

**IN THE UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

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: **Chapter 11**  
: **Case No. 09-10720 (MFW)**  
: **Jointly Administered**  
: **Debtors.**  
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**NOTICE OF (I) APPROVAL OF DISCLOSURE  
STATEMENT, (II) ESTABLISHMENT OF RECORD DATE,  
(III) HEARING ON CONFIRMATION OF THE PLAN AND  
PROCEDURES FOR OBJECTING TO CONFIRMATION OF THE PLAN,  
AND (IV) PROCEDURES AND DEADLINE FOR VOTING ON THE PLAN**

**PLEASE TAKE NOTICE** that:

1. **Approval of Disclosure Statement.** By order, dated March 26, 2010 (the "Order"), the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") approved the Disclosure Statement for the Third Amended Joint Plan of Affiliated Debtors, the Official Committee of Unsecured Creditors, MI Developments Inc. and MI Developments US Financing Inc. Pursuant to Chapter 11 of the United States Bankruptcy Code, dated March 24, 2010 (as may be further amended, the "Disclosure Statement") filed by Magna Entertainment Corp. ("Magna Entertainment") and its affiliated debtors, as debtors in possession (together, the "Debtors"). The Order also authorizes the Debtors to solicit votes with regard to the acceptance or rejection of the Third Amended Joint Plan of Affiliated Debtors, the Official Committee of Unsecured Creditors, MI Developments Inc. and MI Developments US Financing Inc. Pursuant to Chapter 11 of the United States Bankruptcy Code, dated March 24, 2010 (as may be further amended, the "Plan")<sup>1</sup>.

2. **Confirmation Hearing.** A hearing (the "Confirmation Hearing") to consider the confirmation of the Plan will be held on **April 20, 2010 at 10:30 a.m. (prevailing Eastern Time)**, before the Honorable Mary F. Walrath, United States Bankruptcy Judge, in the Bankruptcy Court, 824 North Market Street, 5th Floor, Courtroom No. 4, Wilmington, Delaware 19801. The Confirmation Hearing may be continued from time to time without further notice other than the announcement by the

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<sup>1</sup> All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Plan or the Solicitation Procedures Order, as applicable.

Debtors in open court of the adjourned date(s) at the Confirmation Hearing or any continued hearing, and the Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing in accordance with the terms of the Plan, without further notice to interested parties.

3. **Record Date for Voting Purposes.** The following creditors who hold claims against or equity interests in the Debtors on March 19, 2010 (the "Record Date") are entitled to vote on the Plan:

- a. record holders, as of the Record Date, of claims or equity interests listed on the Schedules, to the extent that such claims (i) are listed in an amount greater than zero and are not identified as contingent, unliquidated or disputed, (ii) have not been superseded by a filed proof of claim, and (iii) entitle the holder thereof to vote on the Plan; and
- b. record holders as of the Record Date, of claims, to the extent that such claims (i) are the subject of filed proofs of claim, (ii) have not been disallowed, expunged, disqualified or suspended prior to the Record Date, (iii) are not the subject of a pending objection as of March 19, 2010, and (iv) entitle the holders thereof to vote on the Plan.

4. **Voting Deadline.** All votes to accept or reject the Plan must be received by **4:00 p.m. (prevailing Eastern Time) on April 16, 2010**. Any failure to follow the voting instructions on the ballots (the "Ballots") that will be included in the solicitation packages may disqualify your Ballot and your vote.

5. **Parties in Interest Not Entitled to Vote.** Holders of unimpaired claims under the Plan and holders of certain impaired claims under the Plan are not entitled to vote on the Plan. Such holders will receive a Notice of Non-Voting Status, rather than a Ballot and Solicitation Package.

6. **Objections to Confirmation.** Objections, if any, to the confirmation of the Plan must (i) be in writing; (ii) be in the English language; (iii) state the name and address of the objecting party and the amount and nature of the claim or interest of such party; (iv) state with particularity the basis and nature of any objection to the Plan; and (v) be filed, together with proof of service, with the Bankruptcy Court and served so that they are received by the following parties, no later than **April 16, 2010, at 4:00 p.m. (prevailing Eastern Time)**: (i) Magna Entertainment Corp., 337 Magna Drive, Aurora, Ontario L46 7K1 (Attn: William G. Ford, General Counsel); (ii) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq.), co-counsel for the Debtors; (iii) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Brian S. Rosen, Esq.), co-counsel for the Debtors; (iv) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036-2714 (Attn: Kenneth Eckstein, Esq.), counsel to

the Creditors' Committee; and (v) the Office of the United States Trustee, 844 King Street, Room 2313, Wilmington, Delaware 19801. **IF ANY OBJECTION TO CONFIRMATION OF THE PLAN IS NOT FILED AND SERVED STRICTLY AS PRESCRIBED HEREIN, THE OBJECTING PARTY MAY BE BARRED FROM OBJECTING TO CONFIRMATION OF THE PLAN AND MAY NOT BE HEARD AT THE CONFIRMATION HEARING.**

7. **Additional Information.** Any party in interest wishing to obtain (i) information about the solicitation procedures or (ii) copies of the Plan or Disclosure Statement, should contact the Debtors' Claims and Noticing Agent, Kurtzman Carson Consultants LLC ("KCC"), at [www.kccllc.net/magna](http://www.kccllc.net/magna). In addition, copies of the Disclosure Statement and Plan are available upon request by contacting KCC at Magna Ballot Processing Center, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245 or by telephone at (866) 381-9100 (Attention: Magna Entertainment), or by accessing the Bankruptcy Court's website: <https://ecf.deb.uscourts.gov/cgi-bin/login.pl>. A PACER password and login are needed to access documents on the Court's website. A PACER password can be obtained at <http://www.pacer.psc.uscourts.gov>.

8. **Injunctions and Releases.** As set forth in greater detail in Article 34 of the Plan, the Plan provides for, among others, the following releases and injunctions:

- a. **Injunction Applicable to Holders of Claims and Equity Interests.** Pursuant to Section 34.2 of the Plan, as of the Effective Date, all Persons or Entities, and each Related Person of such Persons or Entities, who have held, hold or may hold Claims or any other debt or liability that is discharged or Equity Interests or other right of equity interest that is terminated or cancelled pursuant to the Plan, or who have held, hold or may hold Claims or any other debt or liability that is discharged or released are permanently enjoined, from and after the Effective Date, from (a) commencing or continuing, directly or indirectly, in any manner, any action or other proceeding (including, without limitation, any judicial, arbitral, administrative or other proceeding) of any kind on any such Claim or other debt or liability or Equity Interest that is terminated or cancelled pursuant to the Plan against the Debtors, the Debtors in Possession or the Reorganized Debtors, the Debtors' estates, or their respective properties, assets or interests in properties, MID Transferee or its respective properties, assets or interests in properties, (b) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order against the Debtors, the Debtors in Possession or the Reorganized Debtors, the Debtors' estates, MID Transferee or their respective properties or interests in properties, (c)

creating, perfecting, or enforcing any encumbrance of any kind against the Debtors, the Debtors in Possession or the Reorganized Debtors, the Debtors' estates, or their respective properties, assets or interests in properties, MID Transferee or its respective properties, assets or interests in properties, and (d) except to the extent provided, permitted or preserved by sections 553, 555, 556, 559 or 560 of the Bankruptcy Code or pursuant to the common law right of recoupment, asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtors, the Debtors in Possession or the Reorganized Debtors, or against their respective property or interests in property, or MID Transferee MID Transferee or its respective properties, assets or interests in properties, with respect to any such Claim or other debt or liability that is discharged or Equity Interest or other right of equity interest that is terminated or cancelled pursuant to the Plan.

- b. **Releases by Holders of Claims and Equity Interests.** Pursuant to Section 34.5 of the Plan, as of the Effective Date, each Person that has held, currently holds or may hold a Claim or any other obligation, suit, judgment, debt, right, remedy, cause of action or liability of any nature whatsoever, or any Equity Interest, or other right of a holder of an equity security or other ownership interest that is terminated, and each of its respective Related Persons, shall, and shall be deemed to, completely and forever release, waive, void, extinguish and discharge unconditionally each and all of the Released Parties of and from any and all Claims, any and all other obligations, suits, judgments, damages, debts, rights, remedies, causes of action and liabilities of any nature whatsoever (including, without limitation, those arising under the Bankruptcy Code), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are or may be based in whole or part on any act, omission, transaction, event or other circumstance taking place or existing on or prior to the Effective Date (including prior to the Petition Date) in connection with or related to any of the Debtors, the Reorganized Debtors or their respective assets, property and estates, the Chapter 11 Cases or the Plan, the Disclosure Statement, or the Plan Support Agreements, including the matters asserted in the Committee Litigation and the settlement thereof.

- c. **Injunction Related to Releases.** Pursuant to Section 34.6 of the Plan, as of the Effective Date, (i) all Entities that hold, have held, or may hold a Claim or any other obligation, suit, judgment, debt, right, remedy, causes of action or liability of any nature whatsoever, or any Equity Interest or other right of a Holder of an equity security or other ownership interest, relating to any of the Debtors or the Reorganized Debtors or any of their respective assets, property and Estates, that is released pursuant to Section 34.5 of the Plan, (ii) all other parties in interest, and (iii) each of the Related Persons of each of the foregoing entities, are, and shall be, permanently, forever and completely stayed, restrained, prohibited, barred and enjoined from taking any of the following actions, whether directly or indirectly, derivatively or otherwise, on account of or based on the subject matter of such discharged Claims or other obligations, suits, judgments, damages, debts, rights, remedies, causes of action or liabilities, and of all Equity Interests or other rights of a holder of an equity security or other ownership interest: (i) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding (including, without limitation, any judicial, arbitral, administrative or other proceeding) in any forum; (ii) enforcing, attaching (including, without limitation, any prejudgment attachment), collecting, or in any way seeking to recover any judgment, award, decree, or other order; (iii) creating, perfecting or in any way enforcing in any matter, directly or indirectly, any Lien; (iv) setting off, seeking reimbursement or contributions from, or subrogation against, or otherwise recouping in any manner, directly or indirectly, any amount against any liability or obligation owed to any Entity released under Section 34.5 hereof; and (v) commencing or continuing in any manner, in any place of any judicial, arbitration or administrative proceeding in any forum, that does not comply with or is inconsistent with the provisions of the Plan or the Confirmation Order; provided, that this provision shall not apply to the rights of the Debtors, Reorganized Debtors or MID Transferee to take any action with respect to any of or all the Shared Insurance Policies.

Dated: March 26, 2010  
Wilmington, Delaware



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