Clerk's Stamp

COURT FILE NUMBER	1101-17318
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANTS	IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED AND IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, R.S.A. 2000, c. B-9 AND IN THE MATTER OF LEGACY COMMUNITIES INC., AIRDRIE CAPITAL CORPORATION, AIRDRIE COUNTRY ESTATES INC., RAILSIDE CAPITAL INC., RAILSIDE INDUSTRIAL PARK INC., FOUNDATION PLACE CAPITAL INC. and FOUNDATION PLACE INC.
DOCUMENT	**EIGHTEENTH REPORT OF THE MONITOR** **JUNE 21, 2013**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**MONITOR** Ernst & Young Inc. 1000, 440 - 2nd Avenue SW Calgary, Alberta T2P 5E9 Attention: Neil Narfason / Cassie Riglin Telephone: 403-206-5067 / (403) 206-5005 Fax: 403-206-5075 Email: Neil.Narfason@ca.ey.com Cassie.Riglin@ca.ey.com **COUNSEL** McCarthy Tétrault LLP Suite 3300, 421 7th Avenue SW Calgary AB T2P 4K9 Attn: Sean Collins / Walker MacLeod Telephone: 403-260-3531 / 403-260-3710 Email: scollins@mccarthy.ca wmacleod@mccarthy.ca

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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. and Foundation Capital Inc. (collectively "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.

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 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 Monitor anticipates that the Railside Plan will be implemented shortly and, pursuant to the terms of the Railside Plan, the interim board of directors will be appointed.

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

   a) A Foundation Place update;

   b) The forecast to actual cash flow results for the period of April 30, 2013 to June 21, 2013 (the "Reporting Period");

   c) The cash flow forecast (the "Forecast") from June 21, 2013 to September 30, 2013 (the "Forecast Period");

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

   e) The Monitor's recommendation.

10. Capitalized terms not defined in this Eighteenth 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 Eighteenth Report, the Monitor has relied upon unaudited financial information, company records and discussions with former management of the Company. The Monitor has not performed an audit, review or other verification of such information. An examination of the financial forecast as outlined in the Canadian Institute of Chartered Accountants Handbook has not been performed. Future

orientated financial information relied upon in this report is based on management's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

FOUNDATION PLACE RESTRUCTURING EFFORTS

14. The Monitor has been approached by an investor (the "FP Investor Group Lead") who indicates that he represents a large number of Foundation Place investors who would like to hold the property owned by Foundation Place for a longer term in hopes of achieving a higher recovery. The Monitor has advised this group that in order to hold the property Foundation Place will require exit financing and a plan of arrangement. As a result of the delays in resolving the Mylonas and Landstar claims (discussed below), this group of investors require additional time to find the necessary financing to develop a plan and avoid liquidation and the Monitor is supportive of this process.

15. Mylonas Enterprises Ltd. ("Mylonas") and Landstar Teamworks Project Management Ltd. ("Landstar") have each registered encumbrances against the Foundation Place lands in priority to the Foundation Place Capital mortgage and submitted claims against Foundation Place in respect thereof prior to the claims bar date of August 21, 2012. The Monitor had filed an application on September 20, 2012 to strike out the caveat filed by Mylonas, which application was adjourned sine die. On November 19, 2012, Mylonas submitted an amended proof of claim to the Monitor in respect of its claim against Foundation Place. The Monitor has reviewed the amended Mylonas claim and the Landstar claim and issued notices of disallowance in respect of both of them in accordance with the Claims Process Order granted in respect of Foundation Place on July 5, 2012. Mylonas and Landstar have disputed the notices of disallowance in accordance with the Claims Process Order. The appeal of the disallowances of the Mylonas and Landstar claims is scheduled to be heard on June 27, 2013.

16. The DIP loan with Azimuth Risk Management Ltd. ("Azimuth") was overdue for many months. The Monitor/Co-Manager has been able to reach an extension agreement whereby the DIP Financing has been extended to September 30, 2013.There will be initial extension fee of 4% for the extension to September 30, 2013; and should

there be further mutually agreed extensions, a 2% extension fee for the commencement of each three month period thereafter.

17. The Monitor understands that the two Foundation Place UCC representatives along with the FP Investor Group Lead are supportive of the DIP Financing extension and terms.

FORECAST TO ACTUAL RESULTS

Foundation Place

18. The cash flow forecast to actual presented at Appendix A contains the cash receipts and disbursements incurred to date for Foundation Place as compared to the cash flow forecasts previously provided to this Court.

Foundation Capital Inc. and Foundation Place Capital Inc.
Cash Flow Forecast to Actual
March 1, 2012 - June 21, 2013

	Forecast	Actual	Variance
Receipts	305,000	279,443	(25,557)
Disbursements	625,436	275,648	349,788
Net Cash Flows	(320,436)	3,795	324,231

19. Cash receipts for the Reporting Period were from parking lot revenue and approximately $274,000 of DIP Financing.

20. Operating expenses, which have been incurred but not entirely paid during the Reporting Period, for Foundation Place total approximately $276,000. The positive variance of approximately $350,000 relates primarily to the timing of settlement for professional fees in order to conserve cash moving into the Forecast Period.

21. Operating costs have been reduced to zero, with only professional fees and property taxes accruing.

CASH FLOW FORECAST THROUGH SEPTEMBER 30, 2013

22. The Co-manager of Foundation Place has prepared the Forecast. The Forecast is based on the most current information available.

23. The table below summarizes the cash flows for Foundation Place for the Forecast Period:

Cash Flow Forecast **June 21, 2013 - September 30, 2013**			
	Notes	**Foundation Place**	
RECEIPTS	a		
Debtor-in-possession financing	b	$	-
Total receipts		$	-
DISBURSEMENTS			
Management fees	c	$	-
Consulting fees	d		-
Property taxes	e		25,304
CCAA professional fees	f		45,000
Administration Charge offset	f		(45,000)
Total disbursements		$	**25,304**
NET CASH FLOWS		$	**(25,304)**
OPENING CASH		$	32,313
NET CHANGE IN CASH FLOWS			(25,304)
ENDING CASH		$	**7,009**

24. As summarized above, Foundation Place is projecting no further DIP Financing needs for the Forecast Period. The accrued and unpaid professional fees are beneficiaries of the Administrative Charge, and all beneficiaries have agreed to extend the time for payment until exit financing is secured or until it is apparent no exit financing will be obtained. Accordingly, no further cash needs are required during the Forecast Period.

25. Significant assumptions with respect to Foundation Place are:

a) Foundation Place has no operating revenues;

b) No further DIP Financing is required at this time;

c) No further management fees will be incurred on Foundation Place;

d) No further consulting fees are to be paid for Foundation Place;

e) 2013 property taxes; and

f) Professional fees relate to the costs of the Monitor and its legal counsel, the Company's legal counsel and the UCC's legal counsel and have been estimated by the Monitor.

26. The Monitor considers the assumptions supporting the Forecasts to be reasonable.

THE COMPANY'S REQUEST FOR AN EXTENSION OF THE STAY PERIOD

27. Pursuant to the Orders of this Honourable Court dated April 30, 2013 the Stay Period expires on June 30, 2013 for Foundation Place.

28. Foundation Place is seeking an extension of the Stay Period up to and including September 30, 2013 (the "Stay Extension").

29. The Stay Extension is necessary to allow for the resolution of the Mylonas and Landstar claims which will then allow the Foundation Place investors an opportunity to assess the viability of developing a plan of arrangement and to find the necessary financing required.

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

MONITOR'S RECOMMENDATION

31. The Monitor recommends that that this Honourable Court approve the Stay Extension.

Dated at Calgary, this 21st day of June, 2013.

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

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

Cassie Riglin

Cassie Riglin, CA
Manager

APPENDIX A

Foundation Capital Inc. and Foundation Place Capital Inc.
Cash Flow Forecast to Actual
March 1, 2012 - June 21, 2013

	Forecast	Actual	Variance
RECEIPTS			
Debtor-in-possession financing	305,000	$ 274,443	$ (30,557)
Parking Lot Revenue	-	5,000	5,000
Total receipts	**305,000**	**279,443**	**(25,557)**
DISBURSEMENTS			
Management fees	65,412	65,412	-
Consulting fees	11,724	10,344	1,380
Property taxes	34,000	27,995	6,005
Operating Expenses	300	1,752	(1,452)
Appraisals	4,000	2,625	1,375
Eyelogic fees	-	-	-
Development costs	-	-	-
CCAA professional fees	510,000	167,519	342,481
Total disbursements	**$ 625,436**	**$ 275,648**	**$ 349,788**
NET CASH FLOWS	**$ (320,436)**	**$ 3,795**	**$ 324,231**
OPENING CASH	$ 28,518	$ 28,518	
NET CHANGE IN CASH FLOWS	(320,436)	3,795	
ENDING CASH	**$ (291,918)**	**$ 32,313**	