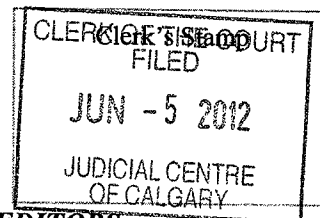


COURT FILE NUMBER **1101-17318**
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE Calgary



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 COMMUNITES 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./
John L. Ircandia Q.C.
Borden Ladner Gervais LLP
1900, 520 3rd Ave. S.W.
Calgary, AB T2P 0R3
Telephone: (403) 232-9441/232-9406
Facsimile: (403) 266-1395
Email: jircandia@blg.com
File No. 439537-000003



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 June 7, 2012
Time 9:00 a.m.
Where Calgary Courts Centre, 601 – 5th Avenue SW, Calgary, Alberta
Before Whom The Honourable 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 abridging the time for service of notice of this Application, if necessary;
2. An order, substantially in the form attached hereto as Schedule "A",
 - (a) accepting for filing the Plans of Compromise and Arrangement (the "CCAA Plans") of Legacy Communities Inc. ("Legacy") and Airdrie Capital Corporation ("ACC");
 - (b) authorizing each of Legacy and ACC to seek approval of their respective CCAA Plans from their Creditors;
 - (c) directing each of Legacy and ACC to convene a Creditors' Meeting for the purposes of considering, and if appropriate approving the CCAA Plans; and
 - (d) authorizing the Monitor to issue Notices of Meeting and Proxies to the Creditors of each of Legacy and ACC for the purposes of attending at the Creditors' Meetings and voting on the CCAA Plans;
3. An order extending the stay of proceedings granted pursuant to the Initial Order and subsequently amended, from June 8, 2012 to July 13, 2012, but lifting the stay of proceedings as regards ACE for the limited purpose of allowing ACC to take steps to realize upon its security so as to be in a position to take title to the Airdrie Lands at the time of Plan Implementation; and,
4. Such further and other relief as Counsel may advise and this Honourable Court may permit.

Grounds for making this application:

5. Legacy and ACC have been working diligently and in good faith with the Monitor, the UCC and counsel to develop the CCAA Plans;
6. The CCAA Plans are now finalized and ready to be circulated to Creditors for consideration;
7. Approval and implementation of the CCAA Plans represents the best alternative for Creditors of Legacy and ACC to maximize recovery on their Claims;
8. Legacy and ACC each wish to convene meetings of their Creditors for the purpose of considering and ultimately voting on the CCAA Plans;
9. Such further and other grounds as are more particularly outlined in the Affidavit of Ronald Aitkens sworn June 5, 2012.

Material or evidence to be relied on:

10. The Affidavit of Ronald Aitkens, sworn June 5, 2012;
11. The Sixth Report of the Monitor;
12. The Pleadings and proceedings had and taken in this action; and
13. Such further and other material or evidence as Counsel may advise and this Honourable Court permit.

Applicable rules:

14. Part 6, Division 1 and Rule 13.5;
15. Such further and other rules as Counsel may advise and this Honourable Court permit.

Applicable Acts and regulations:

16. *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36;
17. *Business Corporations Act*, R.S.A. 2000, c. B-9; and
18. Such further and other Acts and regulations as Counsel may advise and this Honourable Court permit.

Any irregularity complained of or objection relied on:

19. n/a

How the application is proposed to be heard or considered:

20. In person, before the Honourable Justice B.E.C. Romaine 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, AIRDRIE COUNTRY ESTATES
INC., RAILSIDE CAPITAL INC., RAILSIDE
INDUSTRIAL PARK INC., FOUNDATION PLACE
CAPITAL INC. and FOUNDATION PLACE INC.**

DOCUMENT **ORDER**

Re: Creditors' Meeting

ADDRESS FOR SERVICE AND

CONTACT INFORMATION OF

PARTY FILING THIS

DOCUMENT

Patrick T. McCarthy Q.C./
John L. Ircandia QC
Borden Ladner Gervais LLP
1900, 520 3rd Ave. S.W.
Calgary, AB T2P 0R3
Telephone: (403) 232-9441/232-9406
Facsimile: (403) 266-1395
Email: jircandia@blg.com
File No. 439537-000003

BLG
Borden Ladner Gervais

DATE ON WHICH ORDER WAS PRONOUNCED: June 7, 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”), Airdrie Capital Corporation and (“ACC”); **AND UPON** having read the Affidavit of Ronald Aitkens sworn June 5, 2012; **AND UPON** having read the Sixth Report of the Monitor, Ernst & Young Inc.; **AND UPON** having read the pleadings and materials filed in this action; **AND UPON** hearing the submissions of Counsel for Legacy and ACC, Counsel for the Monitor, Counsel for the Unsecured Creditors’ Committee (the “UCC”) and any other Counsel in attendance; **AND UPON** reference being made to the form of Plan of Compromise and Arrangement of Legacy (the “Legacy Plan”) and the Plan of Compromise and Arrangement of ACC (the “ACC Plan”), attached respectively as Exhibits “A” and “D” to the Affidavit of Ronald Aitkens sworn June 5, 2012 (collectively, the “Plans”); **AND UPON** Counsel for Legacy and ACC, Counsel for the Monitor and Counsel for the UCC each advising that their respective clients have approved the proposed Plans; **AND UPON** this Court being satisfied that in the circumstances this Order should be granted and that Legacy and ACC have each acted and are acting in good faith and with due diligence;

IT IS HEREBY ORDERED THAT:

1. Service of the Creditors’ Meeting Application and the supporting materials is good and sufficient and the time therefore is abridged to the time actually given.

Definitions

2. Capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Plans.

The CCAA Plans

3. The Legacy Plan is hereby accepted for filing and Legacy is hereby authorized to seek approval from the Creditors of the Legacy Plan as set forth herein.
4. Legacy may at any time, and from time to time, amend, restate, modify and/or supplement the Legacy Plan in accordance with its terms, provided that any such amendment, restatement, modification or supplement is contained in a written document filed with this Court and communicated to Creditors in the manner required by the Legacy Plan or this Honourable Court.
5. The ACC Plan is hereby accepted for filing and ACC is hereby authorized to seek approval from the Creditors of the ACC Plan as set forth herein.

6. ACC may at any time, and from time to time, amend, restate, modify and/or supplement the ACC Plan in accordance with its terms, provided that any such amendment, restatement, modification or supplement is contained in a written document filed with this Court and communicated to Creditors in the manner required by the ACC Plan or this Honourable Court.

Forms and Documents

7. A form of Proxy substantially in the form attached to the Legacy Plan as Schedule "B" and a Notice of Meeting substantially in the form attached to the June 5, 2012 affidavit of Ronald Aitkens as Exhibit "B" are hereby approved and Legacy is authorized and directed to make such changes thereto as it considers necessary or desirable to conform the content thereof to the terms of the Legacy Plan or this Creditors' Meeting Order.

8. A form of Proxy substantially in the form attached to the ACC Plan as Schedule "B" and a Notice of Meeting substantially in the form attached to the June 5, 2012 affidavit of Ronald Aitkens as Exhibit "E" are hereby approved and ACC is authorized and directed to make such changes thereto as it considers necessary or desirable to conform the content thereof to the terms of the ACC Plan or the Creditors' Meeting Order.

Creditors' Meeting - Legacy

9. Legacy shall convene the Creditors' Meeting on June 28, 2012 at 3rd Floor, Centennial Place, West Tower, 250-5th Street S.W., Calgary, Alberta, commencing at 9:30 a.m. for the purposes of considering and, if thought fit, approving the Legacy Plan and transacting such other business as may be properly brought before the Creditors' Meeting.

10. For the purposes of voting to approve the Legacy Plan, Legacy Creditors shall constitute a single class. Claim value shall be established in accordance with the provisions of the Legacy Plan and any further order of this Honourable Court. Only Legacy Creditors with an Eligible Voting Claim as that term is defined in the Legacy Plan shall be entitled to vote at the Legacy Creditors' Meeting.

11. The Legacy Creditors' Meeting shall be conducted and the votes of Creditors shall be cast and tabulated in accordance with the Legacy Plan.

Creditors' Meeting - ACC

12. ACC shall convene the Creditors' Meeting on June 28, 2012 at 3rd Floor, Centennial Place, West Tower, 250-5th Street S.W., Calgary, Alberta, commencing at 11:00 a.m. for the purposes of considering and, if thought fit, approving the ACC Plan and transacting such other business as may be properly brought before the Creditors' Meeting.

13. For the purposes of voting to approve the ACC Plan, ACC Creditors shall constitute a single class. Claim value shall be established in accordance with the provisions of the Legacy Plan and any further order of this Honourable Court. Only ACC Creditors with an Eligible Voting Claim shall be entitled to vote at the ACC Creditors' Meeting.

14. The ACC Creditors' Meeting shall be conducted and the votes of Creditors shall be cast and tabulated in accordance with the ACC Plan.

Notice to Creditors

15. As soon as practicable, but no later than June 12, 2012, the Monitor shall:

- (a) send to each Creditor of Legacy with an Eligible Voting Claim, by ordinary mail, courier, facsimile or email transmission at the address appearing in the Monitor's records, or where applicable at the address appearing on such Creditor's Notice of Claim if different than the address contained in the Monitor's records, the following documents (collectively, the "Legacy Creditors' Meeting Materials"):
 - (i) The Legacy Plan, substantially in the form attached as Exhibit "A" to the Affidavit of Ronald Aitkens sworn June 5, 2012, including any amendments;
 - (ii) The Legacy Notice of Meeting;
 - (iii) A Proxy;
 - (iv) The report of the Monitor commenting on the Legacy Plan and containing the Monitor's recommendations in respect thereof;

- (v) This Creditors' Meeting Order, and
 - (vi) The information circular prepared by Legacy in respect of the Legacy Plan substantially in the form attached as Exhibit "C" to the Affidavit of Ronald Aitkens sworn June 5, 2012.
- (b) send to each Creditor of ACC with an Eligible Voting Claim, by ordinary mail, courier, facsimile or email transmission at the address appearing in the Monitor's records, or where applicable at the address appearing on such Creditor's Notice of Claim if different than the address contained in the Monitor's records, the following documents (collectively, the "ACC Creditors' Meeting Materials"):
- (i) The ACC Plan, substantially in the form attached as Exhibit "D" to the Affidavit of Ronald Aitkens sworn June 5, 2012, including any amendments;
 - (ii) The ACC Notice of Meeting;
 - (iii) A Proxy;
 - (iv) The report of the Monitor commenting on the ACC Plan and containing the Monitor's recommendations in respect thereof;
 - (v) This Creditors' Meeting Order; and
 - (vi) The information circular prepared by ACC in respect of the ACC Plan substantially in the form attached as Exhibit "F" to the Affidavit of Ronald Aitkens sworn June 5, 2012.

16. Compliance with paragraph 15 of this Creditors' Meeting Order shall constitute good and sufficient service of each of the Legacy and ACC Creditors' Meeting Materials on all Persons who may be entitled to receive notice of and to vote in person or by proxy at the Creditors' Meetings or any adjournment thereof and no other notice or service need be given or made and no other documents or material need be served.

17. Each of the Legacy Creditors' Meeting and the ACC Creditors' Meeting shall be conducted by a representative of the Monitor, who shall preside as Chair of the Creditors Meetings, in accordance with the procedures set forth in the Plans.

General

18. Legacy and ACC shall each serve by courier, ordinary mail, facsimile or email transmission, a copy of this Creditors' Meeting Order on all Counsel present at this application and all other parties present at this application who expressly request service of this Creditors' Meeting Order, and on all parties who received notice of this application or who appear on the Service List.

J.C.Q.B.A.