

COURT FILE NUMBER **1101-17318**

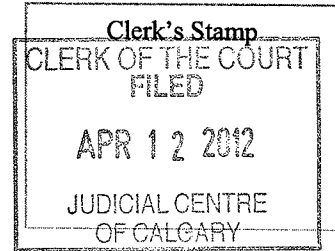
COURT COURT OF QUEEN'S BENCH OF ALBERTA

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 **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	Tuesday, April 17, 2012
Time	10:00 o'clock a.m.
Where	Calgary Courts Centre, 601 – 5 th 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. Orders of this Honourable Court prescribing a claims procedure with a view to establishing the identity, status and amount of claims against Airdrie Capital Corporation (“ACC”), Airdrie Country Estates Inc. (“ACE”) and Legacy Communities Inc. (“Legacy”) in substantially the form of the Orders attached hereto as Schedules “A” and “B” to this Application.
2. Order of this Honourable Court declaring service of notice of this application together with all supporting materials, including the Affidavit of Ronald Aitkens sworn on April 12, 2012, to be good and sufficient, and abridging the time of service of said documents, if necessary.
3. Such further and other relief as is required under the circumstances and the Court is prepared to allow.

Grounds for making this application:

4. Legacy, ACC and ACE (sometimes collectively 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 December 21, 2011 pursuant to the *Companies’ Creditors Arrangements Act*.
5. Since that date the Applicants have been working diligently and in good faith with their real estate and legal advisors and with Ernst & Young Inc. in its capacity as the monitor of the Applicants (the “Monitor”) to review the various options available in order to restructure their businesses with a view of creating the most favourable results for their stakeholders and creditors.
6. The Applicants are now in a position where they believe it is realistic to offer a plan of compromise and arrangement to their creditors by the end of May, 2012.

7. As such, it is essential that a claims process be immediately undertaken in order to establish the identify, status and amounts of all creditors and claimants against each of ACC, ACE and Legacy. Because the creditors and claimants as against each of the Applicants are different, it is proposed that separate claims processes be undertaken.

8. The form of claims process as described in detail in the form of orders attached as schedules to this application were the result of discussions among all of the Applicants, the Monitor, the Unsecured Creditors Committee and each of their respective legal counsel and are agreeable to all parties.

Material or evidence to be relied on:

9. Various Affidavits filed by Ronald Aitkens in the within proceedings including specifically the Affidavit of Ronald Aitkens with respect to the claims process, sworn and filed on April 12, 2012;

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

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

Applicable rules:

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

Applicable Acts and regulations:

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

Any irregularity complained of or objection relied on:

14. n/a

How the application is proposed to be heard or considered:

15. 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.

SCHEDULE "A"

COURT FILE NUMBER 1101-17318

Clerk's Stamp

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 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

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 Airdrie Capital Corporation ("ACC") and Airdrie Country Estates Inc. ("ACE"); AND UPON having read the Affidavit of Ronald Aitkens dated April 12, 2012 with respect to the proposed claims process for ACC and ACE, filed, and such other

pleadings and affidavits filed in the within proceeding; AND UPON hearing the submissions of counsel for ACC and ACE, Ernst & Young Inc. in its capacity as monitor of ACC and ACE (the "Monitor"), Ronald Aitkens, 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 ACC and ACE, send a notice by registered mail, email, courier service or facsimile to each known creditor of each of ACC and ACE (sometimes referred to herein as the "Airdrie Companies"), as identified to it by ACC and ACE, indicating the amount of such creditor's claim against ACC or ACE 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 ACC or ACE 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. Notices to Creditor substantially in the forms attached collectively as Schedule "A" to this Order is hereby approved with respect to each of ACC and ACE.
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 ACC's or ACE's assessment of its claim in the Notice to Creditor, it must complete and forward to ACC or ACE 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 ACC or ACE as the case may be, 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 ACC or ACE. Proofs of Claim substantially in the forms attached collectively as Schedule "B" to this order are hereby approved for each of ACC and ACE.
3. The Monitor shall also:
 - a) 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); and

b) arrange to have a copy of this order, the Notice to Creditor, and a Proof of Claim available on its website.

4. Any party who does not receive a Notice to Creditor and who wishes to advance a claim against ACC or ACE must complete and forward to ACC or ACE as the case may be, 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 ACC or ACE by a creditor prior to the deadline referred to herein, either as a result of disagreement with the Notice to Creditor or otherwise, then the Monitor, with input from ACC or ACE, shall review the Proof of Claim and 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, the Monitor, with the assistance of ACC or ACE, shall issue a Notice of Dispute indicating the reasons for the dispute. Notices of Dispute substantially in the forms attached collectively as Schedule "D" to this Order is hereby approved with respect to each of ACC or ACE.

6. Where a creditor wishes to challenge the Notice of Dispute, the creditor must notify ACC or ACE, as the case may be, with a copy to the Monitor, of its objection in writing by registered mail, courier service or facsimile within fifteen (15) days of receipt of the Notice of Dispute. The creditor shall thereafter serve on ACC or ACE, 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 ACC or ACE, 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 ACC or ACE in the event that a plan of arrangement is approved by creditors, sanctioned by this Honourable Court, and implemented.

8. ACC and ACE 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 ACC and ACE, as the case may be, which together shall be deemed good and sufficient service of this Order upon all interested parties.

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 "B"

COURT FILE NUMBER 1101-17318

Clerk's Stamp

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
Patrick T. McCarthy Q.C./Robyn Gurofsky
Borden Ladner Gervais LLP
1900, 520 3rd Ave. S.W.
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Telephone: (403) 232-9441/232-9774
Facsimile: (403) 266-1395
Email: RGurofsky@blg.com
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.

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