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 RAILSIDE CAPITAL INC., RAILSIDE INDUSTRIAL PARK INC., FOUNDATION PLACE CAPITAL INC. and FOUNDATION PLACE INC.
DOCUMENT	**TWENTY-FIRST REPORT OF THE MONITOR** **JANUARY 22, 2014**
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 / Nick J.B. Purich Telephone: 403-206-5067 / (403) 206-5170 Fax: 403-206-5075 Email: Neil.Narfason@ca.ey.com Nick.JB.Purich@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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APPENDIX TO THE TWENTY-FIRST REPORT

INTRODUCTION

1. On December 21, 2011, Legacy Communities Inc. ("Legacy") and Airdrie Capital Corporation ("ACC") 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. On March 21, 2012, under these same proceedings, Railside Capital Inc. and Railside Industrial Park Inc. (collectively "Railside") and Foundation Place Capital Inc. ("Foundation Place Capital") and Foundation Place Inc. (Foundation Place Capital and Foundation Place Inc. are sometimes collectively referred to herein as "Foundation Place") were granted an Order (the "Railside & Foundation Place Order") by this Honourable Court granting them protection from their creditors pursuant the CCAA.

4. Legacy, Airdrie, Railside and Foundation Place are sometimes collectively referred to as the "Companies" or the "Debtors".

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

6. On May 12, 2012 this Honourable Court granted an Order expanding the Monitor's powers as "co-manager" of the Companies (the "Co-Manager") and as such, the Monitor prepares this report in its capacity as Monitor and Co-Manager of the Companies.

7. On July 5, 2012, this Honourable Court granted Orders sanctioning the respective plans of compromise and arrangement (the "Legacy and Airdrie Plans") presented to the creditors of each of Legacy and Airdrie and approved by an overwhelming majority of those creditors. The Legacy and Airdrie Plans have been implemented and

pursuant to the terms of the Legacy and Airdrie Plans, the interim board of directors have been appointed.

8. On December 21, 2012, this Honourable Court granted Orders (the "Railside Sanction Order") sanctioning the Railside plan of compromise and arrangement (the "Railside Plan") presented to the creditors of Railside and approved by an overwhelming majority of those creditors. The Railside Plan has yet to be implemented.

9. The purpose of this twenty-first report (the "Twenty-First Report") of the Monitor is to provide this Honourable Court with:

   a) A Railside update;

   b) The forecast to actual Railside cash flow results for the period of October 1, 2013 to January 15, 2014 (the "Reporting Period");

   c) The Railside Forecast (the "Railside Forecast") from January 15, 2014 to April 30, 2014 (the "Forecast Period");

   d) Railside's request for an extension of the Stay Period; and

   e) The Monitor's recommendation.

10. Capitalized terms not defined in this Twenty-First 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 Twenty-First Report, the Monitor has relied upon unaudited financial information, company records and discussions with former management of the Company. The Monitor has not performed an audit, review or other verification of such information. An examination of the financial forecast as outlined in the Canadian Institute of Chartered Accountants Handbook has not been performed. Future orientated financial information relied upon in this report is based on management's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

RAILSIDE RESTRUCTURING UPDATE

14. In order to implement the 2012 Railside Plan in accordance with the Railside Sanction Order and exit the CCAA proceedings, Railside needs to arrange the necessary financing ("Exit Financing") of between $1.2 and $1.5 million.

15. The Exit Financing is required to:

    a) Repay the current interim financing of $870,000

    b) Settle the accrued but unpaid professional fees, property taxes and other operating costs; and

    c) Provide Railside with approximately $200,000 of working capital to advance the development of the project.

The Monitor has identified two potential sources of Exit Financing.

Land Sale

16. The Railside Lands consist of two quarter sections of land. The Co-manager, with the assistance of a professional engineering and planning firm, has continued to pursue the subdivision of one of the two quarter sections into two parcels of approximately 80 acres each (the "Railside Parcels"), market and sell one, and possibly two, of the

Railside Parcels, and use the proceeds from the sale to repay the outstanding exit financing and the remaining professional fees.

17. The application for subdivision of the Railside Parcels was heard by the County of Wetaskiwin on January 9, 2014. The application was approved subject to certain routine conditions which allows the Co-Manager to continue with its plan to market the Railside Parcels.

18. The Railside Parcels have been listed for sale with two well reputed commercial real estate brokerages (the "Listing Agents") for approximately three months. The Listing Agents have informed the Co-Manager that little interest has been expressed in the Railside Parcels to date.

New Financing

19. The Co-Manager met with the Railside proposed interim directors (the "Interim Directors") on December 18, 2013 at which point the Interim Directors expressed interest in attempting to raise the required Exit Financing from the Railside investors (the "Investor Financing").

20. To evaluate the level of investor interest in the Investor Financing, the Monitor issued an update letter (the "Update Letter") to Railside Investors on January 16, 2014. The Update Letter provided information on the Railside restructuring efforts and requested that interested investors reply with quantum of Investor Financing they would individually be willing to contribute.

21. Once investor replies have been received, the Co-Manager will determine how to proceed with the Exit Financing based on the level of interest in the New Financing.

22. The Co-manager expects that it will likely take many months to complete a sale of one or both parcels or to complete the New Financing and, as such, the implementation of the Railside Plan will likely occur in mid to late 2014.

FORECAST TO ACTUAL RESULTS

23. The cash flow forecast to actual presented at Appendix A contains Railside's cash receipts and disbursements incurred to date for Reporting Period as compared to the cash flow forecasts previously provided to this Court. A summary is as follows:

Railside Industrial Park Inc. and Railside Capital Inc.
Cash Flow Forecast to Actual
October 1, 2013 - January 15, 2014

	Forecast	Actual	Variance	Notes
Receipts	-	25,897	25,897	a
Disbursements	12,000	5,350	(6,650)	b
Net Cash Flows	$ (12,000)	$ 20,547	$ 32,547	

24. The cash flow variances for the Reporting Period were as follows:

    a) Cash receipts for the Reporting Period consisted primarily of a GST refund which had not been anticipated in the cash flow forecast; and

    b) Cash disbursements were lower than forecast as a result of certain operating costs incurred not being paid in the Reporting Period.

25. Operating costs have been minimized, with primarily professional fees and property taxes accruing. Professional fees continue to rely on the Administrative Charge.

CASH FLOW FORECASTS

26. The Co-Manager of Railside has prepared the Railside Forecast. The Forecast is based on the most current information available.

27. The table below summarizes the cash flows for Railside for the Railside Forecast Period:

Railside Industrial Park Inc. and Railside Capital Inc.
Cash Flow Forecast
January 15, 2014 - April 30, 2014

		Forecast	Notes
Receipts			
Interest	$	140	
Total Receipts		140	
Disbursements			
Consulting Fees	$	10,000	a
Property Taxes		-	b
Operating Expenses		4,000	c
Professional Fees		-	d
Total Disbursements		14,000	
Net Cash Flows	$	(13,860)	
Opening Cash	$	57,307	
Net Cash Flows		(13,860)	
Ending Cash	$	43,447	

28. As summarized above, Railside is projecting no significant receipts during the Forecast Period. The accrued and unpaid professional fees are beneficiaries of the Administrative Charge, and all beneficiaries have agreed to extend the time for payment until Exit Financing is secured or part of the Railside lands are sold.

29. Significant assumptions with respect to the Railside Forecast are:

a) Certain fees and costs of project manager have been incurred in relation to the subdivision of the Railside Parcels and are expected to be paid during the Forecast Period;

b) Current year property taxes have not been paid due to lack of financial resources;

c) Certain investor relations costs are anticipated as a result of the Update Letter and the proposed Investor Financing; and

d) Professional fees of the Monitor and its legal counsel and the Company's legal counsel are offset by the Administrative Charge.

30. The Monitor considers the assumptions supporting the Forecast to be reasonable.

RAILSIDE'S REQUEST FOR AN EXTENSION OF THE STAY PERIOD

31. Pursuant to the Orders of this Honourable Court dated September 30, 2013 the Stay Period expires on January 31, 2014 for Railside. Railside is seeking an extension of the Stay Period up to and including April 30, 2014 (the "Stay Extension").

32. The Stay Extension is necessary to allow for Railside to determine the level of investor interest in an Investor Financing and to continue listing for sale certain of the Railside lands.

33. In the Monitor's view, Railside is acting in good faith and with due diligence and the extension of the stay of proceedings is warranted.

MONITOR'S RECOMMENDATION

34. The Monitor recommends that that this Honourable Court approves the Railside Stay Extension.

Dated at Calgary, this 22nd day of January, 2014.

ERNST & YOUNG INC.
in its capacity as Monitor and Co-Manager
of Railside and Foundation Place

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

Nick J. B. Purich, CA
Senior

Appendix A

Railside Industrial Park Inc. and Railside Capital Inc.
Cash Flow Forecast to Actual
October 1, 2013 - January 15, 2014

	Forecast	Actual	Variance	Notes
Receipts				
GST Refund	$ -	$ 25,826	$ 25,826	a
Interest	-	71	71	
Total Receipts	-	25,897	25,897	
Disbursements				
Consulting Fees	$ 10,000	$ 1,512	$ (8,488)	b
Property Taxes	-	-	-	
Operating Expenses	1,000	151	(849)	b
Development Costs	1,000	-	(1,000)	b
Professional Fees	-	3,687	3,687	c
Total Disbursements	12,000	5,350	(6,650)	
Net Cash Flows	$ (12,000)	$ 20,547	$ 32,547	
Opening Cash	$ 36,760	$ 36,760		
Net Cash Flows	(12,000)	20,547		
Ending Cash	$ 24,760	$ 57,307		

Notes:

a The forecast did not contemplate Railside receiving a GST refund in the Reporting Period

b Consulting and other costs incurred during the Reporting Period have not yet been paid

c Minimal professional fees were paid during the Reporting Period and those professional fees incurred remain beneficiaries of the Administration Charge.