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	**THIRTEENTH REPORT OF THE MONITOR** **OCTOBER 30, 2012**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**MONITOR** Ernst & Young Inc. 1000, 440 - 2nd Avenue SW Calgary, Alberta T2P 5E9 Attention: Neil Narfason / Cassie Riglin Telephone: 403-206-5067 / (403) 206-5139 Fax: 403-206-5075 Email: Neil.Narfason@ca.ey.com Cassie.Riglin@ca.ey.com **COUNSEL** McCarthy Tétrault LLP Suite 3300, 421 7th Avenue SW Calgary AB T2P 4K9 Attn: Sean Collins / Walker MacLeod Telephone: 403-260-3531 / 403-260-3710 Email: scollins@mccarthy.ca wmacleod@mccarthy.ca

Clerk's Stamp

CLERK OF THE COURT
FILED
OCT 30 2012
JUDICIAL CENTRE

TABLE OF CONTENTS OF THE THIRTEENTH REPORT

APPENDICIES TO THE THIRTEENTH 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. 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 March 21, 2012 this Honourable Court granted an Order appointing Ernst & Young Inc. as inspector ("Inspector") of certain related entities, 1252064 Alberta Ltd. ("125"), 1330075 Alberta Ltd. ("133") and Harvest Capital Management Inc. ("HCMI").

7. On May 12, 2012 this Honourable Court granted an Order expanding the Monitor's powers as "co-manager" of the Companies.

8. On June 7, 2012 125, 133 and HCMI sought and obtained protection from their creditors under the CCAA pursuant to an order of this Honourable Court (the "125, 133 and HCMI Initial Order"). Pursuant to the 125, 133 and HCMI Initial Order, Ernst & Young Inc. was appointed monitor of these entities. Ernst & Young Inc.'s role as

Inspector of these entities was therefore replaced by its' role as the Monitor of these entities. The Monitor now has full access to review the books and records of these entities as required.

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

    a) An update on the implementation of the Legacy and Airdrie plans of arrangement ("Plans");

    b) An update on the restructuring efforts for Railside and Foundation Place;

    c) The forecast to actual cash flow results for the period of March 1, 2012 to October 31, 2012 (the "Reporting Period");

    d) The cash flow forecasts (the "Forecasts");

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

    f) The Monitor's recommendations.

10. Capitalized terms not defined in this Thirteenth 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 Thirteenth Report, the Monitor has relied upon unaudited financial information, company records and discussions with management of the Company. The Monitor has not performed an audit, review or other verification of such

information. 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.

LEGACY AND AIRDRIE PLAN IMPLENTATION

14. The Monitor advises that both the Legacy and Airdrie Plans have been fully implemented and both entities have exited these CCAA Proceedings.

15. The respective interim boards of Legacy and Airdrie are now fully in control of these entities and the Monitor has been advised that they will correspond directly to the respective investor groups shortly.

RESTRUCTURING EFFORTS

Railside

16. The Monitor is working with Railside to secure further DIP Financing, that would allow Railside to repay the current DIP Financing, Administration Charges and provide sufficient operating capital for a period of six months with two options to extend a further six months each.

17. Railside had initially lined up DIP Financing with a lender, however, that lender did not wish to proceed. As such, the Monitor has been working to find replacement DIP Financing and believes that Railside will have an alternate DIP Financing facility in place by mid-November with the same terms as the original DIP Financing.

18. With this financing in place, the Monitor intends to work with management and the UCC to finalize the terms of a plan of compromise and arrangement under the CCAA (the "Railside Plan"). Upon finalizing DIP financing and the Railside Plan, Railside may be in a position to apply for an order approving the circulation of the Railside Plan by mid to late November.

Foundation Place

19. The Monitor has engaged Colliers International Inc. ("Colliers") to provide a sell versus hold analysis on the Foundation Place property.

20. The Monitor has been approached by a large number of Foundation Place investors who would like to hold this property 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. This group of investors have requested additional time to develop a restructuring alternative to avoid liquidation and the Monitor has agreed to do so until the end of November.

21. Mylonas Enterprises Ltd. ("Mylonas") and Landstar Teamworks Project Management Ltd. ("Landstar") have each registered encumbrances against the Foundation Place property in priority to the Foundation Place Capital mortgage and have submitted claims against Foundation Place in respect thereof. The Monitor filed an application on September 20, 2012, to strike out the caveat filed by Mylonas, which has application is currently adjourned sine die. The Monitor has now been provided with additional information by Foundation Place pertaining to the claim filed by Landstar and is in the process of reviewing same with its legal counsel.

FORECAST TO ACTUAL RESULTS

Railside

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

Railside Capital Inc. and Railside Industrial Park Inc.
Cash Flow Forecast to Actual
March 1, 2012 - October 31, 2012

	Forecast	Actual	Variance
Receipts	150,000	116,773	33,227
Disbursements	598,924	302,424	296,500
Net Cash Flows	(448,924)	(185,651)	(263,273)

23. The only cash receipt for the Reporting Period was approximately $117,000 of DIP Financing. Azimuth was only able to fund approximately $117,000 of the Railside DIP, the remaining unfunded portion of approximately $33,000 will be funded in November by the replacement DIP lender.

24. Operating expenses, which have been incurred but not entirely paid during the Reporting Period, for Railside total approximately $302,000. The positive variance of approximately $296,000 relates to the timing of settlement for professional fees and a reduction in management fees in order to conserve cash moving into the Forecast Period.

Foundation Place

25. The cash flow forecast to actual presented at Appendix B 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 - October 31, 2012

	Forecast	**Actual**	**Variance**
Receipts	305,000	279,443	25,557
Disbursements	439,436	300,949	138,487
Net Cash Flows	(134,436)	(21,506)	(112,930)

26. Cash receipts for the Reporting Period were $5,000 from parking lot revenue and approximately $274,000 of DIP Financing. Azimuth was only able to fund approximately $274,000 of the Foundation Place DIP, the remaining unfunded portion will not be funded.

27. Operating expenses, which have been incurred but not entirely paid during the Reporting Period, for Foundation Place total approximately $301,000. The positive variance of approximately $138,000 relates primarily to the timing of settlement for professional fees in order to conserve cash moving into the Forecast Period.

28. Operating costs have been reduced to zero, with only professional fees and property taxes accruing. As the professional fees are relying on the Administration Charge, there is a resulting net negative cash flow.

CASH FLOW FORECASTS

29. Railside and Foundation Place, with the assistance of the Monitor, have prepared Forecasts which are attached as Appendix C to this report. The Forecasts are based on the most current information available.

30. The table below summarizes the Forecasts for Railside and Foundation Place:

Cash Flow Forecast November 1, 2012 - November 30, 2012			
	Notes	**Railside**	**Foundation Place**
RECEIPTS	a		
Debtor-in-possession financing	b	$ 33,000	$ -
Total receipts		**$ 33,000**	**$ -**
DISBURSEMENTS			
Management fees	c	$ -	$ -
Consulting fees	d	-	-
CCAA professional fees	e	50,000	33,000
Administration Charge offset	e	(17,000)	(33,000)
Total disbursements		**$ 33,000**	**$ -**
NET CASH FLOWS		**$ -**	**$ -**
OPENING CASH		$ 1,841	$ 5,095
NET CHANGE IN CASH FLOWS		-	-
ENDING CASH		**$ 1,841**	**$ 5,095**

31. As summarized above, Railside is projecting the DIP Financing shortfall to be funded during November. Assuming the professional fees can rely on the Administrative Charge, no further cash feeds are required during the Forecast Period.

32. 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.

33. The Monitor has reviewed the assumptions supporting the Forecasts and believes the assumptions to be reasonable.

34. Significant assumptions made by management with respect to the Forecasts are:

a) Railside and Foundation Place have no operating revenues;

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

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

d) No further Consulting fees are to be paid for Railside or Foundation Place; and

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

THE COMPANIES' REQUEST FOR AN EXTENSION OF THE STAY PERIOD

35. Pursuant to the Orders of this Honourable Court dated August 24, 2012 the Stay Period expires on October 31, 2012 Railside and Foundation Place.

36. Railside and Foundation Place are seeking an extension of the Stay Period up to and including November 30, 2012 (the "Railside and Foundation Place Stay Extension").

37. The Railside and Foundation Place Stay Extension is necessary to allow Railside to finalize the necessary DIP financing and finalize a plan under the CCAA and to allow Foundation Place to canvas its investors to determine how they wish to proceed with the property.

38. In the Monitor's view, Railside and Foundation Place are acting in good faith and with due diligence.

MONITOR'S RECOMMENDATIONS

39. The Monitor recommends that this Honourable Court approve the Railside and Foundation Place Stay Extension.

Dated at Calgary, this 30th day of October, 2012.

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

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

Cassie Riglin, CA
Manager

APPENDIX A

Railside Capital Inc. and Railside Industrial Park Inc.
Cash Flow Forecast to Actual
March 1, 2012 - October 31, 2012

	Forecast	Actual	Varaince
RECEIPTS			
Debtor-in-possession financing (Note 2)	150,000	$ 116,773	$ 33,227
Total receipts	**150,000**	**116,773**	**33,227**
DISBURSEMENTS			
Management fees	71,668	48,667	23,001
Consulting fees	79,956	36,180	43,776
Property taxes	43,000	41,942	1,058
Operating Expenses	300	20,238	(19,938)
Appraisals	4,000	4,200	(200)
LOC collateral	-	100,000	(100,000)
Development costs	25,000	1,197	23,803
CCAA professional fees (Note 1)	375,000	50,000	325,000
Total disbursements	**$ 598,924**	**$ 302,424**	**$ 296,500**
NET CASH FLOWS	**$ (448,924)**	**$ (185,651)**	**$ (263,273)**
OPENING CASH	$ 187,492	$ 187,492	
NET CHANGE IN CASH FLOWS	(448,924)	(185,651)	
ENDING CASH	**$ (261,432)**	**$ 1,841**	

Notes

1 **Professional Fees**

	Invoices	Total
BLG	$ 191,002	$ 191,002
EY	79,416	79,416
McCarthy	26,533	26,533
FMC	74,733	74,733
		371,685
Covered by current funding		50,000
Covered by Administration Charge		$ 321,685
Forecast through September 2012		(17,000)
Total Administration Charge		$ 304,685

2 DIP Financing was be provided in part by HCMI and Azimuth and the remainder through the exit financing

APPENDIX B

Foundation Capital Inc. and Foundation Place Capital Inc.
Cash Flow Forecast to Actual
March 1, 2012 - October 31, 2012

	Forecast	Actual	Varaince
RECEIPTS			
Debtor-in-possession financing (Note 2)	305,000	$ 274,443	$ 30,557
Parking Lot Revenue	-	5,000	5,000
Total receipts	**305,000**	**279,443**	**35,557**
DISBURSEMENTS			
Management fees	65,412	65,412	-
Consulting fees	11,724	8,014	3,710
Property taxes	34,000	27,995	6,005
Operating Expenses	300	1,903	(1,603)
Appraisals	4,000	2,625	1,375
Eyelogic fees	-	-	-
Development costs	-	-	-
CCAA professional fees (Note 1)	324,000	195,000	129,000
Total disbursements	**$ 439,436**	**$ 300,949**	**$ 138,487**
NET CASH FLOWS	**$ (134,436)**	**$ (21,506)**	**$ (102,930)**
OPENING CASH	$ 26,601	$ 26,601	
NET CHANGE IN CASH FLOWS	(134,436)	(21,506)	
ENDING CASH	**$ (107,835)**	**$ 5,095**	

Notes

1 Professional Fees	**Invoices**	**Total**
BLG	$ 148,035	$ 148,035
EY	79,392	79,392
McCarthy	26,533	26,533
FMC	74,733	74,733
		$ 328,693
Covered by current funding		$ 195,000
Covered by Administration Charge		$ 133,693
Forecast through October 2012		33,000
Total Administration Charge		$ 166,693

2 The remaining DIP Financing will no longer be funded.

APPENDIX C

Railside Capital Inc. and Railside Industrial Park Inc.
Cash Flow Forecast
November 1, 2012 - November 30, 2012

	Notes	Railside November
RECEIPTS	2	
Debtor-in-possession financing	3	33,000
Total receipts		**$ 33,000**
DISBURSEMENTS		
Management fees	4	-
Consulting fees	5	-
Property taxes		-
Operating Expenses		-
Appraisals		-
Eyelogic fees		-
Development costs		
CCAA professional fees	6	50,000
Administration Charge offset	7	(17,000)
Total disbursements		**$ 33,000**
NET CASH FLOWS		**$ -**
OPENING CASH		$ 1,841
NET CHANGE IN CASH FLOWS		-
ENDING CASH		**$ 1,841**

Notes and Assumptions

1 "Railside" is a consolidation of Railside Capital Inc. and Railside Industrial Park Inc.
2 Railside has no operating revenues
3 DIP financing realtes to the prior shortfall not funded by Azimuth
4 No further Management fees to be paid to Harvest Group LP
5 No further consulting fees required
6 Estimated professional fees
7 Professional fees are to be paid for with the Administration Charge

Foundation Capital Inc. and Foundation Place Capital Inc.
Cash Flow Forecast
November 1, 2012 - November 30, 2012

	Notes	Foundation Nobember 1-30, 2012
RECEIPTS	2	
Debtor-in-possession financing	3	-
Total receipts		-
DISBURSEMENTS		
Management fees	4	-
Consulting fees	5	-
Property taxes		-
Operating Expenses		-
Appraisals		-
Eyelogic fees		-
Development costs		-
CCAA professional fees	6	33,000
Administration Charge offset	7	(33,000)
Total disbursements		**$ -**
NET CASH FLOWS		**$ -**
OPENING CASH		$ 5,095
NET CHANGE IN CASH FLOWS		-
ENDING CASH		**$ 5,095**

Notes and Assumptions

1 "Foundation Place" is a consolidation of Foundation Capital Inc. and Foundation Place Capital Inc.
2 Foundation has no operating revenues
3 No further DIP financing is required
4 No further Management fees to be paid to Harvest Group LP
5 No further consulting fees required
6 Estimated professional fees
7 Professional fees are to be paid for with the Administration Chi