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-FIFTH REPORT OF THE MONITOR** **APRIL 8, 2014**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**<u>MONITOR</u>** 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 **<u>COUNSEL</u>** 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 TWENTY-FIFTH REPORT

BACKGROUND 4

TERMS OF REFERENCE 5

FOUNDATION PLACE PLAN 5

MONITOR'S ANALYSIS OF THE PLAN 11

DIRECTORS SOLICITATION PROCESS 13

MONITOR'S RECOMMENDATIONS 14

APPENDICIES TO THE TWENTY-FIFTH REPORT

FOUNDATION PLACE PLAN	**APPENDIX A**
NOTICE OF MEETING	**APPENDIX B**
PROXY FORM	**APPENDIX C**
DIRECTORS' SOLICITATION PROCESS	**APPENDIX D**

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. ("FPC") 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-fifth report (the "Twenty-Fifth Report") of the Monitor is to provide this Honourable Court with:

   a) the plan of arrangement and compromise (the "Plan") filed in these CCAA Proceedings by FPC;

   b) the Monitor's analysis of the Plan;

   c) the process for appointing interim directors ("Interim Directors") for FPC (the "Directors Solicitation Process"); and

   d) the Monitor's recommendations.

10. Capitalized terms not defined in this Twenty-Fifth Report are as defined in the Initial Order and the Plan.

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-Fifth 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.

FOUNDATION PLACE PLAN

Overview

14. A copy of FPC Plan is attached to this Twenty-Fifth Report as Appendix A.

15. The purpose of the Plan is to restructure FPC's debt and allow it time and financing, to the extent necessary, to enable it to hold the FP Lands (as defined in the Plan) and advance their development over a period of up to five years following the implementation of the Plan with a view to maximizing creditors' recovery from the anticipated appreciation in value of the FP Lands derived from the rezoning and potential development of the FP Lands.

16. There will also be a reorganization of the corporate structure of Foundation Place such that the creditors of FPC (the "Creditors"), consisting primarily of the Foundation Place bondholders, will become the only shareholders and will be entitled to exercise the normal rights of shareholders in electing directors of FPC and to vote on matters of corporate significance.

17. The Monitor understands that under the Plan and upon implementation of the Plan, the following would occur:

    a) The Creditors will become the only shareholders of the restructured FPC;

    b) FPC will have a board of Interim Directors installed, nominated by and from amongst the Creditors;

c) The Creditors will be issued new bonds ("New Bonds") (non-interest bearing with a maturity of May 31, 2019and new shares ("New Shares") of FPC;

d) The value of the New Bonds and New Shares will total the value of the Proven Claims (defined below);

e) A trust indenture will be put in place to govern the collective rights of the bondholders;

f) FPC will foreclose on the mortgage it holds over the FP Lands causing FPC to become the 100% owner of the FP Lands;

g) Certain management services, including accounting, investor relations and control of funds, will be provided by Simmons Financial Holdings Ltd. ("Simmons") in accordance with the Simmons Management Agreement (as defined in the Plan); and

h) Recognition of any gains or losses for tax purposes will be deferred, to the extent legally possible, until the sale of the FP Lands.

18. The Monitor has been advised by FPC's counsel that it is expected that the New Bonds and New Shares will be RRSP eligible although the Monitor has not undertaken independent review in this regard.

Claims of Creditors

19. The Plan will effect a compromise and arrangement of claims of the creditors of FPC ("Claims"). Claims as defined in the Plan include creditors with Proven Claims and Disputed Claims (both as defined and described below) and exclude Unaffected Claims (as defined below).

20. Claims will be determined in accordance with the order granted by this Honourable Court on July 5, 2012 (the "Claims Process Order").

21. Proven claims ("Proven Claims") comprise claims finally determined or accepted for voting purposes in accordance with the Claims Process Order. Proven Claims include the claims of bondholders.

22. Disputed claims ("Disputed Claims") comprise claims that are not allowed or otherwise settled in accordance with the Claims Process Order. The Monitor is not aware of any Disputed Claims at this time.

Claims Process Update

23. Below is a breakdown of the Proven Claims which will be considered the Proven Claims eligible to vote at the Creditors' Meeting. Claims proven in accordance with the Claims Process Order will also be considered eligible to vote at the Creditors' Meeting.

	Foundation Place
Bondholder Claims	$ 10,777,580
Third Party Claims	403,390
	$ 11,180,970

24. Creditors should review the listing of Claims on the Monitor's website, and if any changes are required to the mailing addresses the Creditors should notify the Monitor immediately.

Unaffected Claims

25. Unaffected claims (the "Unaffected Creditors") include:

a) amounts secured by the Administration Charge;

b) post Filing Claims (i.e. claims that arose after the Initial Order);

c) certain Claims of the Crown (as described in the Plan);

d) claims relating to municipal real property taxes and public utilities;

e) claims in respect of and licenses, franchises, consents, approvals, variances, exemptions, and other authorization issued by or from and Government Authority;

f) that portion of a Claim arising from a cause of action for which FPC is covered by insurance, but only to the extent of such insurance coverage; and

g) the amounts payable under the Mylonas and Landstar Settlement, defined below at paragraph 41.

Classes

26. The Plan contemplates a single class of Creditors.

The Proposed Creditors' Meeting Order

27. FPC is seeking Court approval of a proposed Creditors' Meeting Order (the "CMO"). The CMO proposes, *inter alia*:

a) The Creditors' Meeting shall be held on May 6, 2014 at Centennial Place West Tower, 250-5th Avenue SW Calgary AB, 3rd Floor, at 9:30 AM (MST);

b) The Monitor shall act as the Chair of the Creditors' Meeting, and shall decide all matters relating to the conduct of the Creditors' Meeting;

c) The Monitor shall send, by April 16, 2014, to all Creditors who are eligible to vote at the Creditors' Meeting, the following documents:

   i. a notice of meeting (attached to this Twenty-Fifth Report as Appendix B);

   ii. a proxy form (attached to this Twenty-Fifth Report as Appendix C);

iii. a copy of the Director's Solicitation Process (defined and discussed below and attached to this Twenty-Fifth Report as Appendix D); and

iv. a copy of the FPC Information Circular dated April 14, 2014;

(collectively forming the "Meeting Materials"); and

d) On or before April 16, 2014 the Monitor shall post on its website, at www.ey.com/ca/foundationgroup, the Meeting Materials, the Plan, this Twenty-Fifth Report, and the CMO.

28. In the event the Plan is approved by the Required Majority of the Creditors, FPC will bring a motion to this Court seeking an order sanctioning its Plan (the "Final Sanction Order").

Distributions under the Plan

29. The Plan contemplates that the Unaffected Creditors will be paid out of the cash held by the Companies.

30. A statement of holding for the New Bonds and New Shares will be mailed to the Creditors at their last known address, and for RRSP investors the address of the trustee for the registered plan (Olympia Trust Company) as soon as reasonably practicable after plan implementation. If a distribution is unclaimed, the Creditor's Proven Claims will be discharged and forever barred if the distribution is unclaimed for one year after plan implementation.

Voting

31. The only persons entitled to vote on the Plan are Creditors with a Proven Claims. Disputed Claims will become Proven Claims to the extent they are proven or allowed before the Creditors' Meeting.

32. Creditors with Disputed Claims as at that date are able to vote only the portion of the Claim that has been accepted for voting purposes. Creditors with Disputed Claims

shall have their voting intentions with respect to the disputed amounts recorded by the Monitor and reported to the Court.

33. Each Creditor having a Proven Claim shall be entitled to attend and vote at the Creditors' Meeting. For the purposes of calculating the majority component of the Required Majority (as defined in the Plan) each Creditor who actually votes (in person or by proxy) shall be entitled to one vote. For purposes of calculating the value component of the Required Majority, each Creditor who is entitled to vote shall be entitled to one vote at the Creditors' Meeting for each $1.00 of such Creditors' Proven Claim as determined in accordance with the Claims Process Order.

Conditions Precedent to Implementation of the Plan

34. The implementation of the Plan is subject to the following conditions precedent:

a) the Monitor shall have determined that there are a sufficient number of Specified Bondholders (as defined in the Plan) for FPC to file the election to be a "public corporation" for the purposes of the *Income Tax Act*;

b) the Foreclosure Order (as defined in the Plan) shall have been obtained and registered with the appropriate Government Authority;

c) the Plan shall be approved by the Required Majority of Creditors (being 50% plus one in number voting and 66 2/3 in value voting);

d) The FP and 125 Settlement (as defined in the Twenty-Third Report) shall be executed and the Advance (as defined in the Twenty-Third Report) shall be made;

e) the Final Sanction Order shall have been granted by this Honourable Court; and

f) all applicable governmental, regulatory and judicial consents, orders and any and all filings with all governmental authorities and other regulatory authorities having jurisdiction, in each case to the effect deemed necessary or desirable by FPC shall have been obtained.

Plan Implementation

35. Based on the timing of the Creditors' Meeting, the Monitor expects that the Plan will be implemented in late May or early June, 2014, with the distribution of the statements of holdings as soon as practicable thereafter.

MONITOR'S ANALYSIS OF THE PLAN

36. The Monitor is of the view that the FPC and Foundation Place Inc. have no other viable options available to restructure other than that proposed in the Plan and that the only other alternative would be a formal liquidation either under the *Bankruptcy and Insolvency Act* or through a judicial sale of the FP Lands.

37. In the Monitor's view, a liquidation scenario would greatly reduce and adversely affect any anticipated recovery for the Creditors as compared to the expected recovery under the Plan as liquidation under the *Bankruptcy and Insolvency Act* is expected to have a lower realization than if the FP Lands were held for rezoning and potential development as contemplated under the Plan.

38. A 2012 appraisal valued the FP Lands at $1.85 million under a liquidation as-is, where-is. The Monitor is of the view that this 2012 appraisal is reflective of the fair market value today. If this value was achieved in a liquidation scenario it would represent a recovery of approximately 11.8% on the Proven Claims. The same appraisal valued the FP Lands at $3.23 million if the lands are re-zoned and developed over the next three years which represents a significantly higher return to creditors.

39. The Plan involves an investment (the "Simmons Investment") by a third-party; Simmons Financial Holdings Ltd. The Simmons Investment involves Simmons purchasing 19.9% of the new bonds and shares of Capital for $200,000. The investment is based on the liquidation value noted above of $1.85 million adjusted for

inflation of $96,000 and cash on hand of $31,000, less estimated net debt and costs to complete the CCAA proceedings of $1,166,000 which is exclusive of bondholder debt.

40. The Monitor believes the Simmons Investment is in the best interest of the current investors. Although it involves accepting an investment of 19.9% at liquidation values, it allows current investors to retain approximately 80% ownership and therefore be exposed to the potential upside described above.

41. The Plan involves a settlement of claims (the "Settlement") with a related company, 1252064 Alberta Ltd. ("125") and advance of funds (the "Advance") by 125 to Foundation Place which was approved by this Honourable Court on April 4, 2014. The Settlement and the Advance are described in detail in the Twenty-Third Report of the Monitor.

42. The Plan involves a settlement of claims (the "Mylonas and Landstar Settlement") with Mylonas Enterprises Ltd. ("Mylonas") and Landstar Teamworks Project Management Ltd. ("Landstar"). The claims of Mylonas and Landstar are described in the Nineteenth Report of the Monitor dated September 25, 2013. The Mylonas and Landstar claims were registered in priority to the FPC mortgage on the FP Lands. The Mylonas and Landstar Settlement contemplates FPC paying $350,000 to Mylonas and Landstar in full and final settlement of their claims. The Monitor believes that the Mylonas and Landstar Settlement is fair and reasonable in the circumstances.

43. A condition of the Plan is that Creditors must approve the Plan by a majority in number and two-thirds in value of the creditors present either by proxy or by person, and the Plan must be accepted and approved by the Court. If the Plan is not accepted by the Creditors, the likely result would be liquidation.

44. The Plan allows the Creditors to become the shareholders of FPC (in proportion to their Proven Claims) and the Creditors will benefit from any increase in value to the FP Lands. The Monitor considers the Plan to be fair and reasonable as the Creditors are likely to receive a greater recovery than under the alternative (i.e. formal liquidation).

45. In addition, the Monitor believes it is reasonable for the Creditors to form one class under the Plan.

46. The Monitor recommends the approval of the Foundation Place Plan.

DIRECTORS SOLICITATION PROCESS

47. The Monitor has prepared a Directors Solicitation Process in which a slate of interim directors ("Interim Directors") will be appointed for FPC at the time the Plan is implemented. A copy of the Directors Solicitation Process is attached to this report as Appendix D.

48. The Directors' Solicitation Process calls for nominations ("Nominees") to be put forth to the Monitor by no later than April 29, 2014.

49. Any individual, who is qualified at law to serve as a director, including any Creditor, can request that his or her name be put forth as a Nominee. An individual wishing to be a Nominee should submit a request to the Monitor that he or she be a Nominee, along with any information relevant to the individual's proposed appointment as a Nominee, by no later than April 29, 2014.

50. All Nominee requests should be submitted by registered mail, facsimile or email to the following address:

> Ernst & Young Inc.
> Attention: Jessica Caden
> 1000, 440 2nd Ave SW
> Calgary, AB T2P 5E9
> Email: jessica.caden@ca.ey.com
> Facsimile: 403-206-5075

51. Based on the nominations received, the Monitor will determine a slate of up to three of the Nominees as the Interim Directors for FPC. Two directors additional will be appointed by Simmons as a condition of the Simmons Investment.

52. FPC will consider the following when choosing the slate of Nominees:

a) the amount of the individual's investment in FPC in the event that the Plan is implemented in accordance with its terms;

b) any previous experience that the individual has in serving as a director or officer of a publicly traded company;

c) any previous experience that the individual has in the development of real-estate projects;

d) any relevant input received by FPC from Creditors in respect of the individual wishing to be a Nominee; and

e) any other factor that FPC considers relevant to whether an individual should be a Nominee.

53. Individuals who have previously worked as a director, officer, employee, consultant, agent (including sales agents and agents who sold securities of the Harvest Group of Companies or Foundation Group of Companies), contractor, or advisor to any entity related or affiliated with the Harvest Group of Companies or Foundation Group of Companies or any relation thereof may not be eligible to be an Interim Director and the Monitor will retain sole discretion to determine if the individual's previous relationship with the Harvest Group of Companies or Foundation Group of Companies disqualifies the individual from being eligible to be an Interim Director.

54. After selecting the slate of Interim Directors, the Monitor will inform the Creditors of the individuals selected as Interim Directors of FPC at the Creditors' Meeting. Also, the Monitor will post the names of those selected as Interim Directors on its website on or before May 1, 2014.

55. Upon implementation of the Plan, the Interim Directors would be appointed and would control FPC moving forward.

MONITOR'S RECOMMENDATIONS

56. The Monitor recommends that this Honourable Court approve:

a) the proposed CMO which effectively provides that FPC is allowed to circulate the Plan and related Meeting Materials to their Creditors for the purposes of allowing the Creditors to vote on the Plan; and

b) the Directors' Solicitation Process.

Dated at Calgary, AB, this 8th day of April, 2014.

ERNST & YOUNG INC.
in its capacity as Monitor of
Foundation Place and not in its
personal or corporate capacity

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

Nick J.B. Purich, CA
Senior

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.

PLAN OF COMPROMISE AND ARRANGEMENT

OF

FOUNDATION PLACE CAPITAL INC.

PURSUANT TO
THE COMPANIES' CREDITORS ARRANGEMENT ACT
APRIL ___, 2014

- THIS PLAN SHOULD BE READ TOGETHER WITH THE INFORMATION CIRCULAR DATED APRIL ___, 2014 PREPARED BY FOUNDATION PLACE CAPITAL INC. AND THE MONITOR'S REPORT TO CREDITORS DATED APRIL ___, 2014

- THE FOLLOWING SCHEDULES ATTACHED HERETO ARE INTEGRAL TO AND FORM PART OF THIS PLAN:

  SCHEDULE A - DEFINED TERMS AND INTERPRETATION
  SCHEDULE B - INSTRUMENT OF PROXY
  SCHEDULE C – ARTICLES OF REORGANIZATION OF FOUNDATION PLACE CAPITAL INC. ON FIRST OF PLAN IMPLEMENTATION DATES
  SCHEDULE D – ARTICLES OF REORGANIZATION OF FOUNDATION PLACE CAPITAL INC. ON SECOND OF PLAN IMPLEMENTATION DATES

The purpose of this Plan is to effect a compromise and arrangement of the Claims of all Bondholders of Foundation Place Capital Inc. ("FPC") in order to permit FPC to restructure its affairs for the benefit of all stakeholders, with a view to increasing the recovery of the Bondholders of FPC and reducing the uncertainties, risks, costs, delays and possible losses that will otherwise occur to stakeholders. FPC has concluded, and the Monitor agrees, that Bondholders of FPC will likely obtain a greater return on their Claims if the Plan is approved than if the assets of FPC were liquidated in a formal insolvency proceeding, which is the most likely outcome for FPC in the event this Plan is not approved. Bondholders should review this Plan, the information circular prepared by management of FPC, and the Monitor's Report before voting to accept or to reject this Plan.

1.1 Background

FPC and Foundation Place Inc. ("FPI") are single-purpose corporations incorporated to raise funds and to acquire and develop a parcel of land located on the south west corner of 1st Street S.E. and 17th Avenue at 133 – 17 Avenue S.E. in Calgary, Alberta ("the FP Lands"). FPC acquired the FP Lands in 2008 for a total purchase price of $4,500,000. The FP Lands are zoned C-3 pursuant to the City of Calgary land use bylaw which allows for the development of commercial office and retail space. At the time the FP Lands were purchased, the main strategy to realize the value contemplated by FPC and FPI was to develop the FP Lands, either independently or through a joint venture partner, into a 30,000 square foot, five story building with underground parking, consisting of both commercial and retail space.

In 2008, a total of $8,505,000 was raised from a total of approximately 440 investors (the "Bondholders") through the sale of FPC Bonds at a price of $100 per bond and a minimum subscription per investor of $10,000. Of the total FPC Bonds sold, a number are held in individual registered retirement savings plans ("Registered Plans"). The FPC Bonds came due for repayment to the Bondholders on March 31, 2012. Through a separate offering by FPI, Bondholders also acquired class B non-voting common shares in FPI in proportion to their bond holdings for a price of $0.10 per share, with a minimum subscription requirement of $10.00. FPC loaned a substantial portion of the funds raised from the Bondholders to FPI to assist FPI with the purchase of the FP Lands. The investment was structured such that FPI is the legal owner of the FP Lands, subject to a mortgage in the principal sum of $8,500,000 registered on the FP Lands in favour of FPC (the "FPC Mortgage"). FPC in turn, is indebted to the Bondholders on an unsecured basis.

In addition to the FPC Mortgage, there are encumbrances registered on the FP Lands by Mylonas Enterprises Ltd. ("Mylonas") and Landstar Teamworks Project Management Ltd. ("Landstar") which encumbrances rank in priority to the FPC Mortgage. FPI purchased the FP Lands from Mylonas pursuant to an agreement which contained an option (the "Option") in favour of Mylonas to purchase the main floor unit of any future building erected on the FP Lands. The encumbrance registered by Mylonas relates to the Option. Landstar's registration is in relation to a claim it has asserted for fees owing pursuant to a project management agreement which FPI had entered into with Landstar in January, 2009.

A number of factors contributed to the financial decline of FPC such that it was unable to either develop the FP Lands or repay the FPC Bonds when they came due in March, 2012. In order to have access to a formal restructuring process as well as access to funding, in March of 2012 FPI and FPC, along with Railside Capital Inc. and Railside Industrial Park Inc. sought and obtained an order of the Court of Queen's Bench of Alberta (the "Initial Order") providing them with protection from their creditors and providing FPI and FPC access to interim financing (known as DIP Financing) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "CCAA"). Ernst & Young Inc. was appointed as the Monitor of FPI and FPC in the CCAA

Proceedings. Pursuant to an order granted in the CCAA Proceedings, Ernst & Young Inc. was also appointed as the co-manager of FPI and FPC.

Since the date of the Initial Order, FPI and FPC have been working diligently with the Monitor to devise a restructuring plan which will maximize value for the benefit of the Bondholders and other stakeholders. The restructuring contemplated pursuant to this Plan involves a financial restructuring designed to (1) place ownership of FPC wholly in the hands of the Bondholders, and (2) place ownership of the FP Lands in FPC through a foreclosure. In addition, Replacement Bonds will be issued in place of the existing bonds and other debt. This will enable Bondholders to control FPC through a new board of directors. It is contemplated that FPC will extend the term of all of its outstanding debt for a period of five years, without interest or other payments to Bondholders.

Mylonas and Landstar have together asserted claims against FPI in the CCAA Claims Process in the approximate amount of $870,000. To avoid expending significant time and money on expensive and protracted litigation, FPI and FPC have with the assistance of the Monitor, worked diligently to settle the claims of Mylonas and Landstar. These claims have ultimately been settled by agreement of the parties, for a cash payment of $350,000 by FPC. The settlement with Mylonas and Landstar is conditional upon the implementation of this Plan.

FPI, which has no arms-length creditors other than FPC, Mylonas and Landstar, will not be restructured and if Bondholders and the Court approve this Plan, then on Plan implementation the FP Lands will be transferred to FPC through a foreclosure, FPC will pay out certain Unaffected Plan Closing Claims which include the settlement amounts payable to Mylonas and Landstar, and FPI will likely be dissolved.

In order to implement this Plan and maximize the value of the FP Lands, FPC requires financing to exit CCAA and meet working capital and some initial development needs. FPC also requires the necessary development expertise to determine how best to develop the FP Lands to most efficiently maximize value for the benefit of its Bondholders. FPC has identified an opportunity through Jay Simmons and Simmons Financial Holdings Ltd. ("Simmons"), arm's length parties with significant business and development experience, that would give FPC both the necessary development expertise and a substantial portion of the financing it needs to implement this Plan and maximize the value of the FP Lands. In that regard, FPC with the guidance and assistance of the Monitor, has entered into a Letter of Intent with Simmons (the "Simmons Transaction") which contemplates the following:

1. Simmons Equity Investment – Simmons will acquire an approximate 19.9% ownership in FPC for $200,000. This amount is based on the net asset value of FPC after the investment is made. In exchange for the $200,000 investment, Simmons will acquire a number of New FPC Shares and Class "A" Bonds. Simmons has already paid 50% or $100,000 of the Simmons Equity Investment as a deposit to FPC in contemplation of the transaction.

2. Simmons Bank Loan – Simmons has arranged for a bank loan to FPC from Canadian Western Bank in the amount of $800,000 (the "CWB Loan") which shall, subject to the

approval of the Plan, be secured by way of a fixed charge on the FP Lands (the "CWB Charge").

3. Use of funds – The Simmons Equity Investment and the Simmons Bank Loan, totalling $1,000,000, will be used to repay a portion of FPI's debt, which includes the settlement amounts payable to Mylonas and Landstar, the DIP Financing, the CCAA professional fees and costs, and will also be used to fund FPC's short term working capital requirements post Plan implementation (ie. the cash requirements to fund the management and administration of FPC and to maintain the FP Lands).

4. Board membership – Jay Simmons and a Simmons nominee shall be appointed among the New Directors, as defined and discussed below in this Plan.

5. Management and Administration Services – For an initial period of three years, Simmons will provide senior management services to FPC, including filling the office of President and Chief Restructuring Officer and will provide among other things, project development, accounting, administrative and investor relations services. The management contract with Simmons may be terminated at any time after two years by either FPC or Simmons upon 60 days written notice to the other party. Base compensation payable to Simmons for the management services will be $120,000 annually. Simmons will also be entitled to incentive based compensation calculated based on a formula contained in the management contract.

The Simmons Equity Financing and the Simmons Bank Loan together are insufficient to cover all of the liabilities owed by FPC and to provide sufficient working capital to FPC to operate for a one year period beyond implementation of the Plan. As a result, in addition to the Simmons Equity Financing and the Simmons Bank Loan, FPC will receive an advance in the amount of up to $225,000 (the "125 Advance") from 1252064 Alberta Ltd. ("125") which advance was negotiated pursuant to a Settlement Agreement entered into by FPC, FPI and 125 (the "125 Settlement Agreement"). The details of the 125 Settlement Agreement may be found in the Twenty-Third Report of the Monitor filed in the CCAA Proceedings on March 28, 2014. The 125 Settlement Agreement was approved by Order of Madam Justice K.M. Eidsvik dated April 4, 2014. Both the Twenty-Third Report of the Monitor and the Order of Madam Justice K.M. Eidsvik may be located on the website maintained by the Monitor in relation to these proceedings at www.ey.com/ca/foundationgroup. Pursuant to the terms of the Settlement Agreement, FPC will receive the 125 Advance upon implementation of the Plan. The 125 Advance will be repayable by FPC on the earlier of either one year from the date of the 125 Advance, or upon the payout of a promissory note (the "ASI Note") by Arlington Street Developments Inc. ("ASI") to 125 in the principal amount of $734,375, which note was assigned to FPC pursuant to the 125 Settlement Agreement. The ASI Note comes due on August 1, 2014 and it is anticipated that FPC will repay the 125 Advance from the proceeds of the ASI Note at that time. The 125 Advance will be secured in the intervening period between Plan implementation and repayment of the ASI Note against the proceeds of the ASI Note paid to FPC, against the FP Lands (subordinate to the CWB Charge) and against all present and after acquired personal property of FPC.

FPC has, in addition to securing the financing and development expertise necessary to maximize value of the FP Lands, identified a need to simplify its corporate structure, to make governance more direct and transparent and to enable management to deal with any needed changes to the terms of the Replacement Bonds to be issued pursuant to this Plan in a flexible and comprehensive way. The appointment of a board of directors of FPC consisting of Jay Simmons, a Simmons nominee and three directors to be selected by the Monitor from nominations by the Bondholders (the "New Directors"), together with other changes to FPC's corporate and debt structure and governing documents is intended to accomplish those objectives as part of this Plan.

Because a large number of Bondholders currently hold FPC bonds in Registered Plans, FPC felt it was important to ensure to the extent possible that the bonds and shares to be issued to Bondholders pursuant to this Plan would also be qualified investments for Registered Plans. In order for that to occur and to minimize the risk of adverse tax consequences the majority of Bondholders' Claims will be converted to Class "A" Bonds, but a small portion of each Bondholder's Claim will be converted to Class "B" Bonds, which will in turn be converted into New FPC Shares. The New FPC Shares will be supported by equity which will not be available for payment of the Class "A" Bonds. While the overall effect on the value available to Bondholders is neutral, this structure is expected to allow both New FPC Shares and Class "A" Bonds to be qualified investments for Registered Plans.

ARTICLE 2
PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose of the Plan

The purpose of this Plan is to restructure FPC's debt and allow it time and financing to enable it to hold the FP Lands and advance their sale or development during a period of approximately five years following the implementation of this Plan, with a view to maximizing Bondholders' recovery from the anticipated appreciation in value of the FP Lands. FPC expects, and the Monitor agrees, that approving and implementing this Plan is likely to produce a better result for all Bondholders than the next most likely alternative, which is an immediate liquidation of the assets of FPI and FPC. The Plan contemplates the compromise and arrangement of the Claims of Bondholders pursuant to the provisions of the CCAA in a manner that provides consistent and equitable treatment among the Bondholders, and that is consistent with what would reasonably occur in a normal commercial or investment context in which parties deal with one another at arm's length.

There will also be a reorganization of the corporate structure of FPC such that Bondholders, who will become the only shareholders of FPC, will be entitled to exercise the normal rights of shareholders in electing three of five directors of FPC and voting on matters of corporate significance. Accordingly, in addition to restructuring FPC's debt, this Plan is designed to produce the following effects:

(a) The only shares of FPC outstanding post-Plan would be New FPC Shares issued to Bondholders pursuant to the Plan in proportion to their Claims and to Simmons pursuant to the Simmons Equity Investment;

(b) A board of up to 5 individuals will, if this Plan is approved and implemented by FPC's Bondholders, be installed as the New Directors of FPC on plan implementation with such board to include Jay Simmons, a nominee of Jay Simmons and three board members selected by the Monitor from nominations submitted by Bondholders. All existing directors would be discharged on Plan implementation;

(c) Non-interest bearing Replacement Bonds, comprised of Class "A" Bonds and Class "B" Bonds, in the full amount of all outstanding principal and interest owed to Bondholders as of the Filing Date will be issued to Bondholders on plan implementation. The Class "B" Bonds will be immediately exchanged for New FPC Shares. The Class "A" Bonds will mature on May 31, 2019, which is intended to be at or after the anticipated time of the sale of the FP Lands.

(d) A Bond Indenture will be put in place to govern the collective rights of holders of Replacement Bonds, provide a framework for the issuance and management of the Replacement Bonds, and to create a procedure to enable any future required extensions or amendments to the terms of the Replacement Bonds. The Bond Indenture will require FPC to provide quarterly unaudited financial information and annual audited financial statements to holders of Class "A" Bonds, and a third party indenture trustee will be appointed pursuant to the Bond Indenture;

(e) The Bond Indenture will provide that the first $1.2 million (the "Excluded Asset Amount") received from payments to it from the sale of all or a portion of the FP Lands after payment of any mortgages or other secured claims against the lands, shall be paid to FPC for its own use and the benefit of its shareholders;

(f) The obligations of FPC to holders of Replacement Bonds under the Bond Indenture will be secured by the Replacement Bond Security which will:

 (i) Grant security over all of FPC's Assets, but limit recourse under the Replacement Bond Security to the Assets other than the Excluded Asset Amount;

 (ii) Be subordinate to the Exit Financing Security and to security for future financing for development of FPC's property or for other purposes which FPC considers necessary.

(g) The face value the Class "A" Bonds and the value of the New FPC Shares received by each Bondholder will equal the value of each Bondholder's Claim, rounded to the nearest dollar;

(h) Both the New FPC Shares and the Class "A" Bonds are expected to be qualified investments for Registered Plans;

(i) Commencing on the Plan Implementation Dates Simmons will provide senior management services to FPC pursuant to a management services agreement (the "Management Agreement") for a minimum period of three years which services will include, among other things, project development services, accounting, administrative and investor relations services and filling the office of President and Chief Executive Officer. Base compensation for the management and administrative services provided by Simmons shall be $120,000 annually together with incentive compensation determined in accordance with the formula set out in the Management Agreement; and

(j) Recognition of any gains or losses with respect to the FPC Bonds for tax purposes will be deferred to the extent legally possible until the sale of the FP Lands.

The Monitor will report to Bondholders and the Court regarding the Plan prior to the date Bondholders are to vote on the Plan. Bondholders wishing to review copies of Court orders and other materials filed in these proceedings, and copies of the Monitor's reports are directed to the Monitor's website in relation to these proceedings at www.ey.com/ca/foundationgroup. All Bondholders should review this Plan and the Monitor's report before voting to accept or to reject this Plan.

2.2 Persons Affected

The Plan provides for the compromise and arrangement of all Claims. If this Plan is accepted by Bondholders and approved by the Court, and the other transactions contemplated by the Plan occur, the Claims of all Bondholders will be extinguished. In substitution Bondholders will be issued Replacement Bonds, comprised of Class "A" Bonds and Class "B" Bonds, together totalling the full amount of their Claims. On the Plan Implementation Dates the Class "B" Bonds will be exchanged for and converted to New FPC Shares, with the result that all Bondholders will hold New FPC Shares in proportion to the amount of their Claims, including any Disputed Claims which become Proven Claims after the Plan Implementation Dates.

2.3 Persons Not Affected

This Plan does not compromise or affect the following Claims and rights that arise in respect thereof (collectively, the "Unaffected Claims"). Unaffected Claims will be addressed pursuant to their existing arrangements or as otherwise may be agreed with Unaffected Bondholders:

(a) Amounts secured by the Administration Charge, the Directors' Charge and the DIP Charge;

(b) Unaffected Plan Closing Claims;

(c) Post Filing Claims;

(d) Claims of the Crown for (i) amounts in respect of those Claims referred to in Section 18.2(1) of the CCAA which become due and payable during the period following the Filing Date and prior to the Plan Implementation Dates; and (ii) collected and unremitted amounts in respect of goods and services taxes, excluding penalties and interest, which become due and payable during the period following the Filing Date and prior to the Plan Implementation Dates;

(e) Claims relating to municipal real property taxes and public utilities;

(f) Claims in respect of any licenses, franchises, consents, approvals, variances, exemptions and other authorizations issued by or from any Government Authority; and,

(g) That portion of a Claim arising from a cause of action for which FPC is covered by insurance, but only to the extent of such insurance coverage.

2.4 Shareholders

All Old FPC Shares will be designated as retractable. On the Plan Implementation Dates the Old FPC Shares shall be retracted for no consideration, and all related options, warrants and other rights to acquire Old FPC Shares will be cancelled, without compensation.

ARTICLE 3
VALUATION OF CLAIMS AND CLASSIFICATION OF CREDITORS

3.1 Classification of Creditors

For the purposes of considering and voting upon this Plan, Bondholders shall constitute a single class. Each Bondholder will be entitled to one vote for each dollar of Eligible Voting Claim value.

ARTICLE 4

STRUCTURE OF THE PLAN

4.1 Overview

The Claims of all Bondholders will be exchanged for and converted to Replacement Bonds issued pursuant to the Bond Indenture. Each Bondholder will receive $0.1113431772 of a Class "B" Bond for each $1 of Proven Claim, and $0.8886568228 of a Class "A" Bond for each $1 of Proven Claim. All FPC Bonds will be cancelled following the issuance of the corresponding Replacement Bonds, and all Old FPC Shares will be converted to retractable shares. Replacement Bonds will not bear interest. The Class "A" Bonds will be due for repayment May 31, 2019.

The Class "B" Bonds will be exchanged for and converted to New FPC Shares on the basis of one New FPC Share to each $1 of principal amount of Class "B" Bonds on the Plan Implementation Dates. All Old FPC Shares will be retracted and cancelled on the Plan Implementation Dates, resulting in the Bondholders, together with Simmons, becoming the only shareholders of FPC. No partial New FPC Shares will be issued, except in accordance with the Simmons Transaction. Plan implementation will occur over a period of two days.

All Class "A" Bonds and New FPC Shares issued to Bondholders pursuant to the terms of this Plan will be issued and recorded in the book entry systems maintained by the Indenture Trustee and the Transfer Agent. Holders of the Class "A" Bonds and the New FPC Shares will be entitled to receive certificates for their Class "A" Bonds and New FPC Shares on application to the Indenture Trustee or the Transfer Agent, as the case may be, and payment of the applicable fee.

4.2 Principal Events Occurring on the First Plan Implementation Date

On the first of the Plan Implementation Dates the principal events which will occur, in the following order, are:

- The Foreclosure Order will become effective and title in and to the FP Lands shall vest in FPC; then

- The Exit Financing Agreement and the Exit Financing Security will become effective; then

- The Exit Financing Net Proceeds will be advanced to the Monitor; then

- The Monitor will, from the Exit Financing Net Proceeds, pay or make provision for payment in full of the amounts identified in Article 6 of this Plan; then

- All of the charges, including the Administration Charge, the Directors' Charge and the DIP Charge created by the Initial Order as amended from time to time shall be terminated, discharged and released as against all of the assets, properties and undertakings of FPC and FPI including, without limitation, the Assets; then

- The Bond Indenture and the Replacement Bond Security shall become effective; then

- The Old FPC Shares shall be designated as retractable; then

- the terms of the FPC Bonds shall be amended to add a conversion feature to confer on the holder of the FPC Bonds the right to exchange the FPC Bonds for Replacement Bonds (hereafter the "Conversion Right"); then,

- The Old Class "A" Shares shall be split on a 50 for 1 basis; then

- The Old Class "B" Shares shall be retracted and cancelled, and all other provisions of the corporate reorganization contained in Schedule "C" shall become effective; then,

- Each of the holders of FPC Bonds shall be deemed to have exercised its Conversion Right whereupon and in consequence thereof, all of the FPC Bonds shall be exchanged for and converted to Replacement Bonds on the basis set out in Article 4.1 of this Plan; then,

- All of the FPC Bonds will be cancelled following the issuance of the corresponding Replacement Bonds on the basis set out in Section 4.1 of this Plan; then

- Each of the Specified Bondholders shall be deemed to have exercised its right to exchange its Class "B" Bonds for New FPC Shares (the "Class "B" Conversion Right") whereupon and in consequence thereof, all issued Class "B" Bonds held by such holders shall be exchanged for and converted to New FPC Shares; then,

- All directors of FPC shall be discharged and the New Directors shall take office; and
- FPC will elect, in the form prescribed pursuant to the ITA, to be a "public corporation" for the purposes of the ITA.

4.3 Principal Events Occurring on the Second Plan Implementation Date

On the second of the Plan Implementation Dates the principal events which will occur, in the following order, are:

- Each of the remaining holders of Class "B" Bonds shall be deemed to have exercised its Class "B" Conversion Right whereupon and in consequence thereof, all remaining Class "B" Bonds held by such holders shall be exchanged for and converted to New FPC Shares; then,
- All remaining Old FPC Shares will be retracted and cancelled; then,
- The compromises with the Bondholders and the releases referred to in Article 9.1 and the other provisions of this Plan shall become effective; then,
- The provisions of the corporate reorganization contained in Schedule "D" hereto shall become effective; and
- The New FPC Shares and the Class "A" Bonds contemplated in the Simmons Transaction shall be issued to Simmons.

4.4 Events Prior to Plan Implementation

Prior to completion of plan implementation, the following events shall occur:

- The Foreclosure Order shall be obtained from the Court and registered with the Alberta Land Titles Office;
- The Exit Financing Security shall be registered;
- The Plan shall have been approved by the Required Majority of Bondholders with Eligible Voting Claims;
- The Final Sanction Order shall have been granted in substantially the form described in Section 10.1;
- All applicable governmental, regulatory and judicial consents, orders and any and all filings with all governmental authorities and other regulatory authorities having

jurisdiction, in each case to the effect deemed necessary or desirable by FPC shall have been obtained;

- The Monitor shall have determined that there are a sufficient number of Specified Bondholders for FPC to file the election to be a "public corporation" for the purposes of the ITA; and,

- The Exit Financing Net Proceeds along with the Class "A" Bonds and the New FPC Shares attributable to each Bondholder with a Proven Claim shall have been deposited with the Monitor.

4.5 Events Occurring After Plan Implementation Dates

As soon as reasonably practicable on or after the Plan Implementation Dates, statements outlining holdings of Class "A" Bonds and New FPC Shares issued to Bondholders and held on their behalf by the Indenture Trustee and the Transfer Agent in the book entry system will be provided by the Indenture Trustee or the Transfer Agent, as the case may be, to the Monitor for distribution to all Bondholders with Proven Claims. Also, Simmons and the New Board shall enter into the Management Agreement.

If the Plan is approved by Bondholders and the Court, certain conditions must be met before plan implementation can take place. Those conditions are outlined in Section 8.3 of this Plan.

ARTICLE 5
PROCEDURAL MATTERS

5.1 Creditors' Meeting

The Creditors Meeting will take place at Centennial Place, 3rd Floor of West Tower, 250 – 5th Street S.W., Calgary, Alberta at 9:30 a.m. on May 6, 2014 (or on such other date as may be set by Order of the Court) **[NTD: CONFIRM]** at which the Bondholders eligible to vote shall consider and vote upon this Plan. The Creditors' Meeting shall be held in accordance with this Plan, and any applicable Order in respect of the procedure governing the meeting.

The Monitor's designee (the "Chairman") shall preside as the chair of the meeting and shall decide all matters relating to the conduct of the meeting. Persons entitled to attend the Creditors' Meeting are the Chairman, the Monitor, representatives of Simmons, the representatives of FPC, Bondholders or their representatives (including the holders of proxies) and the legal counsel of any Person entitled to attend. Any other Person may be admitted only on the invitation of the Chairman.

The Chairman may, with the permission of the Bondholders, adjourn the Creditors' Meeting on such terms and conditions (as to notice of the adjourned meeting and otherwise) as the Chairman may prescribe, subject to any further Order.

The entitlement of a Bondholder whose Claim is not a Proven Claim to vote at the Bondholders' Meeting shall not be construed as an admission that its Claim is a Proven Claim.

FPC and the Monitor shall have the right to seek the assistance of the Court in valuing any Claim for voting purposes in accordance with the Plan and the Meeting Order, if required, and to ascertain the result of any vote on the Plan.

5.2 Procedure

Votes cast by Bondholders with Claims at the Creditors' Meeting shall be binding upon the Bondholders and shall be recorded at the time of the Creditors' Meeting. If the Required Majority is achieved, the Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by all Bondholders.

5.3 Proxies

A Bondholder who wishes to cast its vote at the Creditors Meeting, but is unable or does not wish to attend the Creditors Meeting, may appoint the Monitor, a member of FPC management, or any other person as its proxyholder to attend and act on the Bondholder's behalf at the Creditors Meeting by inserting such person's name in the space provided on an instrument of proxy in the form attached hereto as Schedule "B" (the "Instrument of Proxy") and sending or delivering the completed Instrument of Proxy to the offices of the Monitor at Ernst & Young Tower, 1000, 440 2nd Avenue S.W., Calgary, AB T2P 5E9 Canada, Attention: Jessica Caden. An Instrument of Proxy must be (i) received at the offices of the Monitor at least one Business Day prior to the time set for the Creditors' Meeting, or any adjournment thereof; or (ii) delivered to the Monitor at the Creditors' Meeting prior to the commencement of the Creditors' Meeting or any adjournment thereof. Failure to so deposit the Instrument of Proxy shall result in the invalidation of same. FPC shall be entitled to solicit and collect Instruments of Proxy containing votes in favour of the Plan for delivery to the Monitor.

Any Bondholder who has given an Instrument of Proxy may revoke it (as to any matter on which a vote has not already been cast pursuant to its authority) by an instrument in writing executed by such Bondholder or by his representative, duly authorized in writing or, if a Bondholder is not an individual, by an officer or attorney thereof duly authorized, and deposited either at the offices of the Monitor above mentioned on or before the last Business Day preceding the date of the Creditors' Meeting or any adjournment thereof, or with the Chairman of the Creditors' Meeting prior to commencement of the Creditors' Meeting, or any adjournment thereof.

The Instrument of Proxy must be executed by the Bondholder or his duly authorized attorney in writing, or if the Bondholder is not an individual, the Instrument of Proxy must be signed in its name by an authorized officer whose title should be indicated. The Instrument of Proxy signed by a person acting in a representative capacity should indicate such person's capacity (following his signature) and it should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Monitor).

The persons named in the accompanying Instrument of Proxy shall vote Claims of the Bondholders in accordance with the direction of the Bondholder appointing them on any ballot that may be called for and where the Bondholder giving the Instrument of Proxy specifies a choice with respect to any matter to be voted upon, the Claim shall be voted in accordance with the instructions of the Bondholder. In the absence of any such direction, such Claim shall be voted as vote in favour of the Plan.

The accompanying Instrument of Proxy confers a discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the notice of meeting and in this Plan and with respect to other matters that may properly come before the Creditors Meeting.

5.4 Confirmation of Plan

(a) In the event that this Plan is agreed to, accepted and approved by the Required Majority at the Creditors' Meeting pursuant to the terms of the Plan, FPC shall, within a reasonable period of time, apply to the Court for the Final Sanction Order.

(b) Subject to the Final Sanction Order being granted and fulfilment of the conditions precedent in Section 8.3 of this Plan, the Plan will be implemented in accordance with the terms thereof.

(c) In the event that the Plan is not agreed to, accepted and approved in accordance with its terms, the Plan shall automatically terminate.

5.5 Court Assistance

FPC and the Monitor shall have the right to seek the assistance and/or direction of the Court regarding any matter relating to this Plan.

ARTICLE 6
PAYMENTS AND ISSUANCE OF BONDS AND SHARES

6.1 Payment to Priority Creditors

The Monitor shall as soon as practicable on or after the Plan Implementation Dates in accordance with the Plan pay or make provision for payment from the Exit Financing Net Proceeds all amounts secured by the Administration Charge and all amounts secured by the DIP Charge in full satisfaction, payment, settlement, release and discharge of all amounts outstanding thereunder.

6.2 Payments to Unaffected Creditors

On the Plan Implementation Dates, the Monitor shall, upon the direction of FPC as contemplated by Article 10(d)(ii) and without personal liability therefor, from the Exit Financing Net Proceeds pay or make provision for payment of the Unaffected Plan Closing Claims, all Unaffected Claims then due and payable, and accrued amounts in respect of all other Unaffected Claims.

6.3 Special Crown Claims

On or as soon as reasonably possible following the Plan Implementation Dates, and in any event within six months after the date of the granting of the Final Sanction Order, the Monitor shall, upon the direction of FPC as contemplated by Article 10(d)(ii) and without personal liability therefor, pay in full all Special Crown Claims that were outstanding on the Filing Date and which have not been paid by the Plan Implementation Dates.

6.4 Issuance of Statements regarding Class "A" Bonds and New FPC Shares to Bondholders

As soon as reasonably practicable on or after the Plan Implementation Dates, statements referenced in Article 4.5 hereof showing each Bondholder's holding of Class "A" Bonds and New FPC Shares will be provided by the Indenture Trustee and the Transfer Agent to the Monitor for distribution to all Bondholders with Proven Claims. The Class "A" Bonds and New FPC Shares issued to Bondholders will be issued and recorded in a book entry system to be maintained by the Indenture Trustee or the Transfer Agent, as the case may be. Holders of the Class "A" Bonds and the New FPC Shares will be entitled to receive certificates for their Class "A" Bonds and New FPC Shares on application to the Indenture Trustee or the Transfer Agent and payment of the applicable fee.

6.5 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure.

6.6 Currency

All Claims shall be denominated in Canadian Dollars and all Replacement Bonds issued to Bondholders on account of their Claims shall be made in Canadian Dollars. Any Claim in a currency other than Canadian shall be regarded as having been converted at the noon spot rate of exchange quoted by the Bank of Canada for exchanging such currency to Canadian Dollars as at the second of the Plan Implementation Dates.

6.7 Interest

No holder of a Claim shall be entitled to accrue or collect any interest whatsoever in respect of any Claims or Replacement Bonds from or after the Filing Date.

6.8 Treatment of Undeliverable Statements Showing Bondholders' Holdings of Class "A" Bonds and New FPC Shares

If any Bondholder's statements reflecting its respective holdings of Class "A" Bonds and New FPC Shares are returned as undeliverable, the Monitor shall be relieved of its obligation to deliver such statements and no further statements shall be distributed to such Bondholder unless and until FPC and the Monitor are notified by such Bondholder of such Bondholder's current address. All claims for undeliverable statements reflecting the Bondholder's holding of New FPC Shares and Class "A" Bonds in respect of Proven Claims must be made on or before the expiration of one (1) year following the later of the Plan Implementation Dates or the date upon which such Bondholder's claim became a Proven Claim. After such date, the Proven Claims of any Bondholder or successor of such Bondholder with respect to the holding of New FPC Shares and Class "A" Bonds shall, unless otherwise consented to by FPC, be forever discharged and forever barred, notwithstanding any federal or provincial laws to the contrary, and the corresponding New FPC Shares and Class "A" Bonds shall be cancelled.

6.9 Assignment of Claims for Voting and Distribution Purposes

(a) Assignment of Claims Prior to the Creditors' Meeting

A Bondholder may transfer or assign the whole of its Claim prior to the Creditors' Meeting and FPC shall not be obliged to deal with any such transferee or assignee as a Bondholder in respect thereof, including allowing such transferee or assignee to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received by FPC and the Monitor by 5:00 p.m. on the day that is at least ten (10) Business Days immediately prior to the Creditors' Meeting. Thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure constitute a Creditor and shall be bound by any and all notices previously given to the transferor or assignor in respect of such Claim. For greater certainty, neither FPC nor the Monitor shall recognize partial transfers or assignments of Claims.

(b) Assignment of Claims Subsequent to the Creditors' Meeting

A Bondholder may transfer or assign the whole of its Claim after the Creditors' Meeting (or ten (10) Business Days immediately prior thereto) and FPC shall not be obliged to issue Class "A" Bonds and New FPC Shares to any such transferee or assignee or otherwise deal with such transferee or assignee as a Bondholder in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received by FPC and the Monitor by 5:00 p.m. on the day that is at least ten (10) Business Days immediately prior to the day on which the first distribution of statements outlining the Class "A" Bonds and New FPC Shares to Bondholders with Proven Claims is made. Thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure constitute a Bondholder and shall be bound by notices given and steps in respect of such Claim. For greater certainty, neither FPC nor the Monitor shall recognize partial transfers or assignments of Claims.

ARTICLE 7
PROCEDURE FOR DISTRIBUTIONS TO HOLDERS OF DISPUTED CLAIMS

7.1 No Issuance Pending Allowance

Notwithstanding any other provision of the Plan, no Class "B" Bonds, Class "A" Bonds or New FPC Shares shall be issued in respect of all or any portion of a Disputed Claim unless and to the extent it has become a Proven Claim, in whole or in part.

7.2 Issuance of Bonds and Shares After Disputed Claims Resolved

FPC shall issue to each holder of a Disputed Claim which has become in whole or in part a Proven Claim, the Class "A" Bonds and New FPC Shares attributable to such Proven Claim in accordance with the Plan and such Class "A" Bonds and New FPC Shares shall be recorded in the book entry systems maintained by the Indenture Trustee or the Transfer Agent, as the case may be. Statements outlining the holdings of Class "A" Bonds and New FPC Shares attributable to such Proven Claim will be distributed by the Indenture Trustee or the Transfer Agent to the holder of the Disputed Claim which has become in whole or in part a Proven Claim. Holders of the Class "A" Bonds and the New FPC Shares will be entitled to receive certificates for their Class "A" Bonds and New FPC Shares on application to the Indenture Trustee or the Transfer Agent and payment of the applicable fee.

7.3 Restrictions on Distributions

Until all Disputed Claims have either been finally dismissed or have become, in whole or in part, Proven Claims, FPC shall not:

(a) Issue additional Class "A" Bonds except in connection with the resolution of Disputed Claims as contemplated by this Plan; or

(b) Make any distribution of cash or securities to holders of Class "A" Bonds or New FPC Shares.

ARTICLE 8
PLAN IMPLEMENTATION

8.1 Extinguishment of Claims

The Claims of any Bondholders who have not submitted a Proof of Claim in accordance with the Claims Procedure are deemed to be forever barred and may not thereafter be advanced as against FPC, pursuant to the Claims Procedure Order.

8.2 Sequence of Events.

On the first of the Plan Implementation Dates the sequence of events will be deemed to be:

(a) The Foreclosure Order shall become effective and title in and to the FP Lands shall vest in FPC; then

(b) The Exit Financing Agreement and the Exit Financing Security will become effective; then,

(c) The Exit Financing Net Proceeds will be advanced to the Monitor; then,

(d) The Monitor will, from the Exit Financing Net Proceeds, pay or make provision for payment in full of the amounts identified in Article 6 of this Plan; then

(e) All of the charges, including the Administration Charge, the Directors' Charge and the DIP Charge created by the Initial Order or later Orders shall be terminated, discharged and released as against FPC and the Assets; then

(f) The Bond Indenture and the Replacement Bond Security shall become effective; then,

(g) The Old FPC Shares will be designated as retractable; then,

(h) The terms of the FPC Bonds will be amended to add the Conversion Right; then,

(i) The Old Class "A" Shares shall be split on a 50 for 1 basis; then,

(j) The Old Class "B" Shares shall be retracted and cancelled and all other provisions of the corporate reorganization contained in Schedule "C" shall become effective; then,

(k) Each of the holders of FPC Bonds shall be deemed to have exercised its Conversion Right whereupon and in consequence thereof, all of the FPC Bonds shall be exchanged for and converted to Replacement Bonds on the basis set out in Article 4.1 of this Plan; then,

(l) All of the FPC Bonds will be cancelled following the issuance of the corresponding Replacement Bonds on the basis set out in Section 4.1 of this Plan; then

(m) Each of the Specified Bondholders of Class "B" Bonds shall be deemed to have exercised its Class "B" Conversion Right whereupon and in consequence thereof, all issued Class "B" Bonds held by such holders shall be exchanged for and converted to New FPC Shares; then,

(n) All existing directors shall be discharged and the New Directors shall take office; and

(o) FPC will elect, in the prescribed form, to be a "public corporation" for the purposes of the ITA.

On the second of the Plan Implementation Dates plan implementation shall continue and the sequence of events will be deemed to be:

(p) Each of the remaining holders of Class "B" Bonds shall be deemed to have exercised its Class "B" Conversion Right whereupon and in consequence thereof, all remaining Class "B" Bonds held by such holders shall be exchanged for and converted to New FPC Shares; then,

(q) All remaining Old FPC Shares shall be retracted and cancelled; then,

(r) The compromises with the Bondholders and the releases referred to in Article 9.1 and the other provisions of this Plan shall become effective; then,

(s) The provisions of the corporate reorganization contained in Schedule "D" shall become effective; and

(t) The New FPC Shares and Class "A" Bonds contemplated in the Simmons Transaction shall be issued to Simmons.

8.3 Conditions to Implementation of the Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions on or prior to the Plan Implementation Dates, as the case may be:

(a) The Foreclosure Order shall have been obtained and registered with the Alberta Land Titles Office;

(b) The Exit Financing Agreement and the Exit Financing Security shall have been duly executed and registered or otherwise perfected;

(c) The Plan shall have been approved by the Required Majority of Bondholders with Eligible Voting Claims;

(d) The Final Sanction Order shall have been granted in substantially the form described in Section 10.1;

(e) The Monitor shall have determined that there are a sufficient number of Specified Bondholders of FPC to file the election to be a "public corporation" for the purposes of the ITA;

(f) All applicable governmental, regulatory and judicial consents, orders and any and all filings with all governmental authorities and other regulatory authorities having jurisdiction, in each case to the effect deemed necessary or desirable by FPC shall have been obtained; and,

(g) The Exit Financing Net Proceeds along with the Class "A" Bonds and the New FPC Shares attributable to each Bondholder with a Proven Claim shall have been deposited with the Monitor.

8.4 Events Occurring After Plan Implementation Dates

As soon as reasonably practicable on or after the Plan Implementation Dates, statements outlining holdings of Class "A" Bonds and New FPC Shares held on all Bondholders' behalf by the Indenture Trustee and the Transfer Agent in the book entry systems shall be issued to the Monitor for distribution to all Bondholders with Proven Claims.

One Business Day following the satisfaction of the conditions set out in Section 8.3 and the occurrence of the events set out in Section 8.2 and 8.4, the Monitor shall deliver to FPC a certificate stating that the Plan Implementation Dates have occurred. Following the Plan Implementation Dates, the Monitor shall file such certificate with the Court. Further, Simmons and the New Board shall enter into the Management Agreement.

ARTICLE 9

RELEASES

9.1 Plan Releases

Subject to Section 9.2 of this Plan, on the Plan Implementation Dates and in accordance with the sequential order of steps set out in Section 8.2, FPC, the Monitor, the Consultant and each and every director, officer, employee and legal counsel and agents thereof in respect of the restructuring, who has acted at any time in any such capacity from and after the Filing Date (being herein referred to individually as a "**Released Party**") shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which FPC, any Bondholder or other Person may be entitled to assert, including any and all claims in respect of statutory liabilities of directors, officers, members and employees of FPC and any alleged fiduciary or other duty whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Dates in any way relating to, arising out of or in connection with the Claims, the business and affairs of FPC whenever or however conducted, the administration and/or management of the Plan, the CCAA Proceedings, any Claim that has been barred or extinguished by the Claims Procedure Order and all claims arising out of such actions or omissions shall be forever waived and released, all to the full extent permitted by any Applicable Law; provided that nothing in the Plan shall release or discharge a Released Party from (a) any obligation created by or existing under the Plan or any related document, (b) any claim with respect to matters set out in section 5.1(2) of the CCAA, (c) any conduct arising or damage occurring as a result of gross negligence, and (d) any conduct arising or damage occurring as a result of wilful misconduct.

9.2 Exceptions

The provisions of Section 9.1 of this Plan do not apply to any claims or other causes of action which the Bondholders or FPC have or may have against the directors or officers of FPC arising in respect of acts or omissions occurring prior to the Filing Date.

ARTICLE 10

COURT SANCTION

10.1 Final Sanction Order

If the Required Majority approves the Plan, FPC shall apply for the Final Sanction Order. The Final Sanction Order shall, among other things:

(a) declare that the Plan is fair and reasonable;

(b) declare that as of the Plan Implementation Dates, the Plan and all associated steps, compromises, transactions, arrangements, assignments, releases and reorganizations effected thereby are approved, binding and effective as herein set out upon FPC, all Bondholders and all other Persons and Parties affected by the Plan;

(c) declare that the steps to be taken and the compromises and releases to be effected on the Plan Implementation Dates are deemed to occur and be effected in the sequential order contemplated by Section 8.3 of the Plan on the Plan Implementation Dates;

(d) declare that FPC is authorized to:

(i) direct that the Exit Financing Net Proceeds be paid to the Monitor;

(ii) direct the Monitor to make the payments contemplated by this Plan, including the Unaffected Plan Closing Claims and the Special Crown Claims;

(iii) direct the Monitor to deliver the statements referenced in Article 4.5 hereof to all Bondholders with Proven Claims;

(iv) declare that the releases referred to in Section 9.1 and the other provisions of this Plan relating to Bondholders shall become effective in accordance with the Plan;

(v) terminate and discharge the Administration Charge, the Directors' Charge and the DIP Charge upon payment to the Monitor of the Exit Financing Net Proceeds in sufficient amounts to pay all amounts outstanding under the Administration Charge;

(e) declare that on implementation of and in accordance with the Plan, the fundamental changes described in Schedule "C" and Schedule "D" hereto shall have become effective pursuant to section 192 of the *Alberta Business Corporations Act*;

(f) compromise, discharge and release FPC from any and all Claims of any nature in accordance with the Plan, and declare that the ability of any Person to proceed against FPC in respect of or relating to any Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Claims be permanently stayed, subject only to the right of Bondholders to receive distributions of Class "A" Bonds and New FPC Shares pursuant to the Plan in respect of their Claims;

(g) discharge and extinguish all liens, including all security registrations against FPC in favour of any Bondholder in respect of a Claim;

(h) discharge and extinguish all liens, including all security registrations against FPC in favour of any Bondholder in respect of a Disputed Claim;

(i) declare that any Claims in respect of which a proof of claim has not been filed by the Claims Bar Date shall be forever barred and extinguished;

(j) declare that the stay of proceedings under the Initial Order is extended in respect of FPC to, and including, the Plan Implementation Dates;

(k) declare that, subject to the performance by FPC of its obligations under the Plan, all obligations, agreements or leases to which FPC is a party shall be and remain in full force and effect, unamended, as at the Plan Implementation Dates, unless repudiated or deemed to be repudiated by FPC pursuant to the Initial Order, and no party to any such obligation or agreement shall on or following the Plan Implementation Dates, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation or agreement, by reason:

    (i) of any event which occurred prior to, and is not continuing after, the Plan Implementation Dates or which is or continues to be suspended or waived under the Plan, which would have entitled any other party thereto to enforce those rights or remedies;

    (ii) that FPC has sought or obtained relief or has taken steps as part of the Plan or under the CCAA;

    (iii) of any default or event of default arising as a result of the financial condition or insolvency of FPC ;

    (iv) of the effect upon FPC of the completion of any of the transactions contemplated under the Plan; or

(v) of any compromises, settlements, restructurings or reorganizations effected pursuant to the Plan;

(l) stay the commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including, without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Claims and any other matter released pursuant to Article 9 herein;

(m) if required, authorize FPC to execute the Exit Financing Agreement, the Exit Financing Security, to grant the security interests contemplated by the Exit Financing Security, and authorize the registration or other perfection of the Exit Financing Security, which shall not become effective until plan implementation;

(n) authorize the Monitor to perform its functions and fulfil its obligations under the Plan to facilitate the implementation of the Plan;

(o) direct that until all Disputed Claims have either been finally dismissed or have become, in whole or in part, Proven Claims, FPC shall not:

(i) issue additional Class "A" Bonds except in connection with the Simmons Transaction or the resolution of Disputed Claims as contemplated by this Plan;

(ii) make any distribution of cash or securities to holders of Class "A" Bonds or New FPC Shares, except as contemplated by the Simmons Transaction;

(p) declare that upon completion by the Monitor of its duties in respect of FPC pursuant to the CCAA and the Orders, including, without limitation, the Monitor's duties in respect of the Claims Procedure and the distributions of the statements outlining the holdings of Class "A" Bonds and New FPC Shares to be made by the Monitor in accordance with the Plan, the Monitor may file with the Court a certificate of Plan termination stating that all of its duties in respect of FPC pursuant to the CCAA and the Orders have been completed and thereupon, Ernst & Young Inc. shall be deemed to be discharged from its duties as Monitor of FPC and that the Monitor has exercised all of its powers and performed all of its duties and functions honestly, in good faith and in compliance with the Code of Ethics referred to in section 13.5 of the BIA; and

(q) declare that FPC and the Monitor may apply to the Court for advice and direction in respect of any matter arising from or under the Plan; and

(r) direct that FPC hold a meeting of shareholders for the purpose of electing directors within six months following the last of the Plan Implementation Dates.

ARTICLE 11

GENERAL PROVISIONS

11.1 Role of Monitor

The Monitor shall be responsible for distributing statements outlining the holdings of Class "A" Bonds and New FPC Shares to Bondholders whose claims are not Disputed Claims in accordance with Article 6 hereof. From and after the Plan Implementation Dates, the Monitor shall cease to have any responsibilities regarding Disputed Claims, and FPC shall be solely responsible for the resolution of all Disputed Claims. FPC may, without further Order, settle or resolve any Disputed Claims and shall, immediately upon settling or resolving a Disputed Claim such that it becomes a Proven Claim, notify the Indenture Trustee or the Transfer Agent, as the case may be, of the issuance of Class "A" Bonds and New FPC Shares in respect of such Proven Claim, to be recorded in the book entry system maintained by the Indenture Trustee or the Transfer Agent, as applicable. As well, upon settling or resolving a Disputed Claim such that it becomes a Proven Claim, FPC shall arrange for the delivery to the applicable Bondholder of a statement issued by the Indenture Trustee or the Transfer Agent, as the case may be, reflecting the Class "A" Bonds and New FPC Shares issued in respect of such Proven Claim.

11.2 Further Assurances

Notwithstanding that the transactions and events set out in this Plan may be deemed to occur without any additional act or formality other than as may be expressly set out herein, each of the Persons affected hereto shall make, do, and execute or cause to be made, done or executed all such further acts, deeds, agreements, assignments, transfers, conveyances, discharges, discontinuances of any suit or proceeding, assurances, instruments, documents, elections, consents or filings as may be reasonably required by FPC in order to implement this Plan.

11.3 Paramountcy

Without limiting any other provision hereof, and after the Plan Implementation Dates, in the event of any conflict between this Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed, or implied, of any contract, mortgage, security agreement, indenture, Bond Indenture, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between any Bondholder or any other Persons affected by the Plan, and FPC as at the Plan Implementation Dates, the terms, conditions and provisions of this Plan shall govern and shall take precedence and priority.

11.4 Waiver of Defaults

From and after the Plan Implementation Dates, each Bondholder shall be deemed to have waived any and all defaults by FPC arising on or prior to the Plan Implementation Dates in respect of every covenant, warranty, representation, term, provision, condition or obligation, express or implied, in every contract, agreement, mortgage, security agreement, indenture, Bond Indenture, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral. Without limiting the generality of the foregoing, such waiver shall extend to and include any provision of any agreement between any Bondholder and FPC which provides that FPC is in default, or the Bondholder has a remedy or a right, and which arises or results from any change in control, or deemed change in control of FPC resulting from this Plan or any change in directors of FPC which has taken place up to and including the Plan Implementation Dates. Any and all notices of default, acceleration of payments and demands for payments under any instrument, or notices given under the CCAA, including without limitation any notices of intention to proceed to enforce security, shall be deemed to have been rescinded and withdrawn.

11.5 Compromise Effective for all Purposes

The Plan and the compromise or satisfaction of any Claims under this Plan, if sanctioned and approved by the Court, shall be binding upon each Bondholder, its heirs, executors, administrators, legal personal representatives, successors and assigns, as the case may be, for all purposes and, without limitation the generality of the foregoing, this Plan will constitute:

(a) full, final and absolute settlement and compromise of all Claims;

(b) an absolute release, discharge and extinguishment of all Claims against FPC and the Assets.

The payment, compromise or other satisfaction of any Claim under this Plan, if sanctioned and approved by the Court, will be binding upon the Bondholders and each of their heirs, executors, administrators, successors and assigns, for all purposes and, to such extent will also be effective to relieve any third party directly or indirectly liable for such Claim, whether as guarantor, indemnitor, tenant, director, joint covenantor, principal or otherwise.

11.6 Treatment of Contracts

Except as otherwise provided in the Plan, or in any contract, instrument, release, indenture or other agreement or document entered into in connection with the Plan, as of the Plan Implementation Dates, FPC shall be deemed to have ratified each executory contract to which it is a party, unless such contract (i) was previously repudiated or terminated by FPC (ii) previously expired or terminated pursuant to its own terms, or (iii) is otherwise set forth in the Plan as being an executory contract which is deemed to be repudiated or terminated.

11.7 Payment of Taxes

Notwithstanding any provisions of the Plan, each holder of a Proven Claim that is to receive a distribution of Replacement Bonds and New FPC Shares pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental authority, including, without limitation of the foregoing, income, withholding and other tax obligations, on account of such distribution.

11.8 Plan Amendment

FPC may, at any time and from time to time, amend, modify and/or supplement this Plan:

(a) provided such amendment, modification or supplement or waiver is contained in a written document which is:

(i) filed with the Court and, if made following the Creditors' Meeting, approved by the Court; and

(ii) communicated to the Bondholders in the manner required by the Court (if so required); or

(b) after the Final Sanction Order, provided such amendment, modification, supplement or waiver concerns a matter which, in the opinion of FPC, acting reasonably, is of an administrative or technical nature required to better give effect to the implementation of this Plan and the Final Sanction Order or would not be materially adverse to the financial interests of the Bondholders. Any amendments to this Plan and any supplementary plan or plans of compromise or arrangement (which shall be filed with the Court) will, for all purposes, be, and be deemed to be, a part of and incorporated in this Plan.

ARTICLE 12

INTERPRETATION

12.1 Definitions

In this Plan, unless the context should otherwise require the capitalized terms and phrases used but not defined herein have the meanings given to them in Schedule "A" attached hereto.

12.2 Article and Section Reference

The terms "this Plan", "hereof", "hereunder", "herein", and similar expressions refer to this Plan, amendments to this Plan, and not to any particular article, section, subsection, paragraph or clause of this Plan and include any instrument supplemental hereto. In this Plan, a reference to an article, section, subsection, clause or paragraph shall, unless otherwise stated, refer to an article, section, subsection, paragraph or clause of this Plan.

12.3 Extended Meanings

In this Plan, where the context so requires, any word importing the singular number shall include the plural and vice versa; and any word or words importing gender shall include all genders.

12.4 Interpretation Not Affected by Headings

The division of this Plan into articles, sections, subsections, paragraphs and clauses and the insertion of a table of contents and headings are for convenience of reference and shall not affect the construction or interpretation of this Plan.

12.5 Date of Any Action

In the event that any date on which any action is required to be taken hereunder by any Person is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

12.6 Currency

Unless otherwise stated herein, all references to currency in this Plan are to lawful money of Canada.

12.7 Statutory References

Any reference in this Plan to a statute includes all regulations made thereunder, all amendments to such statute or regulations in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

12.8 Successors and Assigns

This Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns, as the case may be, of any Person named or referred to in this Plan.

12.9 Governing Law

This Plan shall be governed by, and construed in accordance with the laws of Alberta and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of this Plan and all proceedings taken in connection with this Plan and its revisions shall be subject to the exclusive jurisdiction of the Court.

12.10 Inclusive Meaning

As used in this Plan, the words "include", "includes", "including", or any other derivation thereof means, in any case, those words as modified by the words "without limitation".

12.11 Schedules

The following are the Schedules to this Plan, which are incorporated by reference into this Plan and form an integral part hereof:

(i) Schedule "A" – Definitions;

(ii) Schedule "B" – Instrument of Proxy

(iii) Schedule "C" – Articles of Reorganization on first of Plan Implementation Dates

(iv) Schedule "D" – Articles of Reorganization on second of Plan Implementation Dates

SCHEDULE A
DEFINITIONS

In this Plan of Compromise and Arrangement, unless the context otherwise requires, the following words and terms shall have the meaning hereinafter set out:

"**Administration Charge**" has the meaning given to it by the Initial Order;

"Applicable Law" means, with respect to any Person, property, transaction, event or other matter, any law, rule, statute, regulation, order, judgment, decree, treaty or other requirement having the force of law relating or applicable to such Person, property, transaction, event or other matter. Applicable Law also includes, where appropriate, any interpretation of any law, rule, statute, regulation, order, judgment, decree, treaty or other requirement having the force of law by any Person, court or tribunal having jurisdiction over it, or charged with its administration or interpretation;

"**Assets**" means all of the property, assets and undertaking of FPC;

"BIA" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;

"Bond Indenture" means the indenture made by FPC pursuant to which the Replacement Bonds will be issued and having the attributes described in Section 2.1 of the Plan;

"Bondholders" means the holders of FPC Bonds as at the Filing Date;

"**Business Day**" means a day on which banks are generally open for the transaction of commercial business in Calgary, Alberta, but does not in any event include a Saturday, Sunday or a statutory holiday under Applicable Law;

"**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

"**CCAA Proceedings**" means the proceedings commenced by FPC and FPI under the CCAA in the Court of Queen's Bench of Alberta, Judicial District of Calgary, Action No. 1101-17318;

"**Chairman**" has the meaning given to it in subsection 5.1 of the Plan;

"Claim" means any right or claim of any Person, including any Tax Claim, that may be asserted or made in whole or in part against FPC, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future, together with any other rights or claims of any kind that, if unsecured, would be a debt provable in bankruptcy within the meaning of the BIA, had FPC or FPI become bankrupt on the Filing Date;

"Claims Bar Date" means August 21, 2012 or such later date on which a Proof of Claim is accepted for filing by FPC or FPI and the Monitor, or the Court, prior to the applicable Creditors' Meeting;

"**Claims Procedure**" means the procedures outlined in the Claims Procedure Order in connection with the assertion of Claims against FPC;

"**Claims Procedure Order**" means the Order of the Court made by the Honourable Justice B.E.C. Romaine dated July 5, 2012 approving the Claims Procedure;

"Class "A" Bonds" means non-interest bearing bonds due May 31, 2019 to be issued by FPC pursuant to the Bond Indenture in accordance with Section 4.1 of this Plan and rounded to the nearest one dollar.

"Class "B" Bonds" means non-interest bearing bonds convertible into one New FPC Share, to be issued by FPC pursuant to the Bond Indenture in accordance with Section 4.1 of this Plan and rounded to the nearest one dollar.

"**Class "B" Conversion Right**" has the meaning given to it in Section 4.2 of this Plan.

"Consultant" means Winman Ltd.;

"**Court**" means the Court of Queen's Bench of Alberta;

"Conversion Right" has the meaning given to it in Section 4.2 of this Plan;

"**Creditors' Meeting**" means the meeting of Bondholders with Eligible Voting Claims called for the purpose of considering and voting in respect of the Plan and any adjournment thereof;

"DIP Charge" has the meaning given to it by the Initial Order;

"DIP Financing" means the interim financing advanced to FPC and FPI in the CCAA Proceedings by Azimuth Risk Management Ltd. pursuant to Court Orders dated March 21, 2012 and May 10, 2012;

"Disputed Claim" means a Claim properly filed in accordance with the Claims Procedure which, if allowed in whole or in part, would be a Claim, but which has not, as of the Plan Implementation Dates been finally determined to be a Proven Claim in accordance with the Claims Procedure;

"**Eligible Voting Claim**" means a Proven Claim in respect of FPC, or where a Claim is disputed or unresolved by the time the Creditors' Meeting commences, the value assigned to such Claim for voting purposes by FPC in consultation with the Monitor, or the Court, except no Unaffected Claim will be an Eligible Voting Claim;

"Excluded Asset Amount" has the meaning given to it in Section 2.1(e) of this Plan;

"Exit Financing" means the financing to be obtained by FPC through the Simmons Transaction, and in particular through the Simmons Equity Investment and the Simmons Bank Loan, together with the 125 Advance, which financing shall be used to repay the DIP Financing granted to FPC in the CCAA Proceedings pursuant to Court Order dated March 21, 2012 as amended from time to time, and any other payments contemplated by Article 6 hereof and to provide sufficient additional financing to allow FPC to meet expenses for a period of approximately one year following implementation of the Plan;

"Exit Financing Agreement" means the agreement governing the funds advanced to FPC pursuant to the Simmons Bank Loan and the 125 Advance;

"Exit Financing Net Proceeds" means the net proceeds to be received by FPC at the Plan Implementation Dates from Simmons through the Simmons Equity Investment and the Simmons Bank Loan and from 125 through the 125 Advance;

"Exit Financing Security" means the security agreements to be entered into by FPC to secure advances to be made pursuant to the Exit Financing Agreement charging all of the Assets which will be registered or otherwise perfected prior to the Plan Implementation Dates, and which will become effective on the Plan Implementation Dates;

"Filing Date" means March 21, 2012;

"**Final Determination**" means any determination for which, pursuant to Applicable Law, all times limited for and all rights to dispute, appeal or further appeal of or from such determination have expired or been exhausted;

"**Final Sanction Order**" means a final Order which, among other things, shall approve and sanction the Plan under the CCAA and shall include provisions as may be necessary or appropriate to give effect to the Plan, including provisions in substance similar to those set out in Section 10.1;

"Foreclosure Order" means an Order consented to by FPI which, among other things, shall vest title in and to the FP Lands in FPC;

"FPC" means Foundation Place Capital Inc.;

"FPC Bonds" means the 7% bonds issued by FPC and due March 31, 2012, including both bonds in respect of which Redemption Notices have been given, and bonds in respect of which no Redemption Notices have been given;

"FPI" means Foundation Place Inc.;

"FP Lands" means the interest of FPI in approximately 10,656 square feet of development lands located at 133 – 17 Avenue S.E. on the south west corner of 1st street S.E. and 17th Avenue S.E. in Calgary, Alberta;

"Government Authority" means a federal, provincial, territorial, municipal or other government or government department, agency or authority (including a court of law) having jurisdiction over FPC, the business of FPC, or the Plan;

"**Indebtedness**" means in respect of the holder of any Claim, all of the indebtedness, liabilities and obligations of FPC to such Bondholder, whether direct, indirect, contingent or otherwise, including all outstanding principal, interest and penalties owed by FPC to such Bondholder, including any Claims as a result of the termination of any employment agreements, whether in writing or not, and any employment relationships established thereby and any other agreements relating to the payment of severance to any employees;

"**Indenture Trustee**" means the trustee appointed pursuant to the Bond Indenture;

"**Initial Order**" means the order granted by the Court in the CCAA Proceedings on March 21, 2012 which, among other things, granted CCAA protection to FPC, appointed the Monitor, and stayed proceedings against FPC;

"**Instrument of Proxy**" has the meaning given to it in subsection 5.3 of the Plan, a copy of which is attached as Schedule "B" hereto;

"**ITA**" means the *Income Tax Act*, R.S.C., 1985, c.l, and the regulations thereunder, all as amended;

"**Meeting Order**" means the Order under the CCAA that, among other things, accepts the filing of the Plan and calls and sets the date for the Creditors' Meeting;

"**Monitor**" means Ernst & Young Inc. acting solely in its capacity as court appointed monitor pursuant to the terms of the Initial Order;

"**New FPC Shares**" means new Common Shares of FPC to be issued to Bondholders pursuant to this Plan upon the conversion of the Class "B" Bonds;

"**New Directors**" means up to 3 individuals selected by the Monitor from nominations submitted by Bondholders, together with Jay Simmons and a Simmons nominee;

"**Old Class "A" Shares**" means all Class "A" preferred, voting, non-participating shares of FPC issued and outstanding as at the Filing Date;

"**Old Class "B" Shares**" means all Class "B" common, non-voting, participating shares of FPC issued and outstanding as at the Filing Date;

"**Old FPC Shares**" means all issued and outstanding shares of any class of FPC, including Old Class "A" Shares and Old Class "B" Shares, as at the Filing Date;

"**Order**" means any order of the Court respecting the CCAA Proceedings;

"**Person**" includes an individual, a partnership, a corporation, a trust, a joint venture, an unincorporated organization, a union, a government or any department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual;

"**Plan**" or "**Plan of Compromise and Arrangement**" means the Plan of Compromise and Arrangement to which this Schedule "A" is attached and forms part, as supplemented and amended from time to time;

"**Plan Implementation Dates**" means the period of two Business Days following the satisfaction or waiver of the conditions precedent to the implementation of this Plan as set out in Section 8.3 or such other dates as may be agreed by the Parties in consultation with the Monitor;

"**Post-Filing Claim**" means any amounts properly owing by FPC arising or accruing from the provision of goods and/or performance of services or the advance of money or credit to FPC from and after the Filing Date, together with any claim of any nature or kind whatsoever arising after the Filing Date which would, had it been in existence on or before the Filing Date, have been a Claim within the meaning of this Plan, but not including interest or other costs or charges in respect of any Claim arising or accruing after the Filing Date;

"**Proven Claim**" means a Claim which has been allowed and in respect of which there has been a Final Determination of such Claim in accordance with this Plan and/or any applicable Order by the Plan Implementation Dates;

"**Registered Plan**" means a registered retirement savings plan, registered retirement income fund or tax free savings account, as each such term is defined in the *Income Tax Act* (Canada);

"**Released Party**" has the meaning given to it in Section 9.1 of the Plan;

"**Replacement Bonds**" means Class "A" Bonds and Class "B" Bonds to be issued pursuant to the Bond Indenture;

"**Replacement Bond Security**" means fixed and floating charge security granted by FPC to secure all amounts owed pursuant to the Bond Indenture charging all of the Assets and having the attributes described in Section 2.1(f) of this Plan;

"**Required Majority**" means a majority in number of the Bondholders, who represent at least two-thirds in value of the Eligible Voting Claims of Bondholders who actually vote on the resolution approving the Plan (in person or by proxy) at the Creditors' Meeting;

"**Simmons Bank Loan**" means the CWB Loan obtained by Simmons from Canadian Western Bank in the principal amount of $800,000 to be secured by a fixed charge on the FP Lands;

"**Simmons Equity Investment**" means the investment by Simmons of $200,000 in FPC in exchange for an approximate 19.9% of the total issued and outstanding New FPC Shares;

"**Special Crown Claims**" means Claims of Her Majesty in right of Canada or a province, for all amounts that were outstanding at the Plan Implementation Dates and are of a kind that could be subject to a demand under:

(i) subsection 224(1.2) of the ITA;

(ii) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the ITA and provides for the collection of a contribution, as defined in the *Canada Pension Plan,* or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act,* and of any related interest, penalties or other amounts; or

(iii) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the ITA, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum

(A) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the ITA, or

(B) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection;

"Specified Bondholders" means those holders of Replacement Bonds selected by the Monitor, none of whose Class "B" Bonds shall be held in Registered Plans;

"Tax" or "Taxes" means any and all taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Taxing Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Taxing Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada, Québec and other government pension plan premiums or contributions;

"Tax Claim" means any Claim against FPC for any Taxes in respect of any taxation year or period ending on or prior to the Filing Date, and in any case where a taxation year or period commences on or prior to the Filing Date but does not end until after the Filing Date, any Claims against FPC for any Taxes in respect of or attributable to the portion of the taxation period commencing prior to the Filing Date and up to and including the Filing Date.

"Taxing Authorities" means any one of Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or non-Canadian government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power;

"Taxing Authority" means any one of the Taxing Authorities;

"Transfer Agent" means Olympia Trust Company or such other transfer agent appointed with respect to the New FPC Shares;

"Unaffected Claims" has the meaning given to it in Section 2.3 of the Plan and includes Unaffected Plan Closing Claims;

"Unaffected Creditor" is a creditor of FPC whose Claim is an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Unaffected Plan Closing Claims" means the following Claims, which will either be reserved for or paid on the Plan Implementation Dates in accordance with the Plan:

a. the Claims of the Monitor and its counsel for unpaid fees and costs incurred up to and including the Plan Implementation Dates;

b. the Claims of FPC's counsel for unpaid fees and costs incurred up to and including the Plan Implementation Dates; and

c. the lien Claims of Mylonas Enterprises Ltd. and Landstar Teamworks Project Management Ltd. payable by way of settlement agreement in the total amount of $350,000.

SCHEDULE B

INSTRUMENT OF PROXY

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.

INSTRUMENT OF PROXY

MEETING OF CREDITORS OF FOUNDATION PLACE CAPITAL INC. to be held pursuant to an Order of the Alberta Court of Queen's Bench (the "**Court**") in connection with Foundation Place Capital Inc.'s Plan of Compromise and Arrangement under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA Plan**") on May 6, 2014 at 9:30 a.m. at:

Centennial Place
3rd Floor West Tower
250 – 5th Street S.W.
Calgary, Alberta

Before completing this Instrument of Proxy, please read carefully the instructions accompanying this Instrument of Proxy for information respecting the proper completion and return of this Instrument of Proxy.

THIS INSTRUMENT OF PROXY MUST BE COMPLETED AND SIGNED BY THE CREDITOR AND PROVIDED TO THE MONITOR, ERNST & YOUNG INC., BY 5:00 P.M. (MST) ON THE BUSINESS DAY PRIOR TO THE MEETING OR WITH THE CHAIR PRIOR TO THE COMMENCEMENT OF THE MEETING OR ANY ADJOURNMENT THEREOF IF ANY PERSON ON SUCH CREDITOR'S BEHALF IS TO ATTEND THE MEETING AND VOTE ON THE CCAA PLAN OR IF SUCH CREDITOR WISHES TO APPOINT AN OFFICER OF THE MONITOR TO ACT AS SUCH INSTRUMENT OF PROXY.

THE UNDERSIGNED CREDITOR hereby revokes all proxies previously given and nominates, constitutes and appoints ________________________ or, if no person is named, Neil Narfason of Ernst & Young Inc. in its capacity as Monitor, or such other representative of the Monitor as the Monitor may designate, as nominee of the undersigned Creditor, with full power of substitution, to attend on behalf of and act for the undersigned Creditor at the Meeting of Creditors of Foundation Place Capital Inc. to be held in connection with the CCAA Plan and at any and all adjournments thereof, and to vote the amount of the undersigned Creditor's Claims for voting purposes as determined pursuant to the Creditor's Meeting Order, the Claims Process, the CCAA Plan, the CCAA and any further order of the Court as follows:

A. (mark one only):

☐ VOTE FOR approval of the CCAA Plan; or

☐ VOTE AGAINST approval of the CCAA Plan

-and-

B. vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Creditor with respect to any amendments or variations to the CCAA Plan and to any other matters that may come before the Meeting of Creditors of Foundation Place Capital Inc. or any adjournment thereof.

DATED this ___ day of May, 2014

____

Print Name of Creditor

____

Signature of Creditor. If the Creditor is a corporation, signature of an authorized signing officer of the corporation.

____

Title of the authorized signing officer of the corporation if applicable.

____

Mailing Address of the Creditor

____

Telephone Number of the Creditor

INSTRUCTIONS FOR COMPLETION OF PROXY

1. Each Creditor who has a right to vote at the Creditors' Meeting has the right to appoint a person (who need not be a Creditor) to attend, act and vote for and on behalf of such Creditor and such right may be exercised by inserting in the space provided the name of the person to be appointed. **If no name has been inserted in the space provided, the Creditor will be deemed to have appointed Neil Narfason of the Monitor (or such other representative of the Monitor as the Monitor may designate) as the Creditor's proxy holder.**

2. **If an officer of Ernst & Young Inc. is appointed or is deemed to be appointed as proxy holder and the Creditor fails to indicate on this ordinary creditors' proxy a vote for or against approval of the CCAA Plan, this instrument of proxy will be voted FOR approval of the CCAA Plan.**

3. If this instrument of proxy is not dated in the space provided, it will be deemed to be dated on the date it is received by the Monitor.

4. This instrument of proxy must be signed by the Creditor or by the Creditor's attorney duly authorized in writing or, if the Creditor is a corporation, by a duly authorized officer or attorney of the corporation with an indication of the title of such officer or attorney.

5. Valid proxies bearing or deemed to bear a later date will revoke this ordinary creditors' proxy. If more than one valid proxy for the same Creditor and bearing or deemed to bear the same date are received with conflicting instructions, such proxies will be treated as disputed proxies and will not be counted.

6. This instrument of proxy should be sent to the Monitor by mail, delivery, email or facsimile at the address set out below so that it is received by the Monitor no later than 5:00 p.m. (MST) on May 5, 2014.

Ernst & Young Inc.
Court Appointed Monitor
Ernst & Young Tower,
1000, 440-2nd Avenue S.W.
Calgary AB, T2P 5E9 Canada

Attention: Jessica Caden

Fax: (403) 206-5075
Email: Jessica.Caden@ca.ey.com
Telephone : (403) 206-5153

SCHEDULE C

ARTICLES OF REORGANIZATION ON FIRST OF PLAN IMPLEMENTATION DATES

SCHEDULE D

ARTICLES OF REORGANIZATION
ON SECOND OF PLAN IMPLEMENTATION DATES

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that a meeting of Creditors of Foundation Place Capital Inc. holding Eligible Voting Claims will be held at Centennial Place, 3rd Floor of West Tower, 250 – 5th Street S.W., Calgary, Alberta at 9:30 a.m. on May 6, 2014 (Calgary time) for the following purposes:

1. to consider, pursuant to an order of the Alberta Court of Queen's Bench dated April 14, 2014 (the "**Creditors' Meeting Order**"), and if deemed advisable, to approve a plan of compromise and arrangement (the "**CCAA Plan**") under the *Companies' Creditors Arrangement Act* (Canada); and

2. to transact such further and other business as may be properly brought before the Creditors' Meeting or any adjournment thereof.

Pursuant to the Creditors' Meeting Order only Creditors of Foundation Place Capital Inc. who hold Eligible Voting Claims are entitled to vote on the CCAA Plan.

Creditors who are unable to attend the Creditors' Meeting are requested to date, sign and return the accompanying form of proxy in the envelope provided for that purpose. In order to be used at the Creditors' Meeting, a proxy must be delivered to the office of Ernst & Young Inc., 1000, 440-2nd Avenue S.W., Calgary Alberta, T2P 5E9, Attention: Jessica Caden, fax (403) 206-5075, email: Jessica.Caden@ca.ey.com, by 5:00 p.m. (Calgary time) at least one (1) business day (excluding Saturdays, Sundays and holidays) prior to the date of the Creditors' Meeting or any adjournment thereof. Proxies may also be delivered to the Monitor at the Creditors' Meeting prior to the commencement of the Creditors' Meeting or any adjournment thereof.

Capitalized terms not defined herein have the meanings ascribed to them in the CCAA Plan of Arrangement.

Dated this 16th day of April, 2014.

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.

INSTRUMENT OF PROXY

MEETING OF CREDITORS OF FOUNDATION PLACE CAPITAL INC. to be held pursuant to an Order of the Alberta Court of Queen's Bench (the "**Court**") in connection with Foundation Place Capital Inc.'s Plan of Compromise and Arrangement under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA Plan**") on May 6, 2014 at 9:30 a.m. at:

Centennial Place
3rd Floor West Tower
250 – 5th Street S.W.
Calgary, Alberta

Before completing this Instrument of Proxy, please read carefully the instructions accompanying this Instrument of Proxy for information respecting the proper completion and return of this Instrument of Proxy.

THIS INSTRUMENT OF PROXY MUST BE COMPLETED AND SIGNED BY THE CREDITOR AND PROVIDED TO THE MONITOR, ERNST & YOUNG INC., BY 5:00 P.M. (MST) ON THE BUSINESS DAY PRIOR TO THE MEETING OR WITH THE CHAIR PRIOR TO THE COMMENCEMENT OF THE MEETING OR ANY ADJOURNMENT THEREOF IF ANY PERSON ON SUCH CREDITOR'S BEHALF IS TO ATTEND THE MEETING AND VOTE ON THE CCAA PLAN OR IF SUCH CREDITOR WISHES TO APPOINT AN OFFICER OF THE MONITOR TO ACT AS SUCH INSTRUMENT OF PROXY.

THE UNDERSIGNED CREDITOR hereby revokes all proxies previously given and nominates, constitutes and appoints ______________________ or, if no person is named, Neil Narfason of Ernst & Young Inc. in its capacity as Monitor, or such other representative of the Monitor as the Monitor may designate, as nominee of the undersigned Creditor, with full power of substitution, to attend on behalf of and act for the undersigned Creditor at the Meeting of Creditors of Foundation Place Capital Inc. to be held in connection with the CCAA Plan and at any and all adjournments thereof, and to vote the amount of the undersigned Creditor's Claims for voting purposes as determined pursuant to the Creditor's Meeting Order, the Claims Process, the CCAA Plan, the CCAA and any further order of the Court as follows:

A. (mark one only):

☐ VOTE FOR approval of the CCAA Plan; or

☐ VOTE AGAINST approval of the CCAA Plan

-and-

B. vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Creditor with respect to any amendments or variations to the CCAA Plan and to any other matters that may come before the Meeting of Creditors of Foundation Place Capital Inc. or any adjournment thereof.

DATED this ___ day of May, 2014

____

Print Name of Creditor

____

Signature of Creditor. If the Creditor is a corporation, signature of an authorized signing officer of the corporation.

____

Title of the authorized signing officer of the corporation if applicable.

____

Mailing Address of the Creditor

____

Telephone Number of the Creditor

INSTRUCTIONS FOR COMPLETION OF PROXY

1. Each Creditor who has a right to vote at the Creditors' Meeting has the right to appoint a person (who need not be a Creditor) to attend, act and vote for and on behalf of such Creditor and such right may be exercised by inserting in the space provided the name of the person to be appointed. **If no name has been inserted in the space provided, the Creditor will be deemed to have appointed Neil Narfason of the Monitor (or such other representative of the Monitor as the Monitor may designate) as the Creditor's proxy holder.**

2. **If an officer of Ernst & Young Inc. is appointed or is deemed to be appointed as proxy holder and the Creditor fails to indicate on this ordinary creditors' proxy a vote for or against approval of the CCAA Plan, this instrument of proxy will be voted FOR approval of the CCAA Plan.**

3. If this instrument of proxy is not dated in the space provided, it will be deemed to be dated on the date it is received by the Monitor.

4. This instrument of proxy must be signed by the Creditor or by the Creditor's attorney duly authorized in writing or, if the Creditor is a corporation, by a duly authorized officer or attorney of the corporation with an indication of the title of such officer or attorney.

5. Valid proxies bearing or deemed to bear a later date will revoke this ordinary creditors' proxy. If more than one valid proxy for the same Creditor and bearing or deemed to bear the same date are received with conflicting instructions, such proxies will be treated as disputed proxies and will not be counted.

6. This instrument of proxy should be sent to the Monitor by mail, delivery, email or facsimile at the address set out below so that it is received by the Monitor no later than 5:00 p.m. (MST) on May 5, 2014.

Ernst & Young Inc.
Court Appointed Monitor
Ernst & Young Tower,
1000, 440-2nd Avenue S.W.
Calgary AB, T2P 5E9 Canada

Attention: Jessica Caden

Fax: (403) 206-5075
Email: Jessica.Caden@ca.ey.com
Telephone : (403) 206-5153

DIRECTORS SOLICITATION PROCESS

FOUNDATION PLACE CAPITAL INC. (the "**Corporation**") intends to propose a Plan of Compromise and Reorganization (the "**Proposed Plan**") to certain of its creditors (collectively, the "**Creditors**") pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**").

It is intended that the affairs of the Corporation will be initially managed by an interim board of directors (the "**Interim Directors**") who will be appointed in accordance with the Proposed Plan, the *Business Corporations Act* (Alberta) (the "**ABCA**") and the articles of the Corporation (the "**Articles**") as amended pursuant to the Proposed Plan. The Articles provide for the appointment of a minimum of three (3) directors and a maximum of nine (9) directors of the Corporation. In the event that the Proposed Plan is implemented, the Interim Directors will be required to call an annual general meeting of the Corporation within six months of the date of implementation (the "**AGM**"). The shareholders of the Corporation will have the opportunity to elect directors of the Corporation at the AGM in accordance with the ABCA and the Articles.

In addition to the two (2) individuals selected as Interim Directors pursuant to the Proposed Plan, namely Jay Simmons and an individual to be selected by Jay Simmons, the Monitor and Co-Manager appointed pursuant to an order issued by the Court of Queen's Bench of Alberta (the "**Court**") in the CCAA proceedings will nominate up to three (3) individuals (each, a "**Nominee**") as proposed Interim Directors of the Corporation. The Creditors will then be requested to vote on the approval of the Proposed Plan in accordance with the CCAA. If the Proposed Plan is approved by the Creditors in accordance with the CCAA and sanctioned by the Court, the Nominees will be installed as the Interim Directors of the Corporation at the time the Proposed Plan is implemented.

In selecting the Nominees, the Monitor will consider, *inter alia*, the following:

(a) The amount of the individual's investment in the Corporation in the event that the Proposed Plan is implemented in accordance with its terms;

(b) Any previous experience that the individual has in serving as a director or officer of a publicly traded company;

(c) Any previous experience that the individual has in the development of real estate projects;

(d) Any relevant input received by the Corporation or the Monitor from Creditors in respect of the individual wishing to be a Nominee; and

(e) Any other factor that the Corporation or the Monitor consider relevant to whether an individual should be a Nominee.

Individuals who have previously worked as a director, officer, employees, consultant, agent (including sales agents and agents who sold securities of the Harvest Group of Companies or Foundation Group of Companies), contractor, or advisor to any entity related or affiliated with the Harvest Group of Companies or Foundation Group of Companies or any relation thereof will not be eligible to be an Interim Director.

Any individual, including any Creditor, can request that his or her name be put forth as a Nominee. An individual wishing to be a Nominee should submit a request to the Monitor that he or she be a Nominee, along with any information relevant to the individual's proposed appointment as a

Nominee, by no later than **April 29, 2014**. Requests to the Monitor to serve as a Nominee should be submitted by registered mail, facsimile or email to the following address:

> Ernst & Young Inc., in its capacity as court appointed Monitor of Foundation Place Capital Inc., and not in its personal capacity
> Ernst & Young Tower
> 1000, 440 2nd Avenue S.W.,
> Calgary, AB T2P 5E9
> Attention: Jessica Caden
> Email: Jessica.Caden@ca.ey.com
> Facsimile: 403 206 5075

The Monitor with input from the Corporation will select the Nominees on or before May 1, 2014, or such later date as may be determined by the Monitor. In the event that there is a disagreement between the Monitor and Corporation over whether a particular individual should be a Nominee, the Monitor will seek advice and direction from the Court as to whether a particular individual should be a Nominee. The identity of the Nominees will be provided to the Creditors at or prior to the time that the Proposed Plan is scheduled to be voted on and the Nominees and will be posted on the Monitor's web site by May 1, 2014, or such other date as may be determined by the Monitor or ordered by the Court, at www.ey.com/ca/foundationgroup.

Any individual, including any Creditor, who is not selected as a Nominee by the Monitor will still be eligible to be elected as a future director of the Corporation in accordance with the Proposed Plan, the ABCA and the Articles.