COURT FILE NUMBER	1101-17318	Clerk's stamp: CLERK OF THE COURT FILED APR 11 2012 JUDICIAL CENTRE OF CALGARY
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 OF THE UNSECURED CREDITORS COMMITTEE**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	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.: 548427-1	

NOTICE TO RESPONDENT(S)

This application is made on behalf of the Unsecured Creditors UCC (the "UCC") appointed in these proceedings pursuant to an Amended and Restated Order of Madam Justice B.E.C. Romaine made on February 16, 2012 (the "UCC Order"). You are a respondent.

You have the right to state your side of this matter before the judge.

To do so, you must be in Court when the application is heard as shown below:

Date:	April 17, 2012
Time:	10:00 AM
Where:	Court of Queen's Bench of 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.

All capitalized terms not otherwise defined shall take the meaning ascribed to them in the Affidavit of Kyle Brown, sworn April 10, 2012 (the "**Brown Affidavit**").

Remedy claimed or sought:

1. Orders substantially in the forms of Order attached hereto as Schedules "A" and "B":

   (a) declaring service of notice of this application and the supporting materials to be good and sufficient, and abridging the time therefor, if necessary;

   (b) appointing NAVIS Solutions Inc and its president, Keith Prosser, as the Chief Restructuring Officer of the Debtors; and

   (c) removing Ron Aitkens as a director of the Debtors.

Grounds for making this application:

2. The Debtors' current management is unreasonably impairing and is likely to unreasonably impair the possibility of a successful restructuring in these proceedings, and has acted and is likely to act inappropriately in the circumstances.

3. The UCC has lost all faith in existing management and wants existing management replaced by a CRO as soon as possible.

4. The UCC is dissatisfied with the Debtor's current management and has concluded that new management through the court appointment of a CRO is necessary for the following reasons:

   (a) Management is not responding to the information requests of the UCC or the Monitor in a timely fashion;

   (b) The Monitor's Sources and Uses of Cash Report shows the following facts about Legacy and Airdrie:

      (i) overpayment of fees to related parties of more than $1,200,000 on each of ACC and Legacy;

      (ii) no working capital to advance the development of the projects;

      (iii) over $9.5 million in Legacy funds were directed to 125 for investment elsewhere even though an undisclosed Investment Agreement referenced in Ron Aitkens' initial Affidavit;

   (c) No meaningful development has occurred on Legacy, Airdrie or Foundation Place, notwithstanding that management has had many years to advance these projects. The development on Railside is inadequate;

   (d) Management has received significant lifts on the sale of most of these projects to investors (Airdrie - $6,400,000, Railside - $7,400,000, Foundation Place - $1,440,000);

   (e) Non-disclosure of the sour gas well in the Airdrie Offering Memorandum, and non-disclosure of the Harvest Capital Management Investment Agreement in any of the Legacy Offering Memoranda;

(f) Unusual and significant balance sheet activity by Railside in a 27 day period in February, where a receivable from 125 in the amount of approximately $6.2 million disappeared, and a new item for "capitalized construction costs" has appeared, in the amount of approximately $7.8 million; and

(g) A significant number of investors have expressed support for the removal of Ron Aitkens and the appointment of a CRO.

5. The UCC has considered 6 parties for the role of CRO by reviewing the publically accessible information and/or resumes available to the UCC.

6. Keith Prosser of Sterling Bride Mortgage Financial Group was selected by the UCC as the most desirable CRO in these proceedings.

7. The other grounds disclosed in the evidence, or as counsel may advise.

Material or evidence to be relied on:

8. The Brown Affidavit, the Affidavits of Ron Aitkens filed in these proceedings, and the Reports of the Monitor filed in these proceedings.

Applicable Rules:

9. Part 6, Division 1, generally.

Applicable Acts and regulations:

10. Section 11.5 of the *Companies Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**"), and the CCAA generally, and the regulations thereunder.

How the application is proposed to be heard or considered:

11. In person before Madam Justice B.E.C.Romaine in Chambers.

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.

DRAFT

SCHEDULE "A"

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
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	**ORDER (CHIEF RESTRUCTURING OFFICER)**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	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.: 548427-1

DATE ON WHICH ORDER WAS PRONOUNCED: Tuesday, the 17th day of April, 2012

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

ORDER

UPON the application of the Unsecured Creditors' Committee (the "**UCC**"); **AND UPON** reading the Affidavit of Mr. Kyle Brown sworn April 11, 2012, (the "**Affidavit**"); **AND UPON** hearing from counsel for 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. (the

"**Debtors**"), counsel for the UCC, counsel for Ron Aitkens, and counsel for Ernst & Young Inc. (the "**Monitor**");

IT IS HEREBY ORDERED THAT:

SERVICE

1. The time for service and filing of this Application and supporting materials is hereby abridged and this Motion is properly returnable today and, further, that service thereof upon any interested party other than the persons served is hereby dispensed with.

CHIEF RESTRUCTURING OFFICER

2. NAVIS Solutions Inc. and its President, Keith Prosser, be and is hereby appointed as chief restructuring officer of the Debtors (the "**CRO**") with authority to carry on, manage, operate and supervise the management and operation of the business and affairs of the Debtors (the "**Business**"), including all the real and personal property of the Debtors (the "**Property**"), and to retain or appoint persons to manage and operate the Business or any part thereof and to act at once until further order of this Court, on the terms and conditions of this Order.

3. The CRO shall have and may exercise and perform the following powers, responsibilities and duties (collectively the "**CRO Powers**"):

   (a) to take such steps as the CRO deems necessary or desirable to preserve and protect the Business and the Property;

   (b) manage the Business in the name of and on behalf of the Debtors;

   (c) take such steps as in the opinion of the CRO are necessary or appropriate to maintain control over all receipts and disbursements of the Debtors including, without limiting the generality of the foregoing, take such steps as are necessary or desirable to control and use all bank accounts of the Debtors;

   (d) ensure that Keith Prosser or such other persons as he designates in writing (each, a "**CRO Signing Officer**") shall become signing officers of all bank accounts of the Debtors and the Debtors' banks are hereby directed, when notified in writing by the CRO, to revoke any existing signing authorities and act on the instructions only of such CRO Signing Officers;

   (e) to lead the process to determine the viability of dealing with the Properties and, if appropriate, seeking alternatives in respect of the refinancing (whether interim or otherwise), development or sale of the Property or any part thereof, and issuing recommendations in respect thereof, and to otherwise assess opportunities for the preservation, development, or other monetization of the Property, cost reductions, cash conservation and revenue enhancement and to implement initiatives in respect thereto on behalf of the Debtors;

(f) to do all such things as are reasonably necessary or appropriate to negotiate, develop and implement a plan, or plans, of compromise and/or arrangement on behalf of the Debtors;

(g) to employ or retain and to discharge or terminate such advisors, agents, assistants and employees of the Debtors, and to otherwise deal with human resources and other organization issues of behalf of the Debtors, as the CRO may consider necessary or desirable, provided that such employment shall not constitute the CRO a "successor employer" to the Debtors or any of its subsidiaries within the meaning of any provincial or federal statute or otherwise;

(h) provide instruction and direction to advisors of the Debtors;

(i) represent the Debtors in any negotiations with any party;

(j) collect all receivables of the Debtors and pursue, compromise, or settle all claims by and against the Debtors;

(k) communicate with and provide information to the Monitor and/or the UCC regarding all matters;

(l) such other duties or powers that the CRO may agree to and which are approved by the Monitor or by order of this Court; and

(m) take all such steps and actions, enter into and execute all such agreements and documents and incur such expenses and obligations necessary or incidental to the exercise of the CRO Powers, as are reasonably required to carry out the provisions of this Order, including in the name and on behalf of the Debtors, as applicable.

4. The Debtors and their shareholders, direct and indirect subsidiaries, officers, directors, employees, servants, agents and representatives (the "**Related Persons**") shall cooperate fully with the CRO in the exercise of its powers and discharge of its obligations. Without limiting the generality of the foregoing, all Related Persons shall provide the CRO with such access to the Debtors and their direct and indirect subsidiaries' books, records, assets and premises as the CRO requires to exercise its powers and perform its obligations under this Order.

5. The CRO shall incur no liability or obligation as a result of its engagement or the fulfillment of its duties in the carrying out of the provisions of its engagement or as may be ordered by this Court, save and except for gross negligence or wilful misconduct on its part, and no action or other proceeding shall be commenced against the CRO as a result of or relating in any way to its engagement as CRO, the fulfillment of its duties as CRO or the carrying out of any of the orders of this Court, except with prior leave of this Court and provided further that the liability of the CRO hereunder shall not in any event exceed the quantum of the fees and disbursements paid to or incurred by it in connection with this matter.

6. The Debtors shall pay the CRO's fees and disbursements as follows:

(a) fees in the amount of $20,000/month (excluding GST); and

(b) disbursements as may authorized by either the UCC or the Monitor.

7. The Administration Charge (as defined in the Initial Orders) shall secure the fees and disbursements of the CRO and the Directors' Charge shall secure the indemnities in favour of the CRO hereunder. The aggregate amounts of these Charges are not changed by this Order.

8. The CRO may resign or may be removed by order of this Court. In the event that the CRO resigns or is removed, the UCC, in consultation with the Debtors and the Monitor, shall nominate a replacement and such replacement shall be appointed subject to the approval of this Court.

9. The appointment of the CRO and the granting of powers and responsibilities to the CRO hereunder will not constitute the sale or disposition of the Business or the Property, and such Business and Property will continue to be the Business and Property of the Debtors unless and until sold in whole or in part to a purchaser.

10. The CRO shall be:

(a) free to provide consulting services to other non-competitive businesses provided that it discharges its duties, powers and responsibility as CRO in a diligent and timely fashion;

(b) along with its officers, directors, agents, and advisors indemnified against all claims and liabilities, howsoever arising ((including without limitation (i) all costs, charges and expenses (including legal expenses on a solicitor and its own client, full indemnity basis), and (ii) any amount paid to settle an action or satisfy a judgment, reasonably incurred by the CRO in respect of any civil, criminal or administrative action or proceeding to which the CRO is made a party)) by reason of performing or having performed services under this Agreement unless the CRO is found to have been either grossly negligent or guilty of wilful misconduct by a court of competent jurisdiction;

(c) responsible for deducting, remitting, and paying all insurance, federal and provincial income tax, Canada Pension Plan deductions, Employment Insurance Premiums and Workers' Compensation coverage ("**Taxes**") for itself and any persons it employs;

(d) subject to the supervisory jurisdiction of the Court.

11. The CRO, the Debtors, the UCC, or the Monitor may apply to this Court from time to time for advice and directions concerning its powers and duties or any other relevant matter.

12. None of the CRO or Keith Prosser or any of the employees or consultants of the CRO shall be deemed to be a director of any of the Debtors.

VARIATION OF INITIAL ORDER

13. The phrase "Applicants or the Monitor" appearing in paragraphs 13 of the Order granted in this matter by Madam Justice B.E.C. Romaine on December 21, 2011 (the "Legacy Initial Order") and paragraph 13 of the Order granted in this matter by Madam Justice B.E.C. Romaine on March 21, 2012 (the "Foundation Initial Order") is hereby amended to the following:

"Applicants, the Chief Restructuring Officer ("CRO"), or the Monitor".

14. The phrase "Applicants or the Monitor" appearing in paragraphs 14 and 45 of the Legacy Initial Order and paragraph 14 and 46 of the Foundation Initial Order (collectively the "Initial Orders") is hereby amended to the following:

> "Applicants, the CRO, or the Monitor".

15. The phrase "to the Monitor" appearing in paragraph 15 Initial Orders is hereby amended to the following:

> "to the Monitor and the CRO".

16. The phrase "Applicants and the Monitor" appearing in paragraphs 16, 17, 35(b), 44, 49, and 50 of the Legacy Initial Order and paragraphs 16, 17, 35(b), 44, 50, and 51 of the Foundation Initial Order is hereby amended to the following:

> "Applicants, the CRO, and the Monitor".

17. The phrases "assist the Applicants" and "in its dissemination" appearing in paragraph 24(c) of the Initial Orders are hereby respectively amended to the following:

> "assist the Applicants and the CRO" and "in the dissemination".

18. The phrase "advise the Applicants in its" appearing in paragraphs 24(d) and (e) of the Initial Orders is hereby amended to the following:

> "advise the Applicants and the CRO in the".

19. The phrase "advise the Applicants, to the extent required by the Applicants" appearing in paragraph 24(f) of the Initial Orders is hereby amended to the following:

> "advise the Applicants and the CRO, to the extent required by the Applicants and the CRO".

20. The phrase "the Monitor, counsel to the Monitor and counsel to the Applicants" appearing in paragraph 28 of the Initial Orders is hereby amended to the following:

> "the Monitor, the CRO, counsel to the Monitor, and counsel to the Applicants".

21. Paragraph 29 of the Initial Orders is hereby replaced by the following:

> "The CRO, the Monitor, and the Monitor's legal counsel shall pass their accounts from time to time".

22. The phrases "the Monitor, counsel to the Monitor", "the Monitor and such counsel", and "the Monitor and counsel" appearing in paragraph 30 of the Initial Orders are hereby respectively amended to the following:

> "the CRO, the Monitor, counsel to the Monitor", "the CRO, the Monitor, and such counsel", and "the CRO, the Monitor, and counsel".

23. The phrase "consent of the Monitor" appearing in paragraph 40 of the Initial Orders is hereby amended to the following:

> "consent of the CRO and the Monitor".

24. The phrase "assistance to the Applicants and to the Monitor, as an officer of this Court" appearing in paragraph 48 of the Legacy Initial Order and paragraph 49 of the Foundation Initial Order is hereby amended to the following:

> "assistance to the Applicants and to the Monitor and CRO, as officers of this Court".

25. The phrase "grant representative status to the Monitor" appearing in paragraph 48 of the Legacy Initial Order and paragraph 49 of the Foundation Initial Order is hereby amended to the following:

> "grant representative status to the Monitor and the CRO".

____

B.E.C. ROMAINE
Justice of the Court of Queen's Bench of Alberta

DRAFT

SCHEDULE "B"

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
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	**ORDER**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	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.: 548427-1

DATE ON WHICH ORDER WAS PRONOUNCED: Tuesday, the 17th day of April, 2012

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

ORDER

UPON the application of the Unsecured Creditors Committee (the "**UCC**"); AND UPON reading the Affidavit of Kyle Brown sworn March 11, 2012, the Affidavits of Ron Aitkens filed in these proceedings, and the Second Report of the Monitor (Legacy and Airdrie Sources and Uses of Funds) dated April 5, 2012 of Ernst & Young Inc. (the "**Monitor**"); AND UPON hearing from counsel for to the

UCC, counsel to 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. (the "**Debtor Companies**"), counsel to Ron Aitkens, and counsel for the Monitor;

IT IS HEREBY ORDERED THAT:

SERVICE

1. The time for service and filing of this Application and the supporting materials is hereby abridged to the time actually given and this Application is properly returnable today and, further, service thereof upon any interested party other than the persons served is hereby dispensed with.

2. Ron Aitkens is removed as a director of the Debtor Companies.

3. Any interested party may apply to this Honourable Court to vary the terms of this Order on seven days notice.

B.E.C. ROMAINE
Justice of the Court of Queen's Bench of Alberta