INFORMATION CIRCULAR

FOUNDATION PLACE CAPITAL INC.

Meeting of Creditors to be held May 6, 2014

April 14, 2014

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INTRODUCTION

This Information Circular is being sent to creditors of Foundation Place Capital Inc. ("FPC" or the "Corporation") in connection with the meeting of creditors to be held May 6, 2014 at 9:30 a.m. (the "Meeting"). Enclosed with this Information Circular is a Notice of Meeting and a copy of the Plan of Compromise and Arrangement (the "Plan") to be considered at the Meeting. Also enclosed with this Information Circular is the Twenty-Fifth Report of the Monitor dated April 8, 2014 (the "Monitor's Report").

Capitalised terms used in this Information Circular without definition have the meanings assigned to them in the enclosed Plan, which is incorporated by this reference into this Information Circular.

THE 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) at which the Bondholders eligible to vote shall consider and vote upon the Plan. The Creditors' Meeting shall be held in accordance with the 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 (as described under "Background – Simmons Transaction"), 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 Creditors' 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.

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.

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 Inc.
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 the Plan and with respect to other matters that may properly come before the Creditors Meeting.

Confirmation of Plan

In the event that the 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.

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

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

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 the Plan.

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 the Plan involves a financial restructuring designed to (i) place ownership of FPC 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 Claims

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 the 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 the 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.

Simmons Transaction

In order to implement the 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 the 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 a 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.

3. Use of funds – The Simmons Equity Investment and the Simmons Bank Loan, totalling $1,000,000, will be used to repay 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 under “Directors of the Corporation”.

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.

125 Advance

The Simmons Equity Financing and the Simmons Bank Loan together are insufficient to cover all of the liabilities owed by FPC and 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”). FPC is owed approximately $1,560,500 from 125 based on amounts FPC advanced to 125 prior to the CCAA Proceedings, which were used to purchase limited partnership units in Haiku Management LP (the “Haiku Units”), a real estate development syndicated by Arlington Street Developments Inc. (“ASI”). Certain of the Haiku units were sold for cash proceeds prior to the CCAA Proceedings. The remaining Haiku Units were sold in exchange for a promissory note from ASI (the “ASI Note”). In August, 2014, it is anticipated that ASI will repay the total amounts owing under the ASI Note, being $734,375, at which time 125 will be repaid the up to $225,000 plus accrued interest advanced and the remaining amounts will be returned to FPC. The 125 Advance will be secured in the intervening period between Plan implementation and repayment of the ASI Note, by security registered on the FPC Land.

Other Objectives of the Plan

In addition to securing the financing and development expertise necessary to maximize value of the FP Lands, FPC has also 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 the 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 the 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 the 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 exchanged for and converted to Class "A" Bonds, but a small portion of each Bondholder's Claim will be exchanged for and converted to Class "B" Bonds, which will in turn be exchanged for and 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.

PLAN OF ARRANGEMENT

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 and possibly a third party creditor, 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 the 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.

Details of the Plan

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 the 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 the 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 the 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.

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 the Plan shall become effective; then,
- The provisions of the corporate reorganization contained in Schedule "D" to the Plan shall become effective; and
- The New FPC Shares and the Class "A" Bonds contemplated in the Simmons Transaction shall be issued to Simmons.

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 of the Plan;
- 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 CWB Loan, the 125 Advance and the remaining amount of the Simmons Investment 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.

Delivery of Statements

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.

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 of the Plan;

(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.

BUSINESS PLAN AND DESCRIPTION OF ASSETS

The FP Lands are approximately 10,656 square feet in size, which is relatively small for a development parcel. Simmons has indicated to the Corporation that it intends to develop and evaluate alternatives for development of the FP Lands, including investigating consolidation with other nearby parcels and applying for planning approvals to increase density. Currently, Simmons contemplates a residential development, subject to obtaining approvals and financing. Simmons also intends to pursue collection of the ASI Note described under "Background - 125 Advance" above, and may require additional financing.

DESCRIPTION OF THE REPLACEMENT BONDS

The Corporation will issue Class A Bonds and Class B Bonds to bondholders upon the Plan becoming effective. The Class B Bonds will be exchanged for and converted to Common Shares of the Corporation immediately after their issue. Each Bondholder will receive an aggregate amount of Class A Bonds and Class B Bonds equal to the principal and interest accrued on his FPC Bonds.

The Class A Bonds will be issued pursuant to a Bond Indenture between the Corporation and a Trustee (the "Indenture"). The Class A Bonds will be due May 31, 2019.

The Bonds will be secured by a fixed mortgage on the Property, and a floating charge on all other assets of the Corporation, other than the Excluded Assets Account described below (the "Non-recourse Assets"). The Bonds will permit the Corporation to place security ranking prior to the Bonds, to allow for development financing and other financing required by the Corporation. The value of the Non-recourse Assets will, unless subsequent financing charges those assets, support a value in the equity of the Corporation. The Indenture will contain a provision that provides that an amount of $1,200,000 realized from sales of assets of the corporation or realization on the security for the Bonds will be placed in the Excluded Assets Account and will be available to the Corporation for use, and may not be paid to the Bondholders. This amount may be available for the shareholders of the Corporation, or for other creditors, depending on the circumstances of the Corporation at the time of any realization.

The following will be events of default for the Class A Bonds:

(a) failure to pay principal when due on the Class A Bonds;

(b) default in the observance or performance of any covenant or condition of the Indenture by the Corporation and the failure to cure (or obtain a waiver for) such default for a period of 30 days after notice in writing has been given by the Trustee or from holders of not less than 25% in aggregate principal amount of the Bonds to the Corporation specifying such default and requiring the Corporation to rectify such default or obtain a waiver for same;

(c) certain events of cross-default, bankruptcy, insolvency or reorganization affecting the Corporation.

Without the consent of the holders of the Bonds, the Corporation and the Trustee may enter into supplemental indentures for any of the following purposes:

(a) providing for the issuance of Additional Bonds under the Indenture;

(b) adding to the covenants of the Corporation for the protection of the Bondholders, or of the Bonds of any series, or providing for events of default, in addition to those specified in the Indenture;

(c) making such provisions not inconsistent with the Indenture as may be necessary or desirable with respect to matters or questions arising thereunder, including the making of any modifications in the form of the Bonds which do not affect the substance thereof and which in the opinion of the Trustee relying on an opinion of Counsel will not be prejudicial to the interests of the Bondholders;

(d) evidencing the succession, or successive successions, of others to the Corporation and the covenants of and obligations assumed by any such successor in accordance with the provisions of the Indenture;

The holders of a majority of 66 2/3% of the principal amount of Bonds represented and voting at a meeting of Bondholders may authorize any other amendment to the terms of the Bonds or the Bond Indenture.

DESCRIPTION OF THE COMMON SHARES

Following Plan Implementation, the Corporation will have only one class of shares – designated "Common Shares", all of which will have been issued to Creditors under the Plan. All previously issued shares will have been retracted for no consideration and cancelled. The Common Shares are entitled to one vote per share, and to receive any dividends declared thereon, and to the remaining property of the Corporation on liquidation.

DIRECTORS OF THE CORPORATION

Currently the sole director of the Corporation is Mr. Ron Aitkens. Upon implementation of the Plan, Ronald J. Aitkens will be discharged as director of the Corporation.

It is intended that, upon implementation of the Plan, the affairs of the Corporation will be initially managed by an interim board of directors (the "**New Directors**"). Two of the New Directors will be nominees of Jay Simmons. The other three New Directors will be selected in accordance with the Order of the Court. The Articles of the Corporation will provide for the appointment of a minimum of three (3) directors and a maximum of nine (9) directors of the Corporation. In the event the Plan is implemented, the New Directors will be required to call an annual meeting of the Corporation within six months 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.

The Monitor will nominate up to three (3) individuals (each, a "**Nominee**") as proposed New Directors of the Corporation. The Creditors will then be requested to vote on the approval of the Plan in accordance with the CCAA. If the Plan is approved by the Creditors in accordance with the CCAA and sanctioned by the Court, the Nominees will be installed as New Directors of the Corporation on implementation of the Plan.

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 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 from Creditors in respect of the individual wishing to be a Nominee; and

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

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 a New 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 a New 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 determine who will be 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 the 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 May 6, 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.

PRINCIPAL SHAREHOLDERS

Currently, the Class A voting shares of the Corporation are held by Eyelogic Systems Inc.("Eyelogic") , (which holds 60% of the voting shares) and Ronald J Aitkens, who holds 40% of the voting shares. No other shares are outstanding.

Under the Plan, all the above shares would be cancelled and new Common Shares issued to the Creditors. To the knowledge of the Corporation, this would result in no persons holding directly or indirectly, 10% or more of the outstanding voting shares of the Corporation, and would also result in Ronald J. Aitkens and Eyelogic no longer holding any shares of any class of the Corporation.

CAPITALIZATION

The following table shows the existing capitalization of FPC, and capitalization after giving effect to the Plan. Please refer to "Description of the Replacement Bonds" for information about the Class A Bonds, and to the Monitor's Report for additional information on the First Mortgage and the DIP Financing.

(unaudited)	Before giving effect to the Plan	After giving effect to the Plan
DIP Financing	$ 411,000	$ -
First Mortgage	-	800,000
Class A Bonds	-	9,777,570
FPC Bonds	8,505,000	-
Bond interest	1,539,397	-
Accounts payable	48,220	-
Total debt and liabilities	$ 10,503,617	$ 10,577,570
Shareholders' equity	$ (1,032,112)	$ 1,200,000
Total capitalization	$ 9,471,505	$ 11,777,570

The above table does not reflect the expected adjustment of the carrying value of the Class A Bonds to their estimated fair value of $600,000.

MANAGEMENT COMPENSATION

Pursuant to a Management Agreement which was to have been entered into at the time of offering of the FPC Bonds, FPI agreed to pay Foundation Capital Corporation an annual fee of 3% of the aggregate funds received by FPI from the loan from the Corporation, in exchange for management services. The term of the agreement was to be for two years, renewable by mutual agreement.

Pursuant to an agreement with Eyelogic dated February 12, 2008, the Corporation agreed to pay Eyelogic an annual administration fee of 1/20 of 1% on funds raised through registered plans, from $500,000 up to $5,000,000 and 1/40 of 1% on amounts raised over $5,000,000 and Eyelogic agreed to organize shareholder meetings of the Corporation. The term of the agreement was a minimum of two years, renewable on mutual agreement.

Pursuant to a consulting agreement dated February 12, 2008, the Corporation agreed to pay KMC Capital Inc. an annual fee equal to the greater of $2,500 and 9/20 of 1% of the funds raised from registered plans in the sale of bonds, and 9/40 of 1% on any funds raised from registered plans in excess of $5,000,000. KMC is wholly owned by a director and shareholder of Eyelogic. The KMC Agreement was for a minimum term of two years, renewable on mutual agreement**.**

The Monitor has conducted an analysis of the sources and uses of funds of the Corporation and FPI, including the amounts actually paid pursuant to the above agreements, which is contained in the Monitor's Seventh Report, dated June 18, 2012, which may be found on the Monitor's website at www.ey.com/ca/foundationgroup.

If the Plan becomes Effective, the Management and Administration Agreement with Simmons Financial Holdings Corporation will become effective. The Management and Administration Agreement provides that the Manager is to arrange for a bank loan of $800,000 for FP and supply the services of jay Simmons as President and CEO for a period of three years, and supply project development, accounting ,administrative and investor relations services. The Manager is to be paid a fee of $120,000 per year for these services, and will also be entitled to an incentive fee of 25% of the appreciation in Net Asset Value realized by FP. The Manager, or a related party, will also make an equity investment of $200,000 in Class A Bonds and Common Shares. See "Background – Simmons Transaction."

INDEBTEDNESS OF INSIDERS

Two corporations affiliated with Ron Aitkens are indebted to FPC. 1252064 Alberta Ltd. ("125") received a total of $1,562,500 from the FPC and invested it in Units of Haiku Management LP ("Haiku"). 125 also received funds held as working capital by FPC, without consideration. FPC and 125 have agreed to settle this claim and other claims of FPC against 125 in return for the assignment to FPC by 125 of a $734,375 promissory note issued by Haiku, the recognition of a $800,000 unsecured claim against 125, and an advance from 125 of $225,000 on the terms described under "Background - 125 Advance".

1330075 Alberta Ltd. ("133"), another corporation wholly-owned by Ron Aitkens, is indebted to FPC in the amount of $387,000. The origin of this debt is unknown.

125 and 133 are both insolvent and under court-ordered receivership proceedings. The ultimate recoverability of the indebtedness of 125 and 133 is unknown at this time.

RISK FACTORS

Investment in the Common Shares and Class A Bonds of FPC (collectively, the "Securities") is subject to many risks, some of which are described below. Creditors should analyse the risks set out below compared to the amount of realization expected on their Claims if the Plan is not approved, in determining how to vote on the Plan. Please refer to the Monitor's Report for an analysis of the Plan and of a liquidation scenario.

(a) **All real estate investment is subject to significant risk arising from rapidly changing market conditions.** Factors which could result in a change in conditions include regulatory matters, taxes, general economic conditions, local competition from other projects, competition from projects in other areas, and many other factors. Any of these could result in a significant decrease in the value of the FP Lands and in the ability of FPC to realize any return from holding the FP Lands.

(b) **Property Value.** There are no assurances that the value of the FP Lands will increase as intended.

(c) **Real estate development is subject to additional risks**. Resale of the FP Lands may require regulatory approvals, which is not assured. The prices which will be achievable on sale of the real estate may decrease over time, or may not have been accurately estimated by management. Costs may escalate over time, or may not have been accurately estimated by management. As a result, the development process may be less profitable than anticipated, or may result in a loss.

(d) **Refinancing uncertainty.** It will be necessary for FPC to refinance the Exit Financing, and to obtain additional financing, in order to develop the FP Lands. There are no assurances that this will be possible on attractive terms, or at all. Any additional financing is expected to require security which will rank prior to the security for the Class A Bonds.

(e) **There is no market for the Securities and no market is expected to develop. You may not be able to liquidate your investment**.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Borden Ladner Gervais LLP, special tax counsel to FPC **("Counsel")** the following is, as of the date hereof, a fair and adequate summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the "**Tax Act**") applicable to an individual (other than a trust) who (i) disposes of existing FPC Bonds in exchange for Class A Bonds and Class B Bonds (collectively, "**New Bonds**"); (ii) exchanges Class B Bonds for new FPC Common Shares, all in accordance with the Plan, and (iii) who, for all purposes of the Tax Act and at all material times, is resident in Canada, deals at arm's length and is not affiliated with FPC and holds any applicable securities as capital property for the purposes of the Tax Act. Generally, the existing FPC Bonds, the New Bonds and the new FPC Common Shares will be considered to be capital property to a person provided that such person (a) does not hold such securities in the course of carrying on a business, (b) has not acquired such securities in one or more transactions considered to be an adventure in the nature of trade, and (c) does not hold such securities as "mark-to-market property". Except as otherwise expressly provided, this summary does not address the tax consequences to Creditors other than Bondholders or to any holders of Class A Shares, and such persons should consult their own tax advisors with respect to the tax consequences of the Arrangement in their particular circumstances.

This summary is based on the terms of the Arrangement, certain representations made by FPC, the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and Counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**") publicly available prior to the date hereof. This summary assumes that the Tax Proposals will be enacted as currently proposed, although no assurance can be given that such proposals will be enacted in that form or at all. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in law or administrative policy and assessing practice, whether by way of legislative, governmental or judicial decision or action, nor does it take into account other federal or any provincial or foreign tax legislation or considerations which may differ materially from those described herein. FPC has not applied and does not propose to apply for an advance income tax ruling from the CRA regarding any of the income tax considerations summarized below, so no assurance can be given that the tax consequences will be as described herein.

This summary is not applicable to security holders: (a) that are partnerships; (b) that are exempt from tax under Part I of the Tax Act; or (c) who acquired any of such securities on the exercise of any option, warrant or similar right. The above-noted security holders should consult their own tax advisors with respect to the matters discussed herein.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations applicable to the Arrangement and an investment in the New Bonds and the FPC Common Shares (collectively, the "**New Securities**"). Moreover, the income tax and other tax consequences of acquiring, holding or disposing of securities will vary according to the status of the investor, the province or provinces in which the investor resides or carries on business and, generally, the investor's own particular circumstances. Accordingly, the following description of income tax matters is of a general nature only and is not intended to constitute advice to any particular investor. Holders of securities in FPC (including the FPC Bonds and the New Securities) should consult their own tax advisors with respect to the income tax and other tax consequences of the Arrangement and an investment in the New Securities based upon such security holder's particular circumstances.

Eligibility for Investment

Provided that FPC is currently controlled by and will continue to be controlled by a "public corporation" on and throughout the First Plan Implementation Date and the transactions under the Plan of Arrangement occur in the manner and sequence contemplated herein, the New Securities acquired pursuant to the Plan of Arrangement will be, throughout the First Plan Implementation Date, qualified investments for registered retirement savings plans ("RRSP") registered education savings plans, registered retirement income funds ("RRIF"), deferred profit sharing plans, registered disability savings plans and tax-free savings ("TFSA") (collectively "Registered Plans") On the condition that FPC elects on the First Plan Implementation Date to be a "public corporation" for the purposes of the Tax Act (and will not pursuant to an election or designation cease to be a "public corporation"), the New Securities acquired pursuant to the Plan of Arrangement will, from that time on, be qualified investments for Registered Plans on the First Plan Implementation Date and the Second Plan Implementation Date, to the extent that the transactions under the Plan of Arrangement occur in the manner and sequence contemplated herein.

In order for FPC to elect in the prescribed form on the First Plan Implementation Date to be a "public corporation" for the purposes of the Tax Act, FPC must at the time of the election comply with certain conditions set forth in the regulations under the Tax Act relating to the number of its shareholders, the dispersal of ownership of its shares and the public trading of its shares. Counsel assumes that FPC will satisfy all of these conditions and qualify as a "public corporation" at the time of the election and throughout the Second Plan Implementation Date.

Notwithstanding that the New Securities may be a qualified investment for Registered Plans, (a) the holder of a TFSA or an annuitant under a RRSP or RRIF will be subject to a penalty tax with respect to the New Securities held in the Registered Plan if such securities are a "prohibited investment" within the meaning ascribed thereto in the Tax Act, and (b) a holder of securities in FPC may, in certain circumstances as described in the Tax Act, be subject to a tax on any "advantage" (as defined in section 207.01 of the Tax Act) in relation to their Registered Plan. **Persons who intend to hold New Securities in a Registered Plan are urged to consult their own tax advisors in relation to these matters.**

Accrued Interest

Bondholders (other than Registered Plans) will be required to include all Accrued Interest in computing their taxable income. To the extent that such amount is doubtful of collection, a reserve may be allowed in accordance with the applicable rules in the Tax Act. A reserve for a doubtful debt claimed in one year generally must be included in income the following year. This deduction in one taxation year and re-inclusion in the following taxation year will generally last for as long as the debt remains doubtful. If a debt becomes a bad debt, Bondholders may be entitled to claim a deduction in respect thereof without a corresponding income inclusion. **Bondholders should consult their own tax advisors with respect to the treatment of Accrued Interest.**

Exchange of FPC Bonds for New Bonds

Pursuant to the Arrangement, a conversion feature will be added to the FPC Bonds to facilitate their conversion to Replacement Bonds, following which a portion of the FPC Bonds will be exchanged for Class A Bonds and a portion of the FPC Bonds will be exchanged for Class B Bonds, all in accordance with the terms of the FPC Bonds (the "Bond Exchange"). The addition of such a conversion right should not result in a disposition of the FPC Bonds. Provided that the portion of the principal amount of the FPC Bonds exchanged for Class A Bonds or Class B Bonds, as the case may be, is equal to the principal amount of the Class A Bonds or Class B Bonds, respectively received for such portion of FPC Bonds, the disposition of such FPC Bonds by the Bondholders should generally be deemed to have taken place at an amount equal to the adjusted cost base of such FPC Bonds immediately before the Bond Exchange, in which case such Bondholders will be deemed to have acquired such Class A Bonds and Class B Bonds, respectively at a cost equal to such adjusted cost base. Accordingly, no capital gain (or capital loss) should arise as a result of the Bond Exchange.

Exchange of Class B Bonds for FPC Common Shares

Pursuant to the Arrangement, the Class B Bonds will be exchanged for FPC Common Shares and no other consideration in accordance with their terms (the "Share Exchange"). The exchange of Class B Bonds for FPC Common Shares should generally be deemed not to be a disposition of property, and accordingly should not give rise to any capital gain (or capital loss).

The aggregate cost to a holder of the FPC Common Shares received on the Share Exchange will be deemed to be equal to the holder's aggregate adjusted cost base of the Class B Bonds exchanged for such FPC Common Shares immediately before the Share Exchange. The adjusted cost base of FPC Common Shares at a particular time will generally be the average cost of all FPC Common Shares held by such holder as capital property at the particular time.

Dividends on FPC Common Shares

Dividends received or deemed to be received by a holder of FPC Common Shares will be included in computing the holder's income for the purposes of the Tax Act for the year in which such dividends are received or deemed to have been received. The gross-up and dividend tax credit rules normally applicable to taxable dividends paid by taxable Canadian corporations will apply to dividends received by an individual (other than certain trusts), including the enhanced gross-up and dividend tax credit provisions where the Corporation provides notice designating the dividend as an "eligible dividend".

Holders of FPC Common Shares to whom these rules may be relevant should consult their own tax advisors.

Dispositions of FPC Common Shares

A disposition or deemed disposition of a FPC Common Share (other than a disposition of a FPC Common Share to FPC) will generally result in a capital gain (or capital loss) equal to the amount by which the proceeds of disposition are greater (or less) than the aggregate of the holder's adjusted cost base thereof and any reasonable costs of disposition. See the discussion regarding "*Capital Gains and Capital Losses*" below.

Capital Gains and Capital Losses

Generally, one half of a capital gain ("**taxable capital gain**") realized by a holder of securities of FPC must be included in income for the taxation year of disposition and one half of any capital loss ("**allowable capital loss**") must be deducted by such holder against any taxable capital gains realized in the same taxation year. Any excess of allowable capital losses over taxable capital gains for the year of disposition is generally deductible against net taxable capital gains realized in any of the three prior taxation years or in any subsequent taxation year in the circumstances and to the extent described in the Tax Act.

Taxable capital gains realized and dividends received by a holder of securities of FPC that is an individual or a trust, other than certain specified trusts, may give rise to minimum tax under the Tax Act.

AUDITORS

The Corporation currently does not have an auditor. The New Directors will have the authority to appoint and fix the remuneration of an auditor of the Corporation after the Implementation Dates of the Plan.

FINANCIAL INFORMATION

The following financial statements have been prepared for internal purposes by the Corporation without audit and are included herein for completeness purposes only. The financial statements do not include any notes and in addition may not have been prepared in accordance with generally accepted accounting principles in other respects.

The Monitor has prepared statements of Cash Flow for the Corporation for the period commencing with the start of the CCAA Proceedings, which are included in the Monitor's Report and may be found on the Monitor's website at www.ey.com/ca/foundationgroup.

Foundation Place Capital Inc.
BALANCE SHEET
As of 2 February 2012

($CAD, unaudited)

ASSETS	
Current Assets	
Chequing/Savings	
RBC Bank Account	27,736.70
Total Chequing/Savings	27,736.70
Other Current Assets	
Due from 1330075 Alberta Ltd.	387,000.00
Total Other Current Assets	387,000.00
Total Current Assets	414,736.70
Other Assets	
Foundation Place Inc. – Interest	542,015.00
Foundation Place Inc. – Loans	6,541,255.28
Due from 1252064 Alberta Ltd.	1,562,500.00
Total Other Assets	8,645,770.28
TOTAL ASSETS	9,060,506.98
LIABILITIES	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	26,695.20
Total Accounts Payable	26,695.20
Other Current Liabilities	
Due to Foundation Capital Corp	21,525.00
Total Other Current Liabilities	21,525.00
Total Current Liabilities	48,220.20
Long Term Liabilities	
Investor Bonds Payable	8,505,000.00
Investor Interest Payable	1,539,397.00
Total Long Term Liabilities	10,044,397.00
TOTAL LIABILITIES	10,092,617.20
Equity	
Class A Shares	1,000.00
Opening Balance R/E	(1,006,331.02)
Retained Earnings	(26,767.20)
Net Income	(12.00)
Total Equity	(1,032,110.22)
TOTAL LIABILITIES & EQUITY	9,060,506.98