Form 27
[Rules 6.3 and 10.52(1)]

Clerk's Stamp
CLERK OF THE COURT
FILED
APR 16 2012
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, 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, AIRDRIE COUNTRY ESTATES INC., RAILSIDE CAPITAL INC., RAILSIDE INDUSTRIAL PARK INC., FOUNDATION PLACE CAPITAL INC. AND FOUNDATION PLACE INC.**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Patrick T. McCarthy Q.C./John L. Ircandia Q.C. 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: jircandia@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	April 17, 2012
Time	10:00 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 for Legacy Communities Inc. ("Legacy"), and Airdrie Capital Corporation and Airdrie Country Estates Inc. (together, "Airdrie") up to and including May 23, 2012;

   (b) subject to satisfying this Court regarding arrangements for a substitute DIP Lender, approving the granting of additional DIP financing,

      (i) for Legacy, in the amount of $325,000; and

      (ii) for Airdrie, in the amount of $180,000;

   (c) amending paragraphs 31 and 37 of the Initial Order granted in respect of Legacy and Airdrie to increase the DIP Charges as follows:

      (i) Legacy – from $400,000 to $725,000; and

      (ii) Airdrie – from $325,000 to $505,000; and

   (d) extending the stay period for Railside Capital Inc. and Railside Industrial Park Inc. (together, "Railside") and Foundation Place Capital Inc. and Foundation Place Inc. (together, "Foundation") up to and including June 30, 2012;

(e) approving the granting of DIP financing for Railside in the amount of $150,000, and approving the granting of additional DIP financing for Foundation in the amount of $125,000;

(f) amending paragraphs 31 and 37 of the Initial Order granted in respect of Railside and Foundation to reflect the creation of a Railside DIP charge of $150,000 and the increase of the Foundation DIP charge from $125,000 to $360,000.

(g) 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, Airdrie, Railside and Foundation (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 each of the Applicants requires 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 or to pursue a holding strategy, followed by the development of a plan of arrangement to be proposed to creditors.

3. Railside and Foundation were placed in CCAA protection in March of 2012. They have engaged the services of David Murphy and Noel Winter, the same real estate professionals who are assisting Legacy and Airdrie in their restructurings. Railside and Foundation are working very closely with Mr. Winter and Mr. Murphy (together, the "Consultants") to assess both sale and development strategies for their properties, with a view to determining how best to maximize value for stakeholders.

4. The Consultants estimate that they will require approximately 2 months to complete their assessment of the properties and to develop a strategy to maximize value for creditors in each of Railside and Foundation.

5. Cash flow statements for Railside and Foundation for the period from April 1, 2012 to June 30 prepared with the assistance of the Monitor indicate that in order to continue with this restructuring process through to the end of June, 2012 Railside will require DIP financing of $150,000 and Foundation will require additional DIP financing of $235,000.

6. The current DIP Lender to Foundation, Azimuth Risk Management Ltd., has agreed to provide the required DIP financing to both companies.

7. In the case of Legacy and Airdrie, the assessment of the options available to maximize value for investors from the lands held by each of Airdrie and Legacy within a manageable time horizon is essentially complete. Airdrie and Legacy have concluded that an immediate sale of either property is not in the best interests of creditors. In the case of each it is believed that the best option for maximizing recovery to creditors is to move forward with the development process for a period of approximately three years, with a view to being in a position to make a sale of each property toward the end of that period. Completion of the development process is not, however, a precondition to a CCAA plan being proposed to creditors of Legacy and Airdrie.

8. Legacy and Airdrie have prepared estimates of the funds required to take each property to the appropriate development stage, and begun efforts to locate funds to enable each of Legacy and Airdrie to exit CCAA and execute the proposed development plan. They have also developed an outline of the basic terms of a plan of arrangement to be proposed to creditors and have developed a timeline which would allow both Airdrie and Legacy to exit CCAA by approximately the end of June, 2012.

9. Legacy and Airdrie anticipate that they will be in a position to file a plan of arrangement with this Honourable Court for approval to send to creditors by late May of 2012.

10. The plan will incorporate a number of specific provisions intended to make governance more direct and transparent, and to address issues such as questions regarding RRSP eligibility for investors and ability to deal with the outstanding bonds.

11. Cash flow statements for Legacy and Airdrie for the period from April 1, 2012 to June 30 prepared with the assistance of the Monitor indicate that in order to continue with this restructuring process through to the end of May, 2012 Legacy and Airdrie require, respectively, additional DIP financing of $325,000 and $180,000.

12. Harvest Capital Management Inc., the current DIP Lender to Legacy and Airdrie, is not in a position to provide the required additional DIP financing to Legacy and Airdrie, which amounts are larger than had been anticipated, and accordingly Legacy and Airdrie are in discussions with another potential DIP financier to provide those funds.

13. The Applicants have been working and continue to work in good faith with their advisors, in consultation with the UCC and the Monitor, to restructure their affairs in a manner which will maximize stakeholder value.

Material or evidence to be relied on:

14. Affidavit of Ronald Aitkens (Legacy Communities Inc., Airdrie Capital Corporation and Airdrie Country Estates Inc.), filed April 16, 2012;

15. Affidavit of Ronald Aitkens (Railside Capital Inc., Railside Industrial Park Inc., Foundation Place Capital Inc., and Foundation Place Inc.) filed April 16, 2012;

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

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

Applicable rules:

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

Applicable Acts and regulations:

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

Any irregularity complained of or objection relied on:

20. n/a

How the application is proposed to be heard or considered:

21. 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.