

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 and AIRDRIE
COUNTRY ESTATES INC., RAILSIDE CAPITAL INC.,
RAILSIDE INDUSTRIAL PARK INC., FOUNDATION
PLACE CAPITAL INC. and FOUNDATION PLACE INC.**

DOCUMENT

ORDER (Claims Process Legacy Communities Inc.)

ADDRESS FOR SERVICE AND

CONTACT INFORMATION OF

PARTY FILING THIS

DOCUMENT

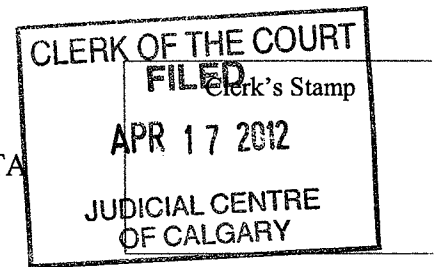
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File No. 439537-000003

DATE ON WHICH ORDER WAS PRONOUNCED: April 17, 2012

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: Justice B.E.C. Romaine

UPON the application of Legacy Communities Inc. ("Legacy"); AND UPON having read the Affidavit of Ronald Aitkens dated April 13, 2012 with respect to the proposed claims process for Legacy, filed and such other pleadings and affidavits filed in the within proceeding; AND UPON hearing the submissions of counsel for Legacy, Ernst & Young Inc. in its capacity as



monitor of Legacy (the "Monitor"), the Unsecured Creditors Committee and other counsel in attendance at the hearing of this matter;

IT IS HEREBY ORDERED THAT:

1. The Monitor shall on or before April 23, 2012, in cooperation with Legacy, send a notice by registered mail, email, courier service or facsimile to each known creditor of Legacy, as identified to it by Legacy, indicating the amount of such creditor's claim against Legacy as of December 21, 2011 (the "Notice to Creditor"). In the circumstance of creditors whose claims are disputed, a Notice to Creditor will be sent containing the amount which Legacy is prepared to allow as a claim by such creditor. The Notice to Creditor shall state whether a creditor's claim is secured or unsecured. A Notice to Creditor substantially in the form attached as Schedule "A" to this Order is hereby approved.
2. The Monitor shall also send, together with the Notice to Creditor, a Proof of Claim to each creditor or possible creditor described above. If a creditor wishes to dispute Legacy's assessment of its claim in the Notice to Creditor, it must complete and forward to Legacy on or before May 16, 2012, with a copy to the Monitor, a completed Proof of Claim advancing a claim in a different amount, and/or claiming secured status if applicable, supported by appropriate documentation. In the event that a Proof of Claim is not received by Legacy by May 16, 2012, the amount of such creditor's claim and its status as secured or unsecured will, unless otherwise ordered by this Court, be conclusively deemed to be as shown in the Notice to Creditor sent by Legacy. A Proof of Claim substantially in the form attached as Schedule "B" to this order is hereby approved.
3. The Monitor shall also arrange to publish a Notice to Creditor Advertisement in the Calgary Herald newspaper on or before April 23, 2012. An advertisement substantially in the form of Notice to Creditor Advertisement attached as Schedule "C" to this Order is hereby approved.
4. Any party who does not receive a Notice to Creditor and who wishes to advance a claim against Legacy must complete and forward to Legacy a completed Proof of Claim supported by appropriate documentation advancing its claim and claiming secured status if applicable, with a copy to the Monitor, on or before May 16, 2012.

5. Where a Proof of Claim is sent to Legacy by a creditor prior to the deadline referred to herein, either as a result of disagreement with the Notice to Creditor or otherwise, then Legacy shall review the Proof of Claim and by May 23, 2012, provide to the creditor a notice in writing by registered mail, email, courier service or facsimile as to whether the claim set out in the Proof of Claim is accepted, disputed in whole, or disputed in part. Where the claim is disputed in whole or in part, Legacy shall issue a Notice of Dispute indicating the reasons for the dispute. A Notice of Dispute substantially in the form attached as Schedule "D" to this Order is hereby approved.

6. Where a creditor wishes to challenge Legacy's Notice of Dispute, the creditor must notify Legacy of its objection in writing by registered mail, courier service or facsimile by June 4, 2012. The creditor shall thereafter serve on Legacy, with a copy to the Monitor, a filed Notice of Motion together with supporting Affidavit in these proceedings returnable within ten (10) days after it gave its notice of objection, for the determination by the Court of the claim in dispute. Creditors not filing an objection to a Notice of Dispute issued by Legacy, or failing to file a Notice of Motion with supporting Affidavit in accordance within the time period set out above shall, unless otherwise ordered by this Court, be conclusively deemed to have accepted the assessment of their claims set out in such Notice of Dispute.

7. Claims not proven in accordance with the procedures set out above shall, unless otherwise ordered by this Court, be deemed to be forever barred and may not thereafter be advanced against Legacy in the event that a plan of arrangement is approved by creditors, sanctioned by this Honourable Court, and implemented.

8. Legacy shall serve a copy of this Order on all parties attending at the hearing of the within motion and the Monitor shall post a copy of this Order on its website and include the address of the website with the materials sent to creditors and claimants of Legacy, which together shall be deemed good and sufficient service of this Order upon all interested parties.

"B.E.C. Romaine"
J.C.C.Q.B.A.

ENTERED THIS _____ DAY OF
April, 2012.

Clerk of the Court

SCHEDULE "A"

SCHEDULE "B"

SCHEDULE "C"

SCHEDULE "D"

NAME OF JUSTICE WHO MADE THIS ORDER: Justice B.E.C. Romaine

Schedule "A"

NOTICE TO CREDITOR OF LEGACY COMMUNITIES INC.

TO: [NAME AND ADDRESS OF CREDITOR]

On December 21, 2011, Legacy Communities Inc. ("Legacy") applied for and received protection from its creditors by order of the Court of Queen's Bench of Alberta (the "Court") pursuant to the *Companies Creditors' Arrangements Act* (the "CCAA"). Ernst & Young Inc. was appointed Monitor of Legacy (the "Monitor"). It is the intention of Legacy to propose a plan of compromise and arrangement to its creditors.

On April 17, 2012, the Court granted a further order prescribing a process by which the identity and status of all creditors of Legacy and the amounts of their claims will be established for purposes of the CCAA proceedings (the "Claims Process Order"). A copy of the Claims Process Order may be viewed at www.ey.com/ca/foundationgroup.

Pursuant to the Claims Process Order, the Monitor, in cooperation with Legacy, is to send a notice to each known creditor of Legacy (the "Notice to Creditor") indicating the amount of such creditor's claim as of December 21, 2011. In the case of the claims of creditors whose claims are disputed, a Notice to Creditor will be sent containing the amount which Legacy is prepared to allow as a claim by such creditor.

All claims against Legacy are listed as unsecured based on the records of Legacy.

LEGACY HAS REVIEWED ITS RECORDS AND ACCEPTS THAT YOUR CLAIM AGAINST LEGACY, AS OF DECEMBER 21, 2011, WAS AN UNSECURED CLAIM IN THE AMOUNT OF \$ _____.

IN THE EVENT THAT YOU AGREE WITH LEGACY'S ASSESSMENT OF YOUR CLAIM, YOU NEED TAKE NO FURTHER ACTION.

HOWEVER, IF YOU WISH TO DISPUTE LEGACY'S ASSESSMENT OF YOUR CLAIM, YOU MUST TAKE THE STEPS OUTLINED BELOW.

The Claims Process Order provides that if a creditor disagrees with the assessment of its claim set out in this Notice to Creditor, the creditor must complete and return to Legacy, with a copy to the Monitor, a completed Proof of Claim advancing a claim in a different amount and/or claiming secured status if applicable, supported by appropriate documentation. A blank Proof of Claim form is enclosed. The Proof of Claim with supporting documentation must be received by Legacy and the Monitor no later than **May 16, 2012**. If no such Proof of Claim is received by Legacy and the Monitor by that date the amount of such creditor's claim and its status as secured or unsecured will be,

subject to further order of the Court, conclusively deemed to be as shown in this Notice to Creditor.

The Claims Process Order also provides that any party who does not receive a Notice to Creditor and who wishes to advance a claim against Legacy must complete and forward to Legacy, a completed Proof of Claim supported by appropriate documentation advancing its claim and claiming secured status if applicable, with a copy to the Monitor, on or before **May 16, 2012**.

Claims not proven in accordance with the procedures set out above shall, unless otherwise ordered by the Court, be deemed to be forever barred and may not thereafter be advanced against Legacy.

Where a Proof of Claim is sent to Legacy by a creditor, Legacy and the Monitor will review the Proof of Claim and provide to the creditor a notice in writing by registered mail, by courier service, email or by facsimile as to whether the claim set out in the Proof of Claim is accepted, disputed in whole, or disputed in part. Where the claim is disputed in whole or in part, Legacy or the Monitor will issue a Notice of Dispute indicating the reasons for the dispute.

The Claims Process Order further provides that where a creditor objects to a Notice of Dispute, the creditor must notify Legacy, with a copy to the Monitor, of the objection in writing by registered mail, courier service, email or facsimile within fifteen (15) days of receipt of the Notice of Dispute. The creditor shall thereafter serve on Legacy, with a copy to the Monitor, a filed Notice of Motion with a supporting Affidavit in Legacy's CCAA proceedings, returnable within ten (10) calendar days after it gave its notice of objection, for the determination by the Court of the claim in dispute.

If you have any questions regarding the claims process or the attached materials, please contact Jessica Caden of Ernst & Young Inc. at (403) 206-5394.

Dated the _____ day of April, 2012 in Calgary, Alberta

Ernst & Young Inc., in its capacity as
Monitor of Legacy Communities Inc.

per:

Schedule "B"

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

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 and AIRDRIE COUNTRY ESTATES INC., RAILSIDE
CAPITAL INC., RAILSIDE INDUSTRIAL PARK INC., FOUNDATION PLACE CAPITAL INC. and FOUNDATION PLACE INC.

Proof of Claim LEGACY COMMUNITIES INC. ("Legacy")
For Claims Arising Before December 21, 2011
(See Reverse for Instructions)

Regarding the claim of _____ (referred to in this form as "the
creditor") (name of creditor)

All notices or correspondence regarding this claim to be forwarded to the creditor at the following address:

Telephone: _____ Fax: _____
I, _____ residing in the _____
(name of person signing claim) (city, town, etc.)
of _____ in the Province of _____
(name of city, town, etc.)

Do hereby certify that:

1. ☐ I am the creditor
or
☐ I am _____ of the creditor.
(if an officer or employee of the company, state position or title)

2. I have knowledge of all the circumstances connected with the claim referred to in this form.

3. A. Legacy was, as at December 21, 2011, and still is indebted to the creditor in the sum of \$ _____ as
shown by the statement of account attached hereto and marked "Schedule A". Claims should **not** include the value of goods
and/or services supplied or claims arising after December 21, 2011. If a creditor's claim is to be reduced by deducting any
counter claims to which Legacy is entitled and/or amounts associated with the return of equipment and/or assets by Legacy,
please specify.

*The statement of account must specify the vouchers or other evidence in support of the claim including the date and
location of the delivery of all services and materials. Any claim for interest must be supported by contractual
documentation evidencing the entitlement to interest.*

B. The indebtedness referred to in paragraph 3. A. is in the following currency:

- ☐ Canadian Dollars
☐ United States Dollars

4. A. **Unsecured claim.** \$ _____. In respect to the said debt, the creditor does not and has not
since December 21, 2011, held any assets of Legacy as security.

B. **Secured claim.** \$ _____ In respect of the said debt, the creditor holds assets of Legacy
valued at \$ _____ as security.

**Provide full particulars of the security, including the date on which the security was given and the value at which
the creditor assesses the security together with the basis of valuation, and attach a copy of the security documents as
Schedule "B"**

Dated at _____, this _____ day of _____, 2012.
Insert city and date of signature

Witness _____ (signature of individual completing the form)

Must be signed and witnessed

Instructions for Completing Proof of Claim Forms

In completing the attached form, your attention is directed to the notes on the form and to the following requirements:

Proof of Claim:

1. The form must be completed by an individual and not by a corporation. If you are acting for a corporation or other person, you must state the capacity in which you are acting, such as, "Credit Manager", "Treasurer", "Authorized Agent", etc., and the full legal name of the party you represent.
2. The person signing the form must have knowledge of the circumstances connected with the claim.
3. A. A Statement of Account containing details of secured and unsecured claims, and if applicable, of the amount due in respect of property claims, and must be attached and marked Schedule "A". Claims should **not** include the value of goods and/or services arising after December 21, 2011. It is necessary that all creditors indicate the date and location of the delivery of all goods and/or services. Any amounts claimed as interest should be clearly noted as being for interest.

B. Tick the appropriate currency.

4. The nature of the claim must be indicated by ticking the type of claim which applies. e.g. -

Ticking (A) indicates the claim is unsecured;

Ticking (B) indicates the claim is secured, such as a mortgage, lease, or other security interest, and the value at which the creditor assesses the security must be inserted, together with the basis of valuation. Details of each item of security held should be attached as Schedule "B" and submitted with a copy of the chattel mortgage, conditional sales contract, security agreement, etc.;

A creditor may have separate claims in different categories, in which case a separate claim form must be submitted for each claim.

5. The person signing the form must insert the place and date in the space provided, and the signature must be witnessed.

Send a copy of the completed Proof of Claim, by May 16, 2012, to both Legacy and the Monitor at the below addresses:

Legacy Communities Inc. Attn: Robyn Gurofsky 1900, 520 3 rd Ave SW Calgary, AB T2P 0R3	Ernst & Young Inc. Attn: Jessica Caden 1000,440 2 nd Ave SW Calgary, AB T2P 5E9
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Additional information regarding Legacy and the CCAA process, as well as copies of claims documents may be obtained at <http://www.ev.com/ca/foundationgroup>. If there are any questions in completing the Proof of Claim, please contact Jessica Caden of Ernst & Young Inc. at (403) 206-5394.

Note: Any claim not filed by May 16, 2012 will, unless otherwise ordered by the Court of Queen's Bench of Alberta, be barred and may not thereafter be advanced against Legacy.

Schedule "C"

NOTICE TO THE CREDITORS OF LEGACY COMMUNITIES INC., AIRDRIE CAPITAL CORPORATION AND AIRDRIE COUNTRY ESTATES INC.

On December 21, 2011, Legacy Communities Inc. ("Legacy"), Airdrie Capital Corporation ("ACC") and Airdrie Country Estates Inc. ("ACE") applied for and received protection from their creditors by virtue of an order of the Court of Queen's Bench of Alberta (the "Court") granted pursuant to the *Companies Creditors' Arrangements Act* (the "CCAA"). The Court also appointed Ernst & Young Inc. as the Monitor ("Monitor") of each of Legacy, ACC and ACE in those proceedings. It is the intention of Legacy, ACC and ACE to propose one or more plans of compromise and arrangement to their creditors.

On April 17, 2012 the Court granted further orders establishing a process by which the identity and status of all creditors of Legacy, ACC and ACE and the amounts of their claims, will be established for purposes of the CCAA proceedings (the "Claims Process Order"). A copy of the Claims Process Order(s) may be viewed at www.ey.com/ca/foundationgroup, or may be obtained by contacting the Monitor at (403) 206-5139.

Pursuant to the Claims Process Order(s) the Monitor was required, by April 23, 2012, to send a notice to each known creditor of Legacy, ACC and ACE (the "Notice to Creditor"), as identified to it by the corporations, indicating the amount of such creditor's claim as of December 21, 2011. In the case of the claims of creditors whose claims are disputed, a Notice to Creditor was sent containing the amount which Legacy, ACC or ACE is prepared to allow as a claim by such creditor.

CREDITORS RECEIVING A *NOTICE TO CREDITOR* WHO AGREE WITH THE AMOUNT SHOWN AS OWED TO THEM BY LEGACY, ACC OR ACE IN THE *NOTICE TO CREDITOR* NEED TAKE NO FURTHER STEPS TO PROVE OR PRESERVE THEIR CLAIMS.

ANY CREDITOR HAVING A CLAIM AGAINST LEGACY, ACC OR ACE WHO HAS NOT RECEIVED A *NOTICE TO CREDITOR* OR WHO DISAGREES WITH THE AMOUNT OR STATUS OF THE CLAIM AS INDICATED IN THE *NOTICE TO CREDITOR* MUST FILE A PROOF OF CLAIM WITH LEGACY, ACC OR ACE IN THE PRESCRIBED FORM, WITH A COPY TO THE MONITOR, BEFORE MAY 16, 2012 IN ORDER TO PARTICIPATE IN ANY VOTING OR DISTRIBUTIONS ASSOCIATED WITH THE CCAA PROCEEDINGS. CLAIMS NOT PROVEN IN ACCORDANCE WITH THESE PROCEDURES SHALL, UNLESS OTHERWISE ORDERED BY THE COURT, BE DEEMED TO BE FOREVER BARRED AND MAY NOT BE ADVANCED AGAINST LEGACY, ACC OR ACE.

Any creditor who chooses to file a Proof of Claim is required to provide whatever supporting documentation they may have, such as contracts, bonds, investment forms, cancelled cheques, bills of sale, receipts, or invoices in support of their claim, as at December 21, 2011.

All claims must be made in the prescribed "Proof of Claim" form together with the required supporting documentation and be postmarked or received by Legacy, ACC or ACE and the Monitor on or before the Claims Bar Date, being May 16, 2012.

The prescribed "Proof of Claim" form may be found at www.ey.com/ca/foundationgroup or can otherwise be obtained by contacting:

Ms. Jessica Caden
Ernst & Young Tower
1000, 440 2nd Avenue SW
Calgary, Alberta
T2P 5E9
CANADA
Phone: (403) 206-5394
Fax: (403) 206-5075

**Ernst & Young Inc.
Monitor of Legacy Communities Inc.,
Airdrie Capital Corporation and
Airdrie Country Estates Inc.**

Schedule "D"

Notice of Dispute of Claim

by

LEGACY COMMUNITIES INC. ("Legacy")

Take note that the **NOTICE OF CLAIM** of

_____ ("**Creditor**") is

DISPUTED

Legacy disputes:

_____ the whole amount of your claim; or

_____ part of your claim in the amount of \$ _____ (**Amount disallowed**); and/or

_____ your claim of secured status;

for the following reason(s):

If you wish to challenge this Notice of Dispute you must:

- within fifteen (15) days of receipt of this Notice of Dispute, notify Legacy, with a copy to the Monitor, in writing of your objection to this Notice of Dispute by registered mail, courier service or facsimile to the address or fax number below; and,
- within ten (10) calendar days after you give your notice of objection to Legacy and the Monitor you must file with the Court of Queen's Bench of Alberta and serve on Legacy (with a copy to the Monitor), a Notice of Motion in Legacy's proceedings under the *Companies' Creditors Arrangements Act* and an Affidavit containing all supporting documentation for the determination by the Court of your disputed claim.

If you do not file an objection to this Notice of Dispute or if you fail to file a motion with supporting Affidavit within the period prescribed above, thereafter you will, otherwise ordered by the Court, be conclusively deemed to have accepted the assessment of your claims set out in this Notice of Dispute.

Address for Service of Objections to Notice of Dispute and Notices of Motion:

Legacy Communities Inc.

Ernst & Young Inc., as Court
appointed Monitor of LEGACY

1900, 520 – 3rd Avenue SW
Calgary, Alberta T2P 0R3
Attention: Robyn Gurofsky
Telephone: (403) 232 -9774
Fax: (403) 266 -1395

1000, 440 2nd Avenue SW
Calgary, Alberta T2P 5E9
Attention: Jessica Caden
Telephone: (403) 206-5394
Fax: (403) 206-5075

Dated at Calgary, Alberta this ____ day of _____, 2012.

Legacy Communities Inc.

Per: _____

cc Borden Ladner Gervais – Attention: Robyn Gurofsky