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JUDICIAL CENTRE
OF CALGARY

COURT FILE NUMBER	1101-17318
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 LEGACY COMMUNITIES INC., AIRDRIE CAPITAL CORPORATION, AIRDRIE COUNTRY ESTATES INC., RAILSIDE CAPITAL INC., RAILSIDE INDUSTRIAL PARK INC., FOUNDATION PLACE CAPITAL INC. and FOUNDATION PLACE INC.
DOCUMENT	**ELEVENTH REPORT OF THE MONITOR** **SEPTEMBER 28, 2012**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**MONITOR** Ernst & Young Inc. 1000, 440 - 2nd Avenue SW Calgary, Alberta T2P 5E9 Attention: Neil Narfason / 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

TABLE OF CONTENTS OF THE ELEVENTH REPORT

INTRODUCTION

1. On December 21, 2011, Legacy Communities Inc. ("Legacy") and Airdrie Capital Corporation and Airdrie Country Estates Inc. (collectively "Airdrie") 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. was appointed monitor of Legacy and Airdrie (the "Monitor").

3. Legacy and Airdrie are sometimes collectively referred to as the "Companies" or the "Debtors".

4. On January 19, 2012 this Honourable Court granted an Order creating an Unsecured Creditors Committee ("UCC") in these proceedings.

5. On May 12, 2012 this Honourable Court granted an Order expanding the Monitor's powers as "co-manager" of the Companies. This Eleventh Report is prepared by Ernst and Young Inc. in its capacity as Monitor and co-manager of the Companies.

6. On June 7, 2012 this Honourable Court granted an Order authorizing each of Legacy and Airdrie to convene a meeting of their respective Creditors (the "Creditors' Meetings") for the purposes of considering and if appropriate, approving the plans of compromise and arrangement for each of Legacy and Airdrie (the "Plans").

7. The Creditors' Meetings were held on June 28, 2012 and at those meetings, the Creditors of the Companies voted overwhelmingly in favour of the Plans, with approximately 95% of Legacy Creditors and 96% of Airdrie Creditors approving the Plans.

8. On July 5, 2012, this Honourable Court granted Orders sanctioning the Plans (the "Sanction Orders") approved by the Creditors of each of Legacy and Airdrie.

9. The purpose of this eleventh report (the "Eleventh Report") of the Monitor is to provide this Honourable Court with:

   a) An update on the restructuring efforts for Legacy and Airdrie; and

   b) The Debtors' request for an extension of the Stay Period; and

   c) The Monitor's recommendation.

10. Capitalized terms not defined in this Eleventh Report are as defined in the Initial Orders.

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

BACKGROUND

12. Background for the Debtors 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

13. In preparing this Eleventh Report, the Monitor has relied upon unaudited financial information, company records and discussions with management of the Company. The Monitor has not performed an audit, review or other verification of such information.

RESTRUCTURING EFFORTS

14. Pursuant to the Sanction Orders, the Plans were both given final Court approval and authorization to move towards plan implementation ("Plan Implementation").

15. The initial delay in Plan Implementation was securing exit financing for both Legacy and Airdrie to repay the DIP Financing, Administration Charges and provide both Legacy and Airdrie with sufficient operating capital for a period of six months with two options to extend a further six months each.

16. The Monitor and co-manager has, together with the Companies, executed and obtained the requisite exit financing to allow Legacy and Airdrie to implement the Plans and exit from these CCAA proceedings.

17. The Companies require a short stay extension to complete the final stages of Plan Implementation, including but not limited to the distribution of the Replacement Bonds and the conversion of certain existing bonds to new shares, as more particularly described in the Plans.

18. No cash flow statements have been provided with this Eleventh Report as there are no anticipated cash requirements for either of the Companies during the short proposed stay extension period.

THE COMPANIES' REQUEST FOR AN EXTENSION OF THE STAY PERIOD

19. Pursuant to the Order of this Honourable Court dated August 24, 2012 the Stay Period for Legacy and Airdrie expires on September 28, 2012.

20. Legacy and Airdrie are seeking an extension of the Stay Period up to and including October 12, 2012 (the "Legacy and Airdrie Stay Extension").

21. The Legacy and Airdrie Stay Extension is necessary to allow Legacy and Airdrie complete Plan Implementation.

22. In the Monitor's view, Legacy and Airdrie are acting in good faith and with due diligence.

MONITOR'S RECOMMENDATION

23. The Monitor recommends that this Honourable Court approve the Legacy and Airdrie Stay Extension.

Dated at Calgary, this 28th day of September, 2012.

ERNST & YOUNG INC.
in its capacity as
Monitor and Co-Manager of Legacy and Airdrie

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