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-SIXTH REPORT OF THE MONITOR** **APRIL 25, 2014**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**MONITOR** Ernst & Young Inc. 1000, 440 - 2nd Avenue SW Calgary, Alberta T2P 5E9 Attention: Neil Narfason / Nick J.B. Purich Telephone: 403-206-5067 / (403) 206-5170 Fax: 403-206-5075 Email: Neil.Narfason@ca.ey.com Nick.JB.Purich@ca.ey.com **COUNSEL** McCarthy Tétrault LLP Suite 4000, 421 7th Avenue SW Calgary AB T2P 4K9 Attn: Sean Collins / Walker MacLeod Telephone: 403-260-3531 / 403-260-3710 Email: scollins@mccarthy.ca wmacleod@mccarthy.ca

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APPENDIX TO THE TWENTY-SIXTH REPORT

INTRODUCTION

1. On December 21, 2011, Legacy Communities Inc. ("Legacy") and Airdrie Capital Corporation ("ACC") and Airdrie Country Estates Inc. (collectively "Airdrie") sought and obtained protection from their creditors under the Companies' Creditors Arrangement Act, R.S.C. 1985 c. C-36, as amended, (the "CCAA") pursuant to an order of this Honourable Court (the "Initial Order").

2. Pursuant to the Initial Order, Ernst & Young Inc. was appointed monitor of Legacy and Airdrie (the "Monitor").

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

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

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

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

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

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

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

   a) A Railside update;

   b) The forecast to actual Railside cash flow results for the period of January 15, 2014 – April 24, 2014 (the "Reporting Period");

   c) The Railside Forecast (the "Railside Forecast") from April 25, 2014 to September 30, 2014 (the "Forecast Period");

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

   e) The Monitor's recommendation.

10. Capitalized terms not defined in this Twenty-Sixth Report are as defined in the Initial Orders.

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

BACKGROUND

12. Background for the Debtors together with other information regarding these CCAA proceedings, have been posted by the Monitor on its website at: www.ey.com/ca/foundationgroup.

TERMS OF REFERENCE

13. In preparing this Sixth Report, the Monitor has relied upon unaudited financial information, company records and discussions with the CRO of the Company. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of the information. Future orientated financial information relied upon in this report is based on management's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

RAILSIDE RESTRUCTURING UPDATE

14. Further to the Twenty-Fourth Report of the Monitor dated March 28, 2014 (the "Twenty-Fourth Report"), Railside has been actively pursuing strategies to obtain the financing necessary to implement the Railside Plan including a partial land sale and a new financing.

15. The sale of the Hegedus Land (as defined in the Twenty-Fourth Report) was approved by this Honourable Court on April 4, 2014. The sale is expected to close on April 30, 2014 generating net proceeds of $266,000 (the "Hegedus Sale Proceeds").

16. As described below, the Monitor anticipates using the Hegedus Sale Proceeds to settle various outstanding professional and other CCAA and operating costs.

17. The Co-Manager entered into a financing commitment letter (the "Sundance Commitment Letter") with Sundance Capital Corporation ("Sundance") on March 14, 2014. Under the Sundance Commitment Letter, Sundance will raise $1.9 million to loan to Railside for a two year term (the "Sundance Financing") which is sufficient to implement the Railside Plan. The Sundance Financing is described further in the Twenty-Fourth Report.

18. At Sundance's request the Sundance Commitment Letter was amended to allow the Sundance Financing to close on May 12, 2014.

19. The Co-Manager understands from Sundance that significant progress has been made towards syndicating the Sundance Financing which is a condition of the Sundance Financing.

20. The Co-Manager sent an update letter to all Railside investors on April 3, 2014 advising them of Railside's restructuring progress and of the Sundance Financing and their ability, if interested, to participate in the Sundance Financing.

21. The DIP Lender has verbally provided Railside with the possibility of extending the term of its loan on a monthly basis as long as the interest is paid monthly. These terms were provided as a result of the positive developments with the Hegedus Land sale and the progress towards the Sundance Financing.

22. Until the Sundance Financing is completed, the Co-Manager continues to pursue the sale of part of the Railside land (a "Railside Land Sale") to provide the necessary financing to implement the Railside Plan as described in the Twenty-First Report of the Monitor dated January 22, 2014.

FORECAST TO ACTUAL RESULTS

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

Railside Industrial Park Inc. and Railside Capital Inc.
Cash Flow Forecast to Actual
January 15, 2014 - April 24, 2014

	Forecast	Actual	Variance	Notes
Receipts	$ 140	$ 242	$ 102	
Disbursements	14,000	8,462	(5,538)	a
Net Cash Flows	$ (13,860)	$ (8,219)	$ 5,641	

24. The cash disbursement variance for the Reporting Period relates to cash disbursements being lower than forecast as a result of Railside's efforts to minimize operating and consulting costs.

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

CASH FLOW FORECAST

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

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

Railside Industrial Park Inc. and Railside Capital Inc.
Cash Flow Forecast
April 25, 2014 - September 30, 2014

		Forecast	Notes
Receipts			
Land Sale	$	266,000	a
Interest		140	
Total Receipts		266,140	
Disbursements			
Interest Costs	$	94,500	b
Property Taxes		48,550	c
Operating Expenses		13,000	d
Professional Fees		120,000	e
Total Disbursements		276,050	
Net Cash Flows	$	(9,910)	
Opening Cash	$	57,307	
Net Cash Flows		(9,910)	
Ending Cash	$	47,397	

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

a) The Hegedus Sale Proceeds of $266,000 consist of a purchase price of $280,000 less commission of 5%; and

b) The Monitor understands that the DIP Lender will formally agree to extend the term of the loan on a month-to-month basis on the condition that monthly interest payments are made. The loan balance is $1.05 million and it carries an interest rate of 18%. The amount included in the forecast is based on interest payments being made for the full Forecast Period.

The Co-Manager anticipates using the Hegedus Sale Proceeds to pay the following costs which are outstanding at the date of this report:

c) 2013 property taxes which remain outstanding due to Railside's lack of financial resources;

d) Consulting costs incurred with respect to the land; and

e) Unpaid professional fees of the Monitor and its legal counsel and the Company's legal counsel are presently approximately $120,000. Professional fees for the Forecast Period are anticipated to be offset by the Administrative Charge depending on the completion of the Sundance Financing or other restructuring alternatives.

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

RAILSIDE'S REQUEST FOR AN EXTENSION OF THE STAY PERIOD

30. Pursuant to the Orders of this Honourable Court dated January 27, 2014 the Stay Period expires on April 30, 2014 for Railside. Railside is seeking an extension of the Stay Period up to and including September 30, 2014 (the "Stay Extension").

31. The Stay Extension is necessary to allow for Railside to close the Sundance Financing or pursue a Railside Land Sale. The length of the stay is intended to minimize professional fees incurred in pursuing these restructuring alternatives.

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

MONITOR'S RECOMMENDATION

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

Dated at Calgary, this 25th day of April, 2014.

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

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

Nick J. B. Purich, CA
Senior

Appendix A

Railside Industrial Park Inc. and Railside Capital Inc.
Cash Flow Forecast to Actual
January 15, 2014 - April 24, 2014

	Forecast	Actual	Variance	Notes
Receipts				
Refund	$ -	$ 95	$ 95	
Interest	140	148	8	
Total Receipts	140	242	102	
Disbursements				
Consulting Fees	$ 10,000	$ 6,605	$ (3,396)	a
Property Taxes	-	-	-	
Operating Expenses	4,000	347	(3,653)	
Development Costs	-	-	-	
Professional Fees	-	1,510	1,510	b
Total Disbursements	14,000	8,462	(5,538)	
Net Cash Flows	$ (13,860)	$ (8,219)	$ 5,641	
Opening Cash	$ 57,307	$ 57,307		
Net Cash Flows	(13,860)	(8,219)		
Ending Cash	$ 43,447	$ 49,088		

Notes:

a Consulting costs consisted primarily of investor relations support and settlement of previously incurred environmental consulting costs.

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