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.
DOCUMENT	**PROPOSED MONITOR'S REPORT ON DEBTOR'S CASH FLOW STATEMENT** **DECEMBER 21, 2011**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**PROPOSED MONITOR** ERNST & YOUNG 1000, 440 - 2nd Avenue SW Calgary, Alberta T2P 5E9 Attention: Neil Narfason / Cassie Hern Telephone: 403-206-5067 / 403-206-5139 Fax: 403-206-5075 Email: neil.narfason@ca.ey.com cassie.hern@ca.ey.com

Clerk's Stamp

CLERK OF THE COURT
FILED
DEC 21 2011
JUDICIAL CENTRE
OF CALGARY

Introduction

1. In accordance with section 10(2) of the *Companies' Creditors Arrangement Act,* R.S.C. 1985, C-36, as amended (the "CCAA"), Legacy Communities Inc. ("Legacy") and Airdrie Capital Corporation and Airdrie Country Estates Inc. (collectively the "Airdrie") have each prepared a seven week consolidated cash flow forecast for their receipts and disbursements for the period of December 21, 2011 to January 31, 2012 (the "Cash-Flow Statement"). In preparing the Cash-Flow Statement, management of Legacy and Airdrie has used the probable and hypothetical assumptions set out in notes 1 to 11 (the "Notes") to the Cash-Flow Statement.

2. A copy of the Cash-Flow Statement and Notes is appended as Exhibit "O" to the Affidavit of Mr. Ron Aitkens sworn December 20, 2011 (the "December 20 Aitkens Affidavit"). A copy of the signed Cash-Flow Statement, Notes and a report containing the prescribed representations of the Company regarding the preparation of the Cash Flow Statement are attached hereto as Appendix "A".

3. As indicated in the Cash-Flow Statement, both Legacy and Airdrie estimate that they will have total receipts of approximately \$125,000 and \$125,000 respectively and total disbursements of approximately \$99,947 and \$101,975 respectively for the period of December 21, 2011 to January 31, 2012 (the "Forecast Period"). As reflected in the Cash-Flow Statement and as set out in the December 20 Aitkens Affidavit, both Legacy and Airdrie have sufficient funds to satisfy their projected uses of cash for the Forecast Period.

Proposed Monitor's review of the Cash-Flow Statement

4. We have reviewed the Cash-Flow Statement in our capacity as proposed monitor (the "Proposed Monitor") of Legacy and Airdrie. The sole purpose of the Proposed Monitor's report is to provide the Court with our findings with respect to our review of Legacy's and Airdrie's Cash-Flow Statement as to its reasonableness in accordance with section 23(1)(b) of the CCAA.

5. Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by certain of the management of Legacy and Airdrie. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash-Flow Statement. We have also reviewed the support provided by management of Legacy and Airdrie for the probable assumptions and the preparation and presentation of the Cash-Flow Statement.

Proposed Monitor's opinion on Cash-Flow Statement

6. Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

   a) the hypothetical assumptions are not consistent with the purpose of the Cash-Flow Statement;

   b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of Legacy and Airdrie or do not provide a reasonable basis for the Cash-Flow Statement, given the hypothetical assumptions; or

   c) the Cash-Flow Statement does not reflect the probable and hypothetical assumptions.

7. Since the Cash-Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash-Flow Statement will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon by us in preparing this report.

8. The Cash-Flow Statement has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

Dated at Calgary, this 21st day of December, 2011.

ERNST & YOUNG INC.
in its capacity as the proposed
Monitor of the Applicants

Neil Narfason, CA•CIRP, CBV
Senior Vice-President

APPENDIX A

December 21, 2011

Ernst & Young Inc.
1000, 440 – 2nd Avenue SW
Calgary, Alberta
T2P 5E9

Attention: Neil Narfason, CA•CIRP, CBV

Dear Sirs:

Re: **Proceedings under the Companies' Creditors Arrangement Act ("CCAA") Responsibilities/Obligations and Disclosure with Respect to Cash Flow Projections**

In connection with the application by Legacy Communities Inc., Airdrie Capital Corporation and Airdrie Country Estates Inc. (collectively "Legacy and Airdrie") for the commencement of proceedings under the CCAA in respect of Legacy and Airdrie, the management of Legacy and Airdrie ("Management") has prepared the attached Cash-Flow Statement and the assumptions on which the Cash-Flow Statement is based.

Legacy and Airdrie confirm that:

1. The Cash-Flow Statement and the underlying assumptions are the responsibility of Legacy & Airdrie;
2. All material information relevant to the Cash-Flow Statement and to the underlying assumptions has been made available to Ernst & Young Inc., in its capacity as proposed Monitor; and
3. Management has taken all actions that it considers necessary to ensure:
    a. That the individual assumptions underlying the Cash-Flow Statement are appropriate in the circumstances; and
    b. That the individual assumptions underlying the Cash-Flow Statement, taken as a whole, are appropriate in the circumstances.

Yours truly,

Ron Aitkens
Director of Legacy and Airdrie

Cash flow Forecast $C	Notes	Legacy Communities Inc. Dec. 21/11 - Jan. 31/12	Airdrie (Note 1) Dec. 21/11 - Jan. 31/12
RECEIPTS	2		
Debtor-in-possession financing	3	$ 125,000	$ 125,000
GST collected	4	-	-
Total receipts		**125,000**	**125,000**
DISBURSEMENTS			
Management fees	5	9,247	17,075
Consulting fees	6	4,000	4,000
Property taxes	7	-	-
Operating Expenses	8	100	100
Eyelogic fees	9	11,600	5,800
Bond interest	10	-	-
CCAA professional fees	11	75,000	75,000
Total disbursements		**$ 99,947**	**$ 101,975**
NET CASH FLOWS		**$ 25,053**	**$ 23,025**
OPENING CASH			
NET CHANGE IN CASH FLOWS		25,053	23,025
ENDING CASH		$ 25,053	$ 23,025

Notes and Assumptions

1. "Airdrie" is a consolidation of Airdrie Capital Corporation and Airdrie Country Estates Inc.
2. Legacy Communities and Airdrie have no operating revenues
3. Debtor-in-possession financing provided by Harvest Capital Management Inc.
4. GST collections based on prior three months' cash expenditures
5. Management fees per the respective Offering Memorandums of Legacy and Airdrie for the 42 day period
6. Consulting fees relate to engagement entered into with Okko Communities Inc. and Foxbridge Group
7. No property taxes are payable during the forecast period
8. Operating expenses are based on historical results and as such none are forecast
9. Eyelogic fees relate to administration services
10. Bond interest will not be paid during the forecast
11. Estimated professional fees

Ron Aitkens
Director

Dec 20/11
Date