Form 27
[Rules 6.3 and 10.52(1)]

CLERK OF THE COURT
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JUDICIAL CENTRE OF CALGARY

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.**
DOCUMENT	**APPLICATION BY LEGACY COMMUNITIES INC., AIRDRIE CAPITAL CORPORATION and AIRDRIE COUNTRY ESTATES INC.**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Patrick T. McCarthy Q.C./Robyn Gurofsky Borden Ladner Gervais LLP 1900, 520 3rd Ave. S.W. Calgary, AB T2P 0R3 Telephone: (403) 232-9441/232-9774 Facsimile: (403) 266-1395 Email: RGurofsky@blg.com File No. 439537-000003

BLG
Borden Ladner Gervais

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	January 19, 2012
Time	9:00 o'clock a.m.
Where	Calgary Courts Centre, 601 – 5th Street S.W., Calgary, Alberta
Before Whom	Madam Justice B.E.C. Romaine

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) extending the stay period up to and including April 17, 2012;

   (b) approving the granting of additional DIP financing,

      (i) for Legacy Communities Inc. ("Legacy") in the amount of $275,000; and

      (ii) for Airdrie Capital Corporation ("ACC") and Airdrie Country Estates Inc. ("ACE"), jointly, in the amount of $200,000;

   (c) amending paragraphs 31 and 37 of the Initial Order to increase the DIP Charge as follows:

      (i) Legacy – from $200,000 to $400,000; and

      (ii) ACC and ACE jointly – from $200,000 to $325,000; and

   (d) such further and other relief as counsel may advise as this Honourable Court may permit.

Grounds for making this application:

2. The assets of Legacy, ACC and ACE (together, the "Applicants") consist of undeveloped land purchased for the purpose of eventual development and sale, and as such currently generate no cash flow. A restructuring of the business operated by each of ACC and ACE jointly, and of Legacy will require both an exploration of alternatives for the development and sale of the assets, and of refinancing options available to allow the Applicants to either proceed with development, in the case of Legacy, or to pursue a holding strategy, in the case of ACC and ACE. In the event that Legacy's development efforts do not produce a viable development and/or sale strategy, it may also be compelled to pursue a holding strategy.

3. The Applicants have been working and continue to work in good faith with their real estate and legal advisors and the Monitor to review and assess the various options available to restructure the businesses of Legacy and ACC/ACE in a manner which will preserve bondholder value. Once the Applicants have fully explored and evaluated their financing and restructuring options, the Applicants expect to be in a position to complete and present a plan to their creditors.

4. The Applicants are advised that exploring and assessing their financing and restructuring options will require approximately three months. The cash flow projections attached to the affidavit of Ron Aitkens sworn January 12, 2012 demonstrate that additional interim financing will be required to support the ongoing costs of that effort, for Legacy in the amount of $275,000, and for ACC/ACE jointly in the amount of $200,000. Accordingly, the Applicants seek an extension of the stay of proceedings granted in the Initial Order granted in these proceedings to April 17, 2012, and approval of the additional funding required to allow them to continue their restructuring efforts.

5. The Applicants have obtained additional financing from the same lender who provided the initial DIP financing for each of Legacy and ACC/ACE in the amounts required, on comparable terms to the initial DIP financing obtained at the time of the granting of the Initial Order in these proceedings.

Material or evidence to be relied on:

6. Affidavit of Ron Aitkens, filed January 13, 2012;

7. The pleadings and proceedings had and taken in this matter;

8. Such further or other material or evidence as Counsel may advise and this Honourable Court may permit.

Applicable rules:

9. Rule 11.27 of the Alberta *Rules of* Court.

Applicable Acts and regulations:

10. *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

Any irregularity complained of or objection relied on:

11. n/a

How the application is proposed to be heard or considered:

12. In person, on affidavit evidence.

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.