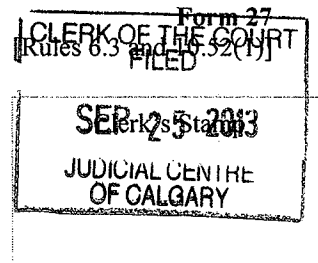


COURT FILE NUMBER **1201-08478**
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE Calgary



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 FOUNDATION MORTGAGE
CORPORATION and FOUNDATION MORTGAGE "2"
CORPORATION**
DOCUMENT **APPLICATION BY FOUNDATION MORTGAGE
CORPORATION and FOUNDATION MORTGAGE
"2" CORPORATION**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT Patrick T. McCarthy, Q.C./Robyn Gurofsky
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File No. 439537-000004

NOTICE TO RESPONDENT(S)

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the master/judge.

To do so, you must be in Court when the application is heard as shown below:

Date September 30, 2013
Time 11:00 a.m.
Where Calgary Courts Centre, 601 – 5th Street S.W., Calgary, Alberta

Before Whom The Honourable Justice G.C. Hawco

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. An order:
 - (a) Abridging the time for service of notice of this Application and supporting materials, if necessary;
 - (b) Extending the stay of proceedings for Foundation Mortgage Corporation ("FM1") and Foundation Mortgage "2" Corporation ("FM2") from September 30, 2013 to January 31, 2014; and
 - (c) Such further and other relief as Counsel may advise and this Honourable Court permit.

Grounds for making this application:

2. FM1 and FM2 (together, sometimes referred to herein as the "Applicants") obtained an Initial Order granted by the Honourable Justice B.E.C. Romaine of the Court of Queen's Bench of Alberta on July 5, 2012 pursuant to the *Companies' Creditors Arrangement Act*.
3. Since that date, the Applicants have been working diligently and in good faith through their court appointed Chief Restructuring Officer (the "CRO"), with their real estate and legal advisors and with Ernst & Young Inc. in its capacity as court appointed Monitor of the Applicants (the "Monitor") to complete a fulsome sources and uses analysis and to review the various options available to the Applicants to restructure their businesses with a view to creating the most favourable results for their stakeholders and creditors through a plan of compromise or arrangement.
4. Such further and other grounds as are stated in the Affidavit of Gary L. Bentham sworn September 25, 2013 (the "Bentham Affidavit").

Material or evidence to be relied on:

5. The Bentham Affidavit and the previous Affidavits filed in these proceedings;
6. The Fifth Report of the Monitor dated September 25, 2013 and all previous reports filed by the Monitor in these proceedings;

7. The pleadings and proceedings had and taken in this action; and
8. Such further and other material or evidence as Counsel may advise and this Honourable Court permit.

Applicable rules:

9. Part 6, Division 1 and Rules 11.27 and 13.5 of the Alberta *Rules of Court*.
10. Such further and other rules as Counsel may advise and this Honourable Court permit.

Applicable Acts and regulations:

11. *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.
12. Such further and other acts and regulations as Counsel may advise and this Honourable Court permit.

Any irregularity complained of or objection relied on:

13. n/a

How the application is proposed to be heard or considered:

14. In person, on affidavit evidence before the Honourable Justice G.C. Hawco.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.