CLERK OF THE COURT
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JUDICIAL CENTRE
OF CALGARY

Form 49
[Rule 13.19]

Clerk's Stamp

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	**AFFIDAVIT OF RON AITKENS**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Patrick T. McCarthy Q.C./Robyn Gurofsky 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: RGurofsky@blg.com File No. 439537-000003

BLG
Borden Ladner Gervais

AFFIDAVIT OF RON AITKENS

Sworn on January 12, 2012

I, Ron Aitkens, of the City of Lethbridge, in the Province of Alberta, Businessman, SWEAR AND SAY THAT:

1. I am the sole director of each of Airdrie Capital Corporation ("ACC") and Airdrie Country Estates Inc. ("ACE"), and a director of Legacy Communities Inc. ("Legacy") (ACC, ACE and Legacy are sometimes collectively referred to herein as the "Applicants") and have been a

director of these corporations since their inception in 2005 and 2006. As such, I have personal knowledge of the matters and facts hereinafter deposed to except where stated to be based on information and belief, and where so stated, I verily believe the same to be true.

2. I have previously sworn an Affidavit dated December 20, 2011 in these proceedings (the "December Affidavit"). All capitalized terms not defined herein are as defined in the December Affidavit.

3. ACC, ACE and Legacy obtained an Initial Order on December 21, 2011 (the "Initial Order") pursuant to the CCAA, which was granted by Justice B.E.C. Romaine of the Alberta Court of Queen's Bench.

Legacy Update

4. On or about December 22, 2011, Legacy issued correspondence to each of its 1,476 investors advising that Legacy had sought creditor protection pursuant to the CCAA. Attached hereto and marked as **Exhibit "A"** is a copy of the Notice to the Legacy bondholders.

5. Shortly after the Initial Order was granted, Legacy formally engaged the services of two real estate professionals with significant experience in bare-land development projects in Alberta. David Murphy, president of Foxbridge Group of Companies, has over 25 years of commercial real estate experience, and provides multi-phased project management, project restructuring, property management and investment services in the commercial real estate market in Alberta and British Columbia. Noel Winter, president of Winman Ltd. of Calgary, Alberta has over 30 years of land development experience, and provides development management, feasibility and financing services to real estate clients in Alberta. These clients include public and privately owned real estate investors and municipal governments. In addition, Mr. Winter is president of Okko Communities Inc., a land development company involved in the creation of sustainable communities. Legacy is working very closely with both Noel Winter and David Murphy (together, the "Consultants") to pursue practical development strategies for the Legacy Lands that would operate in conjunction with a plan of arrangement for the benefit of the bondholders.

6. With the assistance of the Consultants, Legacy is preparing a second, more fulsome report to its bondholders. This second report will outline the specific developments that have recently occurred with respect to the Legacy Lands as well as the potential for developing those lands as part of a go-forward strategy for the company. The purpose of this second report is to ensure that

the Legacy bondholders are being updated on a regular basis with respect to the CCAA proceedings and the progress made on the Legacy Lands. Legacy anticipates that this report will be issued to its bondholders on or about January 16, 2012.

7. As outlined in my December Affidavit, the M.D. of Rockyview, now referred to as Rocky View County (the "County"), has invited certain selected land owners and or developers to submit concept plans for their respective land holdings, in order to develop a plan for future development along the Highway 8 corridor where the Legacy Lands are situated. Prior to the application for the Initial Order, Legacy met with the County and confirmed its intention to submit a concept plan.

8. Subsequent to the meeting with the County, Scheffer Andrew Engineering and ERW Planning Consultants, engineering and planning consultants that are active in the Highway 8 plan area, have been retained to assist Legacy with its development concept plan. Legacy anticipates submitting its concept plan to the County by March 1, 2012. With approval of a concept plan by the County, Legacy believes that Legacy Lands will increase significantly in value and attract residential real estate developers to the project.

9. Following filing of the development concept plan, Legacy anticipates preparing a land sales package for presentation to the development industry with opportunities including a sale or joint venture development project on all or part of the Legacy Lands, or a sale of the Option Lands and/or the Purchased Lands separately.

10. In addition to the steps taken toward the development of the Legacy Lands, Legacy is actively reviewing the various options available to restructure its business and obtain financing for both a short term development and/or sale strategy and alternatively, if that proves not to be achievable, a longer term hold strategy which would allow for the preservation of bondholder value. Once it has fully explored and evaluated the financing and other alternatives available to it, Legacy expects to be in a position to complete and present a plan to its creditors. The Consultants estimate that this process will require, in total, approximately 3 months to complete.

Airdrie Update

11. On or about December 22, 2011, ACC issued correspondence to each of its 679 investors advising that ACC and ACE had sought creditor protection pursuant to the CCAA. Attached hereto and marked as **Exhibit "B"** is a copy of the Notice to the ACC bondholders.

12. ACC and ACE have been working with the Consultants to develop strategies to maximize the value of the Airdrie Lands, for the benefit of the bondholders. The Airdrie Lands are in a much earlier stage of development than the Legacy Lands. Based on the advice of the Consultants, ACC and ACE believe that it is unlikely that the Airdrie Lands could either be developed or sold *en bloc* at a reasonable price in the near to medium term. Therefore, ACC and ACE are currently exploring avenues for refinancing which would allow ACC and ACE to pursue a "hold" strategy over the course of the estimated 3 to 4 year period required before the property could be developed.

13. With the assistance of the Consultants, ACC and ACE are preparing a second, more fulsome report to its bondholders. This second report will outline the various go-forward strategies identified by the Consultants for the Airdrie Lands. The purpose of this second report is to ensure that the Airdrie bondholders are being updated on a regular basis with respect to the CCAA proceedings and the progress made on the Airdrie Lands. ACC and ACE anticipate that this report will be issued on or about January 16, 2012.

14. ACC and ACE are exploring long-term financing options with respect to the Airdrie Lands which must be evaluated and finalized before a plan can be prepared and presented to creditors. Once they have fully explored and evaluated the financing alternatives available, ACC and ACE expect to be in a position to complete and present a plan to their creditors. The Consultants estimate that this process will require, in total approximately 3 months to complete.

Cash Flows and Extension of DIP Financing

15. In conjunction with the Initial Application, ACC and ACE (jointly) and Legacy each obtained a DIP facility from Harvest Capital Management Inc. (the "DIP Lender") in the amount of $125,000 (the "Initial DIP"). Attached hereto and marked together as **Exhibit "C"** are cash flow statements for the Applicants comparing budgeted cash flows for the period from December 21, 2011 to January 31, 2012, with actual cash flows to January 13, 2012, prepared with the assistance of the Monitor.

16. Because of the work and expense associated with the ongoing development of the Legacy Lands, it is forecast that Legacy will require more funding over the course of the next three months than ACC and ACE jointly. Attached hereto and marked as **Exhibit "D"** is a copy of the cash flow forecasts for the Applicants, covering the period from January 14, 2012 to April 30, 2012, prepared with the assistance of the Monitor.

17. Pursuant to those cash flow forecasts, it is anticipated that up to and including April 30, 2012, Legacy will require additional DIP financing in the amount of $275,000 while ACC and ACE jointly, will require additional DIP financing in the amount of $200,000.

18. The Applicants have made arrangements with the DIP Lender to provide ACC and ACE (jointly) and Legacy with the required additional DIP financing.

19. As a result of the increase in the DIP facility, the Applicants are requesting that the Court increase the DIP charge with respect to Legacy from $200,000 to $400,000, and with respect to ACC and ACE jointly, from $200,000 to $325,000.

Extension of Stay Period

20. The Applicants have been working diligently and in good faith with their various advisors toward developing plans for presentation to their creditors and therefore seek an extension of the stay period granted in the Initial Order up to and including April 17, 2012.

Relief Requested

21. I make this Affidavit in support of an Order:

(a) extending the stay period up to and including April 17, 2012;

(b) approving the granting of additional DIP financing as described in paragraph 17; and

(c) amending paragraphs 31 and 37 of the Initial Order to increase the Legacy DIP charge from $200,000 to $400,000 and to increase the ACE/ACC DIP charge from $200,000 to $325,000.

SWORN BEFORE ME at Calgary, Alberta, this 12 day of January, 2012.

Commissioner for Oaths in and for the Province of Alberta

BRIAN E. SILVER
Barrister and Solicitor

RON AITKENS

Legacy Communities Inc. December 22nd, 2011

Dear Investor,

We are writing to advise you of a significant event that took place on December 21, 2011 regarding Legacy Communities Inc. (the "Company")

"After much consultation and deliberation, we have decided to apply to the court for protection to allow us to restructure our activities in an orderly fashion in the best long-term interests of the Company and all of its stakeholders," said Ron Aitkens, who is the President of the company. "The CCAA application enables Management to take measures to enhance the balance sheet of the Company with the goal of moving the Company forward with the most favorable outcome possible for Bondholders and other stakeholders. We have a good team in place to make this happen."

The Company successfully filed under the CCAA for permission to come up with a restructuring or reorganization plan that would give it time to rearrange its affairs so that it can keep operating. During the CCAA process, creditors are not allowed to take any action to collect money owed to them.

Ernst and Young Inc. ("EY") is the proposed Court-Appointed Monitor that will oversee the proceeding under the CCAA (the "Monitor"). EY will periodically post the applications to the Court as well as the orders issued by the Court on its website at www.ey.com/ca/legacyandairdrie

Several key points to consider are as follows:

- CCAA is not bankruptcy. CCAA's purpose is to avoid bankruptcy,
- CCAA provides a transparent and monitored process of restructure to permit the company to put forward its best go-forward business plan for consideration (and vote) by creditors.
- The Monitor is appointed as an agent of the Court who works on behalf of all stakeholders and follows a rigorous and purposefully laid out path that has time sensitive milestones so that the CCAA protection remains in place for as short a time as possible.
- The main purpose of the CCAA is to enable financially distressed companies to avoid bankruptcy or foreclosure or seizure of assets while maximizing returns for their creditors and preserving both jobs and the company's value as a functioning business. CCAA proceedings are carried out under the supervision of the Court.

Additional information, including how bondholders and creditors can contact the Company, will be provided to you within the next 2 days.

While two other single purpose companies within the Harvest Group, Airdrie Capital Corp. & Airdrie Country Estates Inc., has also filed today for Protection under CCAA. This Company's CCAA filing relates solely to the operations of Legacy Communities Inc. and does not affect any of the other Harvest Group Companies which are independent entities and distinct from the Company.

About Legacy Communities Inc.

Legacy Communities Inc. is a single purpose company that owns a real estate development property (plus an option agreement on an adjacent property,) located in Rockyview County, just west of Calgary.

This is Exhibit " A "
referred to in the Affidavit of
Ron Aitkens
Sworn before me this 12
day of January A.D. 2012

A Commissioner for Oaths in and for the Province of Alberta

BRIAN E. SILVER
Barrister and Solicitor

Airdrie Capital Corp.
Airdrie Country Estates Inc.

December 22nd, 2011

Dear Investor,

We are writing to advise you of a significant event that took place on December 21, 2011 regarding Airdrie Capital Corp. and Airdrie Country Estates Inc. (the "Companies")

"After much consultation and deliberation, we have decided to apply to the court for protection to allow us to restructure our activities in an orderly fashion in the best long-term interests of the Companies and all of its stakeholders," said Ron Aitkens, who is the President of the company. "The CCAA application enables Management to take measures to enhance the balance sheet of the Company with the goal of moving the Companies forward with the most favorable outcome possible for Bondholders and other stakeholders. We have a good team in place to make this happen."

The Companies successfully filed under the CCAA for permission to come up with a restructuring or reorganization plan that would provide time to rearrange their affairs so that they can keep operating. During the CCAA process, creditors are not allowed to take any action to collect money owed to them.

Ernst and Young Inc. ("EY") is the proposed Court-Appointed Monitor that will oversee the proceeding under the CCAA (the "Monitor"). EY will periodically post the applications to the Court as well as the orders issued by the Court on its website at www.ey.com/ca/legacyandairdrie

Several key points to consider are as follows:

- CCAA is not bankruptcy. CCAA's purpose is to avoid bankruptcy,
- CCAA provides a transparent and monitored process of restructure to permit the company to put forward its best go-forward business plan for consideration (and vote) by creditors.
- The Monitor is appointed as an agent of the Court who works on behalf of all stakeholders and follows a rigorous and purposefully laid out path that has time sensitive milestones so that the CCAA protection remains in place for as short a time as possible.
- The main purpose of the CCAA is to enable financially distressed companies to avoid bankruptcy or foreclosure or seizure of assets while maximizing returns for their creditors and preserving both jobs and the company's value as a functioning business. CCAA proceedings are carried out under the supervision of the Court.

Additional information, including how bondholders and creditors can contact the Companies, will be provided to you within the next 2 days.

While one other single purpose company within the Harvest Group, Legacy Communities Inc., has also filed today for Protection under CCAA, this Company's CCAA filing relates solely to the operations of Airdrie Capital Corp. and does not affect any of the other Harvest Group Companies which are independent entities and distinct from the Company.

About Airdrie Capital Corp. & Airdrie Country Estates Inc.
Airdrie Capital Corp. is a single purpose company that financed a real estate development property owned by Airdrie Country Estates Inc. The property is located in Airdrie, Alberta.

This is Exhibit " B "
referred to in the Affidavit of
Ron Aitkens
Sworn before me this 12
day of January A.D. 2012

A Commissioner for Oaths in and for the Province of Alberta

BRIAN E. SILVER
Barrister and Solicitor

Cash flow Forecast $C	Notes	Legacy Communities Inc. BUDGET Dec. 21/11 - Jan. 31/12	Legacy Communities Inc. ACTUAL Dec. 21/11 - Jan. 13/12	Legacy Variance	Airdrie (Note 1) BUDGET Dec. 21/11 - Jan. 31/12	Airdrie (Note 1) ACTUAL Dec. 21/11 - Jan. 13/12	Airdrie Variance
RECEIPTS	2						
Debtor-in-possession financing	3	$ 125,000	$ 125,000	$ -	$ 125,000	$ 125,000	$ -
GST collected	4	-			-		
Total receipts		125,000	125,000	-	125,000	125,000	-
DISBURSEMENTS							
Management fees	5	9,247		9,247	17,075		17,075
Consulting fees	6	4,000		4,000	4,000		4,000
Property taxes	7	-		-	-		-
Operating Expenses	8	100		100	100		100
Eyelogic fees	9	11,600		11,600	5,800		5,800
Bond interest	10	-		-	-		-
CCAA professional fees	11	75,000	75,000	-	75,000	75,000	-
Total disbursements		$ 99,947	$ 75,000	$ 24,947	$ 101,975	$ 75,000	$ 26,975
NET CASH FLOWS		$ 25,053	$ 50,000	$ 24,947	$ 23,025	$ 50,000	$ 26,975
OPENING CASH		$ -	$ -	$ -	$ -	$ -	$ -
NET CHANGE IN CASH FLOWS		25,053	50,000	24,947	23,025	50,000	26,975
ENDING CASH		$ 25,053	$ 50,000	$ 24,947	$ 23,025	$ 50,000	$ 26,975

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

This is Exhibit " C "
referred to in the Affidavit of
Ron Aitkens
Sworn before me this 12
day of January A.D. 2012

A Commissioner for Oaths in and for the Province of Alberta

BRIAN E. SILVER
Barrister and Solicitor

Cash flow Forecast

$C

		Legacy Communities Inc.					Airdrie (Note 1)				
	Notes	Jan. 14/12-Jan. 31/12	Feb.1-29/12	Mar. 1-Mar. 31/12	Apr. 1-Apr. 30/12	Total	Jan. 14/12-Jan. 31/12	Feb.1-29/12	Mar. 1-Mar. 31/12	Apr. 1-Apr. 30/12	Total
RECEIPTS	2										
Debtor-in-possession financing	3	$ -	200,000	75,000		$ 275,000	$ -	100,000	75,000	25,000	$ 200,000
GST collected	4	-	-			-	-				-
Total receipts		-	200,000	75,000	-	275,000	-	100,000	75,000	25,000	200,000
DISBURSEMENTS											
Management fees	5	6,667	6,667	6,667	6,667	26,667	12,311	12,311	12,311	12,311	49,244
Consulting fees	6	4,000	4,000	4,000	4,000	16,000	4,000	4,000	4,000	4,000	16,000
Property taxes	7	-				-	-				-
Operating Expenses	8	100	100	100	100	400	100	100	100	100	400
Eyelogic fees	9	8,333	8,333	8,333	8,333	33,333	4,167	4,167	4,167	4,167	16,667
Development costs	10	-	100,000	-	-	100,000	-	25,000	-	-	25,000
CCAA professional fees	11	25,000	50,000	25,000	25,000	125,000	25,000	50,000	25,000	25,000	125,000
Total disbursements		$ 44,100	$ 169,100	$ 44,100	$ 44,100	$ 301,400	$ 45,578	$ 95,578	$ 45,578	$ 45,578	$ 232,311
NET CASH FLOWS		$ (44,100)	$ 30,900	$ 30,900	$ (44,100)	$ (26,400)	$ (45,578)	$ 4,422	$ 29,422	$ (20,578)	$ (32,311)
OPENING CASH		$ 50,000	$ 5,900	$ 36,800	$ 67,700	$ 50,000	$ 50,000	$ 4,422	$ 8,845	$ 38,267	$ 50,000
NET CHANGE IN CASH FLOWS		(44,100)	30,900	30,900	(44,100)	(26,400)	(45,578)	4,422	29,422	(20,578)	(32,311)
ENDING CASH		$ 5,900	$ 36,800	$ 67,700	$ 23,600	$ 23,600	$ 4,422	$ 8,845	$ 38,267	$ 17,689	$ 17,689

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 Development costs consist of
11 Estimated professional fees

This is Exhibit "D"
referred to in the Affidavit of
Ron Aitkens
Sworn before me this 12
day of January A.D. 2012

A Commissioner for Oaths in and for the Province of Alberta

BRIAN E. SILVER
Barrister and Solicitor