Form 27
[Rules 6.3 and 10.52(1)]

Clerk's stamp:

COURT FILE NUMBER	1101-17318
COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY
APPLCIANTS	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 THE PROPOSED UNSECURED CREDITORS COMMITTEE**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	FMC LAW David W. Mann / David LeGeyt FRASER MILNER CASGRAIN LLP BANKERS COURT 15TH FLOOR, 850 - 2ND STREET S.W. CALGARY, ALBERTA T2P 0R8 PH. (403) 268-7097/3075 FX. (403) 268-3100 FILE NO.: 002002-18

NOTICE TO RESPONDENT

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 a.m.
Where	Calgary, Alberta
Before Whom	Madam Justice B.E.C. Romaine

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

Remedy claimed or sought:

1. An Order in the form attached hereto as Schedule "A":

   (a) declaring service of this Application and the supporting materials to be good and sufficient;

   (b) creating an Unsecured Creditors Committee in these proceedings;

   (c) approving the by-laws of the Unsecured Creditors Committee;

   (d) appointing the initial members of the Unsecured Creditors Committee; and

   (e) granting the Unsecured Creditors Committee, its members, and its legal counsel a charge against all of the property of the Debtors (defined below).

2. Such further and other relief as counsel may advise and this Honourable Court may permit.

Grounds for making this application:

3. Legacy Communities Inc., Airdrie Capital Corporation and Airdrie Country Estates Ltd. (the "**Debtors**") commenced these proceedings on December 21, 2011;

4. There are a large number of unsecured creditors of the Debtors;

5. At a meeting of unsecured creditors of the Debtors held on January 16, 2012, an overwhelming majority of the creditors in attendance supported the creation of an Unsecured Creditors Committee;

6. It is appropriate in the circumstances that (i) an Unsecured Creditors Committee be formed, (ii) that the Debtors indemnify the members of the Unsecured Creditors Committee and pay the fees and disbursements of the Unsecured Creditors Committee, including legal fees, and (iii) a charge be granted in respect of same.

Material or evidence to be relied on:

7. Affidavit of Kyle Brown, filed and served herewith.

8. The other evidence and Monitor's Reports filed in these proceedings.

Applicable rules:

9. Part 6, Division 1.

Applicable Acts and regulations:

10. Section 11 of the *Companies' Creditors Arrangement Act,* R.S.C. 1985 c.C-36, as amended.

Any irregularity complained of or objection relied on:

11. None

How the application is proposed to be heard or considered:

12. In person before Justice B.E.C. Romaine on January 19, 2012.

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 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.

SCHEDULE "A"

Clerk's stamp:

COURT FILE NUMBER	1101-17318
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	**ORDER**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	FMC LAW David W. Mann / David LeGeyt Fraser Milner Casgrain LLP Bankers Court 15th Floor, 850 - 2nd Street S.W. Calgary, Alberta T2P 0R8 Ph. (403) 268-7097/3075 Fx. (403) 268-3100 File No.: 002002-18
DATE ON WHICH ORDER WAS PRONOUNCED:	January 19, 2012
LOCATION WHERE ORDER WAS PRONOUNCED:	Calgary, Alberta
NAME OF MASTER/JUDGE WHO MADE THIS ORDER:	MADAM JUSTICE B.E.C. ROMAINE

UPON the application of the proposed Unsecured Creditors Committee for an Order creating an Unsecured Creditors Committee in these proceeding; AND UPON hearing read the Affidavit of Kyle Brown, filed; AND UPON hearing from legal counsel to the proposed Unsecured Creditors Committee, legal counsel to the Debtors, and legal counsel to the Monitor;

IT IS HEREBY ORDERED THAT:

Service

1. Service of notice of the application for this Order, and all supporting materials, is deemed to be good and sufficient as set out in the Service Affidavit, and the time therefore is abridged to the time actually given.

IT IS HEREBY ORDERED AND DECLARED THAT:

2. There is hereby created in these proceedings a committee (the "**Unsecured Creditors Committee**") of the unsecured creditors of Legacy Communities Inc., Airdrie Capital Corporation, and Airdrie Country Estates Ltd. (collectively the "**Debtors**" and individually a "**Debtor**").

3. The initial members of the Unsecured Creditors Committee shall be:

   (a) Nicole Shuko;

   (b) Kyle Brown;

   (c) Dr. Lucille Gans;

   (d) The two arms-length individuals who consent to serving on the Unsecured Creditors Committee and who hold the largest claims against Legacy Communities Inc.; and

   (e) The two arms-length individuals who consent to serving on the Unsecured Creditors Committee and who hold the largest claims against Airdrie Capital Corporation.

4. The by-laws of the Unsecured Creditors Committee shall be the by-laws attached hereto as Schedule "A", which are approved.

5. The Debtors shall indemnify the Unsecured Creditors Committee and its members, which indemnity shall be secured by a charge against all of the property of the Debtors, as described herein.

6. The Debtors shall pay the reasonable fees and disbursements of Fraser Milner Casgrain LLP for acting as legal counsel to the Unsecured Creditors Committee, both before and after the making of this Order, at its standard rates and charges, as part of the costs of these proceedings, on a monthly basis, which liability shall be secured by a charge against all of the property of the Debtors as described herein.

7. The Unsecured Creditors Committee and its legal counsel for Fraser Milner Casgrain LLP, as security for the indemnification of the Unsecured Creditors Committee and as security for payment of the reasonable fees and disbursements of Fraser Milner Casgrain LLP, shall be entitled to the benefits of and are hereby granted a charge on the Property (as defined in the CCAA Initial Order granted in these proceedings on December 21, 2011) of the Debtors, which charge shall not exceed $250,000.00 (the "**Unsecured Creditors Committee Charge**").

8. The Unsecured Creditors Committee Charge shall rank subsequent to the Administration and in priority to the DIP Lender's Charge (each as defined in the Initial CCAA Order granted in these proceedings on December 21, 2011).

9. The filing, registration or perfection of the Unsecured Creditors Committee Charge shall not be required, and the Unsecured Creditors Committee Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Unsecured Creditors Committee Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

10. The Unsecured Creditors Committee Charge (as constituted and defined herein) shall constitute a charge on the Property (as defined in the Initial CCAA Order granted in these proceedings on December 21, 2011) of the Debtors, and such Unsecured Creditors Committee Charge shall rank in priority to all other security interests, trusts, liens, chares and encumbrances, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

11. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Debtors shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the Unsecured Creditors Committee Charge, unless the Debtors also obtain the prior written consent of the Monitor and the beneficiaries of the Unsecured Creditors Committee Charge, or further order of this Court.

12. The Unsecured Creditors Committee Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Unsecured Creditors Committee Charge (the "**Chargees**") and thereunder shall not otherwise be limited or impaired in any way by:

    (a) the pendency of these proceedings and the declarations of insolvency made in this Order;

    (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;

    (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;

    (d) the provisions of any federal or provincial statutes; or

    (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, and "**Agreement**") which bind the Debtors, and notwithstanding any provision to the contrary in any Agreement:

        (i) neither the creation of the Unsecured Creditors Committee Charge nor the execution, delivery, perfection, registration or performance in respect thereof, shall create or be deemed to constitute a new breach by the Debtors of any Agreement to which it is a party;

(ii) none of the Chargees shall have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Unsecured Creditors Committee Charge; and

(iii) any payments made by the Debtors pursuant to this Order, and the granting of the Unsecured Creditors Committee Charge, do not and will not constitute fraudulent preferences, fraudulent conveyances, oppressive conduct, settlements or other challengeable, voidable or reviewable transactions under any applicable law;

(f) the appointment of a Receiver of any or all of the assets of the Debtors.

13. The Unsecured Creditors Committee may from time to time apply to this Court for advice and direction in respect of the discharge of its powers and duties.

14. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the Order sough.

15. The Monitor shall post a copy of this Order on its website.

____
Justice B.E.C. Romaine

ENTERED THIS ______ day of January, 2012

____
Clerk of the Court

SCHEDULE "A"

BY-LAWS OF THE
UNSECURED CREDITORS COMMITTEE OF
LEGACY COMMUNITIES INC., AIRDRIE CAPITAL CORPORATION
AND AIRDRIE COUNTRY ESTATES INC.

ARTICLE 1
ESTABLISHMENT OF THE COMMITTEE

1.1 **Constitution of the Committee.** There shall be constituted a committee (the "**Committee**") of individuals who hold, either personally or pursuant to a body corporate of which the individual is an authorized employee or principal, unsecured claims in either or both of Legacy Communities Inc. ("**Legacy**") and/or Airdrie Capital Corporation ("**ACC**") (Legacy and ACC are collectively the "**Debtors**" and individually a "**Debtor**") to serve as representatives of the unsecured creditors in the Debtors' proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA Proceedings**") before the Court of Queen's Bench of Alberta in action #1101-17318 (the "**Court**"). The Committee shall consist of, until their resignation or further Order of the Court, 7 members (the "**Members**") consisting of the following:

(a) Nicole Shurko;

(b) Kyle Brown;

(c) Dr. Lucille Gans;

(d) two separate holders of bonds issued by Legacy; and

(e) two separate holders of bonds issued by ACC.

The Members of the Committee described in section 1.1(d) and (e) shall be the two largest individual, arms-length, consenting bondholders, whose appointment shall be confirmed by the Court as soon as practicable.

To be eligible to serve on the Committee, the Member must be: (a) 18 years of age, (b) not an undischarged bankrupt, and (c) not a person that is "related" (within the meaning of the CCAA) to the Monitor and/or the Debtors.

1.2 **Initial Vacancies.** In the event that only one or no bondholder of the Debtors consents to serve on the Committee the unfilled positions shall remain open until such time as a holder (or holders) of that investment do provide their consent to serve in such capacity, whereupon such position shall be fulfilled in accordance with the terms hereof.

1.3 **Removal of Members.** A Member may be removed from the Committee pursuant to a voluntary resignation, a deemed resignation, or court order. In this regard:

(a) ***Member Resignation***. A Member may resign from the Committee by providing 10 days prior written notice of such resignation to the Chair (defined below).

(b) ***Deemed Resignation***. In the event a Member sells, assigns, participates, disposes of or transfers in excess of 49 percent of the aggregate amount of its claim against the Debtors (a "**Transfer**"), such act shall constitute that Member's resignation from the Committee effective upon the date that a binding obligation to complete the Transfer is made. Any Member who effects a Transfer shall immediately notify the Chair.

(c) ***Court Order***. Upon application of the Committee, the Monitor or any other interested party, on such notice as the Court deems appropriate, a Member may be removed on such terms as the Court may direct.

1.4 **Removal of Members - *ibid*.** When a Member ceases to become a Member pursuant to paragraph 1.3 hereof then:

(a) that Member shall have no right to designate or substitute a successor to serve in such capacity on the Committee; and

(b) the Committee may continue to perform all of its functions with its reduced number of Members.

1.5 **Replacement of Vacancies.** Upon the resignation or removal of a Member, the Committee shall canvas, by way of written solicitation, the remaining bondholders of the Debtor which the departing Member represented for a replacement bondholder to serve on the Committee. The largest consenting bondholder shall deemed to be the Member, subject to paragraphs 1.1 and 1.6 hereof.

1.6 **Court Confirmation**. Upon a bondholder consenting to serve as a Member pursuant to paragraph 1.1 or 1.5 hereof, the Committee shall forthwith apply to the Court for approval of the appointment.

ARTICLE 2
GOVERNANCE OF THE COMMITTEE

2.1 **Committee Chair.** Nicole Shurko shall act as initial chair of the Committee at its initial meeting, and at that initial meeting the Committee shall elect an ongoing chair (the "**Chair**").

2.2 **Chair.** The Chair shall preside at all meetings of the Committee, and shall have such powers and duties as are set forth in these by-laws or as the Committee assigns to the Chair.

2.3 **Committee Secretary.** Fraser Milner Casgrain LLP shall act as secretary of the Committee (the "**Secretary**"). The Secretary shall keep the minutes of all meetings of the Committee. Draft minutes of each meeting shall be circulated to all Members of the Committee for their review and shall thereafter be adopted by a majority of the Members who were present at the subject meeting. The minutes shall generally include a concise statement(s) of the action(s) taken and decision(s) made at a meeting and a brief statement of any significant items discussed by the Committee. The final minutes shall list the Members present at a meeting and shall be available for review by the Monitor and any interested party upon request, subject to any issues of confidentiality or privilege, and subject to any order of the Court in the CCAA proceedings.

2.4 **Calling Meetings.** Meetings of the Committee may be called by the Chair and shall be called by the Chair upon the request of three or more Members of the Committee. Notice of the agenda and the time and place of the meeting shall be given to each Member and such notice shall be in writing and delivered via electronic mail, facsimile or courier at least three business days before the date of the meeting. The Committee shall endeavour to determine at each meeting the date and time of when the next meeting shall be held.

2.5 **Meeting Agenda.** The agenda for scheduled meetings shall be prepared by the Chair, taking into account the suggestions of the Members.

2.6 **Venue of Meetings.** Meetings of the Committee shall be held at such place designated by the Chair. As necessary and appropriate in the judgment of the Chair, meetings may be conducted by video or telephone conference call.

2.7 **Quorum.** Five Members of the Committee and the Chair shall constitute a quorum for transaction of business at any meeting. A quorum includes Members attending in person or by video or telephone conference, as the case may be. Any Member who abstains from a vote on any matter shall nevertheless be counted in the calculation of a quorum with respect to such vote.

2.8 **Voting.** Each Member shall be entitled to one vote and may vote in person or by video or telephone conference, or by the Member's designated representative ("**Designated Representative**"). The selection of a Designated Representative must be in such form as may be acceptable to the Chair. Except as provided for herein, action(s) or decision(s) of the Committee shall be authorized by the vote of a majority of the Members present at the time of the vote, provided that a quorum of the Committee is present. Meetings shall be limited to Members, the Chair, the Secretary, and other parties invited by the Committee for special or limited purposes.

2.9 **Urgent Matters.** If a matter to be voted upon is one of significance and urgency, as determined by the Chair and three Members present at a meeting, a reasonable effort shall be made during the meeting to poll by telephone call absent Members, provided that the failure to reach any such absent Member will not affect the validity of any vote otherwise proper under these by-laws. Telephone votes solicited pursuant to this paragraph shall be counted in computing a quorum in respect of the relevant action(s) or decision(s).

2.10 **Conflicts of Interest.** In the event that any matter under review or consideration by the Committee shall involve a conflict of interest with respect to any Member, such Member shall disclose such conflict and shall abstain from voting on the matter, but will still be counted for a quorum.

ARTICLE 3
ACTION BY REPRESENTATIVES OF THE COMMITTEE

3.1 **Duties and Powers of Committee.** The duties and powers of the Committee shall be as follows:

(a) to resolve such matters of procedure of the Committee that are contemplated herein or that will give full or better effect to these by-laws and the purpose of the Committee;

(b) to consult with the Debtors and Ernst & Young Inc., in its capacity as court appointed monitor (the "**Monitor**"), concerning all matters involving the CCAA Proceedings, including the Debtors' restructuring and all plans associated therewith;

(c) to receive and review reports prepared by the Monitor;

(d) to receive and review information relating to:

(i) the conduct, assets, liabilities and financial condition of the Debtors,

(ii) the operation of the Debtors' business,

(iii) the source and use of funds by the Debtors,

(iv) the transfer, sale, refinancing or other disposition of all or part of the property and assets of the Debtors, and

(v) any other matter relevant to the formation of a restructuring plan;

(e) advise the Debtors, the Monitor and other stakeholders of the recommendations made by the Committee on any restructuring plan; and

(f) make application to the Court in respect of any matters relating to the operation, rights or duties of the Committee which cannot be resolved by negotiation with the Debtors.

ARTICLE 4
MISCELLANEOUS

4.1 **Indemnity**. Subject to an Order of the Court, neither the Committee nor any Member, shall incur any liability or obligation as a result of the constitution of the Committee or the fulfillment of their respective roles hereunder except in respect of any matter in which they are found to be guilty of gross negligence or wilful misconduct. The Committee and its Members shall be indemnified and held harmless for any costs and expenses incurred in defending themselves of any liabilities or obligations protection under this paragraph by the Debtors, which indemnity shall be secured by a charge against the undertaking, property, and assets of the Debtors granted by the Court in the CCAA Proceedings that has the priority set out in the Order creating the Charge.

4.2 **Governing Law**. All matters surrounding the interpretation and execution of these by-laws shall be determined in accordance with the laws of the Province of Alberta and all Members, the Monitor and the Debtors, attorn to the Court for all matters related to these by-laws.

4.3 **Court Approval.** These by-laws are not binding or enforceable unless approved by the Court. These by-laws may not be amended or repealed except by order of the Court.

DATED and effective the 19th day of January, 2012.