated 29 August 2013; and

vi. The Calgary Condo Deposit was an amount paid as a non-refundable deposit in relation to a purchase agreement that was never completed by 133;

g) Operating and administration costs include the following:

i. $2.0 million in business expenses, including salaries and wages, insurance, utilities, advertising, taxes, maintenance, bank fees and accounting/audit fees; and

ii. $338,000 in legal costs and other expenses;

h) These payments totalling $260,000 were primarily to Mr. Aitkens, Lucille Aitkens, Ken Aitkens, Steven Aitkens, Lisa Abernathy, and Ryan Abernathy;

i) An override commission was also paid to Roy Beyer, a consultant to various entities within the Harvest Group, on certain of the real estate transactions in addition to the sales commissions being paid by the OM Companies; and

j) The Monitor has requested supporting documentation from Mr. Aitkens to determine the nature of these receipts and disbursements but to date has not received sufficient information and documentation to provide a meaningful analysis. Unclassified sources and uses represent less than 1% of the aggregate cash flows.

HCMI SOURCES AND USES OF FUNDS

38. The Monitor has prepared an analysis of the sources and uses of funds of HCMI from its inception.

39. The Monitor's SUF analysis is as follows:

Harvest Capital Management Inc. Sources and Uses of Funds ($Cdn, Unaudited)		Total	Notes
Intercompany Advances	$	7,571,436	a
External Loans		1,675,000	b
Sale of Land and Buildings		2,554,810	c
Interest income		118,733	d
Management Fees		3,232,847	e
Directors/Relatives Payments		743,148	f
Miscellaneous Revenue		9,451,520	g
Unclassified Receipts		444,431	h
Total Cash Inflows	$	25,791,924	
Intercompany Advances	$	7,232,174	a
External Loans and Interest Costs		402,053	b
Other Asset Purchases		5,851,168	i
Operating and Administration Expenses		6,248,864	j
Commissions Paid		4,962,586	k
Unclassified Outflows		1,077,926	h
Total Cash Outflows	$	25,774,771	
Net Cash Inflows/(Outflows)	$	17,153	

40. The following were the significant receipts and disbursements of HCMI:

a) HCMI received approximately $300,000 net receipts from related parties as follows:

Harvest Capital Management Inc. **Intercompany Advances**			
Counterparty	**HCMI Received**	**HCMI Disbursed**	**Net Cash Flow**
125	$ 3,980,368	$ (2,584,613)	$ 1,395,754
127	-	(1,500,025)	(1,500,025)
133	653,126	(920,220)	(267,094)
135	12,000	-	12,000
137	65,000	-	65,000
Airdrie	-	(295,000)	(295,000)
FCC	350,687	(29,500)	321,187
FM3	-	(300,000)	(300,000)
Harvest Capital Pool	86,771	(38,860)	47,911
Harvest Financial	145,000	(92,130)	52,870
HGLP	161,247	(10,000)	151,247
Harbour View	630,000	-	630,000
Legacy	1,087,238	(1,043,826)	43,412
Rocky View	-	(18,000)	(18,000)
WSV	400,000	(400,000)	-
	$ 7,571,436	$ (7,232,174)	339,261

b) HCMI received external financing totalling $1.7 million which was comprised of new mortgages to fund purchases, and mortgages assumed on purchased lands. Approximately $402,000 of principal and interest was paid against this amount as follows:

Harvest Capital Management Inc. **External Loans**				
Counterparty	**Loan Proceeds**	**Loan Payments**	**Net**	**Notes**
Teressa Moore Loan	$ 1,500,000	$ (303,890)	$ 1,196,110	i
RBC Mortgage	175,000	(98,163)	76,837	ii
	$ 1,675,000	$ (402,053)	$ 1,272,947	

i. Teressa Moore, a former Harvest employee, advanced $1.5 million to HCMI, which was then immediately transferred to fund the initial deposit on the Rocky View lands on behalf of 127. No security was granted by HCMI for this loan;

ii. The RBC Mortgage was secured against the Lethbridge Office. This mortgage has since been repaid in full with the proceeds from the sale of the Lethbridge office;

c) Sale of land and buildings relates primarily to the disposition of the Luxury Villas/Royal Oak Investment in Calgary, Alberta;

d) Interest income relates to income earned on Redev investments;

e) Management Fees includes management fees of $3.2 million received primarily from FROG;

f) Director and relative payments includes net $743,000 received from Mr. Aitkens and members of the Aitkens family or their personal companies;

g) HCMI earned significant commissions and marketing income for its role in promoting outside investments through Redev Properties, a third party real estate investment company. Commissions and marketing reimbursements totaled $9.4 million. HCMI in turn made commission payments to sales agents for $5.0 million;

h) The Monitor has requested supporting documentation from Mr. Aitkens to determine the nature of these receipts and disbursements but to date has not received sufficient information and documentation to provide a meaningful analysis. Unclassified sources and uses represent less than 3% of the aggregate cash flows;

i) Other asset purchases, investments and loans consisted of:

Harvest Capital Management Inc.
Other Asset Purchases

Asset/Investment		Investment		Estimated Net Recovery	Notes
Okko Communities Loan	$	2,327,368		Unknown	i
Luxury Villas / Royal Oak Investment		1,823,842		-	ii
Bearspaw Investment		703,854		-	iii
Miscellaneous Investments		471,917		-	iii
Lethbridge Office		242,892		475,000	iv
Eclipse Aviation Investment		161,272		-	iii
Lethbridge House		105,024		-	iii
RES Motors Investment		15,000		-	iii
	$	5,851,168	$	475,000	

i. HCMI loaned Okko Communities Ltd. "(Okko") approximately $2.3 million in relation to the purchase of lands in Kimberly, British Columbia now held in FM3. The Monitor understands that this is a valid loan recognized by Okko, however, the expected recovery is not known at this time;

ii. The Luxury Villas/Royal Oak investment was a set of houses in North West Calgary. As noted above, all of these houses have been sold for a total recovery of approximately $2.5 million prior to the CCAA proceedings;

iii. The Monitor is continuing to assess the recoverability of these investments and loans, however has estimated the recovery at $NIL; and

iv. The Lethbridge Office was sold during the CCAA proceedings for $475,000. Further details can be found in the Sixth Report of the Monitor dated April 3, 2013;

j) Operating and administration costs include the following:

i. $4.2 million in business expenses, including salaries and wages, insurance, utilities, advertising, taxes, maintenance, bank fees and accounting/audit fees;

ii. $1.7 million in administration expenses on behalf of HGLP;

iii. $90,000 interest paid on FM1 and FM2 mortgages;

iv. $82,000 in legal costs; and

v. $176,000 in rent expense and other expenses; and

k) Commissions and bonuses were paid to employees in addition to the sales commissions being paid by the OM Companies.

137 SOURCES AND USES OF FUNDS

41. The Monitor has prepared an analysis of the sources and uses of funds of 137 from its inception.

42. The Monitor's SUF analysis is as follows:

1379599 AB Ltd. **Sources and Uses of Funds** **($Cdn, Unaudited)**			
		Total	**Notes**
Intercompany Advances	$	5,274,705	a
External Loans		1,631,000	b
Sale of Land and Buildings		23,741,776	c
Miscellaneous Revenue		1,625,000	d
Unclassified Receipts		41,000	e
Total Cash Inflows	$	32,313,480	
Intercompany Advances	$	11,202,724	a
External Loans and Interest Costs		68,165	b
Land and Building Purchases		15,544,748	c
Land Development Costs		277,178	f
Other Asset Purchases		2,676,360	g
Operating and Administration Expenses		88,843	h
Payments to Directors / Relatives		75,007	i
Commissions Paid		794,731	j
Management Fees		21,000	
Unclassified Outflows		1,558,519	e
Total Cash Outflows	$	32,307,273	
Net Cash Inflows/(Outflows)	$	6,207	

43. The following were the significant receipts and disbursements of 137:

a) 137 disbursed approximately $5.9 million net of receipts to companies within the Harvest Group as follows:

1379599 Alberta Ltd. Intercompany Advances			
Counterparty	**137 Receives**	**137 Disburses**	**Net Cash Flow**
121	$ -	$ (28,000)	(28,000)
125	-	(1,267,200)	(1,267,200)
133	1,381,000	(4,488,895)	(3,107,895)
135	-	(1,000,000)	(1,000,000)
Airdrie	-	(1,600)	(1,600)
Benchmark	-	(625,100)	(625,100)
FCC	-	(539,000)	(539,000)
FM1	-	(1,032,416)	(1,032,416)
FM2	-	(762,166)	(762,166)
HCMI	-	(65,000)	(65,000)
HGGP	252,128	(475,792)	(223,664)
HVL	-	(200)	(200)
Foundation Homes	-	(247,510)	(247,510)
Spruce Ridge	-	(169,845)	(169,845)
Stoney View	3,641,577	(500,000)	3,141,577
	$ 5,274,705	$ (11,202,724)	(5,928,019)

b) External loan receipts were from Wayne Chiu in the amount of $1.6 million. Loan disbursements were to Res Motors and Type Three Management totalling $68,000;

c) A portion of 137's receipts and disbursements relates to the purchase of the Stoney View property as follows:

1379599 Alberta Ltd. Land and Building Purchases			
Land	**Purchase**	**Sale**	**Lift**
Stoney View	$ (15,544,748)	$ 23,741,776	$ 8,197,027
	$ (15,544,748)	$ 23,741,776	$ 8,197,027

d) Miscellaneous revenue is comprised of the sale of the NEO Investment;

e) The Monitor has requested supporting documentation from Mr. Aitkens to determine the nature of these receipts and disbursements but to date has not received sufficient information and documentation to provide a meaningful analysis. Unclassified sources and uses represent less than 3% of the aggregate cash flows;

f) Land Development costs are made up of architecture, planning, third party management, contractors. These fees have not been traced to any specific project;

g) Other asset purchases and investments consisted of:

1379599 Alberta Ltd. Other Asset Purchases				
Asset/Investment		**Amount**	**Estimated Net Recovery**	**Notes**
OKKO Communities	$	900,000	Unknown	i
NEO Exploration Investment		875,000	-	ii
Business Edge Media Investment		341,250	-	ii
Planet Panels Investment		230,000	-	ii
Ennovative Homes Investment		147,939	-	ii
eGreen Corporation Investment		138,000	-	ii
Bearspaw Investment		28,025	-	ii
RES Motors Investment		16,146	-	ii
	$	2,676,360	$ -	

v. 137 loaned Okko Communities Ltd. "(Okko") approximately $900,000 in relation to the purchase of lands in Kimberly, British Columbia now held in FM3. The Monitor understands that this is a valid loan recognized by Okko, however, the expected recovery is not known at this time;

i. The Monitor is continuing to assess the recoverability of these investments and loans, however, the it is currently estimating the recovery at $NIL;

h) Operating and administration costs totalled $89,000 and include legal and accounting fees;

i) These payments of $75,000 were to Mr. Aitkens; and

j) An override commission was also paid to Roy Beyer, a consultant to various entities within the Harvest Group, on certain of the real estate transactions..

127 SOURCES AND USES OF FUNDS

44. The Monitor has prepared an analysis of the sources and uses of funds of 127 from its inception.

45. The Monitor's SUF analysis is as follows:

1277169 AB Ltd. **Sources and Uses of Funds** **($Cdn, Unaudited)**			
		Total	**Notes**
Intercompany Advances	$	3,500,025	a
External Loans		5,010,000	b
Sale of Land and Buildings		15,675,000	c
Interest income		21,265	
Unclassified Receipts		1,103,780	d
Total Cash Inflows	$	25,310,070	
Intercompany Advances	$	9,853,107	a
External Loans and Interest Costs		4,974,863	b
Land and Building Purchases		6,007,256	c
Operating and Administration Expenses		293,329	e
Investor Distributions		4,151,791	f
Unclassified Outflows		30,314	d
Total Cash Outflows	$	25,310,660	
Net Cash Inflows/(Outflows)	$	(590)	

46. The following were the significant receipts and disbursements of 127:

a) 127 disbursed approximately $6.4 million net of receipts to companies within the Harvest Group as follows:

1277169 Alberta Ltd. **Intercompany Advances**						
Counterparty		**127 Receives**		**127 Disburses**		**Net Cash Flow**
123	$	-	$	(3,500,000)	$	(3,500,000)
125		1,500,000		(3,228,107)		(1,728,107)
133		500,000		(3,125,000)		(2,625,000)
HCMI		1,500,025		-		1,500,025
	$	3,500,025	$	(9,853,107)	$	(6,353,082)

b) 127 received external financing totalling $5.0 million which was comprised of a vendor take back mortgage on lands it purchased and a loan from one of the Company's owners, Wayne Chiu as follows:

1277169 Alberta Ltd. **External Loans**							
Counterparty		**Loan Proceeds**		**Loan Payments**		**Net**	**Notes**
Horwood Mortgage	$	3,500,000	$	(3,464,863)	$	35,137	i
Wayne Chiu		1,510,000		(1,510,000)		-	ii
	$	5,010,000	$	(4,974,863)	$	35,137	

i. As the Vendor has discharged this mortgage, it is assumed to have been repaid in full; and

ii. Repayments of the Wayne Chiu loan;

c) A portion of 127's receipts and disbursements relates to the purchase of the Rocky View property as follows:

1277169 Alberta Ltd. **External Loans**						
Land		**Purchase**		**Sale**		**Lift**
Rocky View	$	(6,007,256)	$	15,675,000	$	9,667,744
	$	(6,007,256)	$	15,675,000	$	9,667,744

d) The Monitor has requested supporting documentation from Mr. Aitkens to determine the nature of these receipts and disbursements but to date has not received sufficient information and documentation to provide a meaningful analysis. Unclassified sources and uses represent less than 3% of the aggregate cash flows;

e) Operating and administration costs relate primarily to commissions paid; and

f) Investor distributions represent the amount paid to Wayne Chiu for his share of the profit earned on the sale of the Rocky View land.

Dated at Calgary, this 30th day of August, 2013.

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

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

Cassie Riglin, CA
Manager