

Form 49
[Rule 13.19]

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 and AIRDRIE
COUNTRY ESTATES INC.**

DOCUMENT

AFFIDAVIT

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

AFFIDAVIT OF KYLE BROWN

Sworn on February 15, 2012

I, Kyle Brown, of the City of Calgary, in the Province of Alberta, Professional Engineer, SWEAR AND SAY THAT:

1. I am directly or through my company a creditor of Legacy Communities Inc. ("Legacy") in the original principal amount of \$25,000.00, and a creditor of Airdrie Capital Corporation ("ACC") in the original principal amount of \$120,000.00. I have been personally involved in the events hereinafter deposed to, and as such I have personal knowledge thereof, except where stated to be based on information and belief, and where so stated, I do verily believe the same to be true.

Update

2. By Order granted on January 19, 2012 this Honourable Court established a committee of the Unsecured Creditors of Legacy and ACC (the "Unsecured Creditors Committee"). The initial members of the Unsecured Creditors Committee are myself, Nicole Shurko and Lucille Gans. It is anticipated that 4 more members will be added to the Unsecured Creditors Committee, being the two arms length individuals with the two largest claims against each of Legacy and ACC.
3. The Unsecured Creditors Committee has continued to reach out to and initiate communications with all of the bond holders of Legacy and ACC. In that regard, on or shortly after January 19, 2012, with the Monitor's assistance, the Unsecured Creditors Committee mailed to all of the bond holders of Legacy and ACC the letter and questionnaire attached as Exhibit "A" to my Affidavit filed in these proceedings on January 19, 2012.
4. Since the letter and questionnaires were mailed out to all of the bond holders of Legacy and ACC a total of 13 questionnaires have been returned by individuals indicating that they consented to serving on the Unsecured Creditors Committee.
5. Nicole Shurko, Lucille Gans and I, along with our legal counsel have reviewed all of the questionnaires which were received. The following individuals have qualified for membership on the Unsecured Creditors Committee as a result of having the largest two claims against either Legacy or ACC:

Legacy

- a) Mr. Don Stewart
- b) Mr. Barry Devlin

ACC

- a) Mr. Douglas Nysetvold
- b) Mr. Wayne McKeen

Mr. McKeen's holdings are held in his wife's name.

Unsecured Creditors Committee Charge

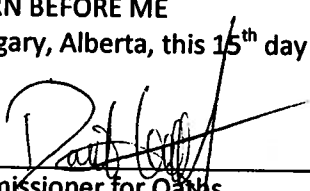
6. I am advised by my legal counsel and do verily believe that counsel to Legacy and ACC has indicated that Legacy and ACC no longer oppose the creation of the Unsecured Creditors Committee and have agreed that the Unsecured Creditors Committee and its legal counsel will share in the benefit of the Administration Charge (as defined in the Initial Order), and that the Initial Order will be amended to reflect this and to increase the quantum of the Administration Charge.

New Debtors

7. Legacy and ACC are part of a much larger family of related or affiliated companies which are referred to as the "Harvest Group". I have conducted investigations into other companies within the Harvest Group and I am aware that many of those companies have raised funds from the public through offering memoranda similar to those used by Legacy and ACC.

8. In general those other companies raised funds from the public for the acquisition of lands for development purposes through bond offerings with varying maturity dates, as was the case in Legacy and ACC. The bonds issued by those other companies which I am aware of have maturity dates ranging from April 30, 2012 to April 30, 2014.
9. Furthermore, I have conducted investigations into the status of some of the real estate projects of the companies within the Harvest Group and can state that no noticeable development has occurred on any of those projects.
10. For this reason the Unsecured Creditors Committee anticipates that other companies related to Legacy and ACC within the Harvest Group will either join these proceedings as new debtors, or will commence their own proceedings (in either case, these companies are referred to as "**New Debtors**"). The Unsecured Creditors Committee is highly concerned about the professional costs which would result if there was a multiplicity of legal actions and a duplication of the roles of the Monitor and the Unsecured Creditors Committee in each of these proceedings.
11. It is preferable that there be one committee, being the Unsecured Creditors Committees for all of Legacy, ACC and any New Debtors which may join these proceedings or commence separate proceedings. The Unsecured Creditors Committee seeks an Order that upon any New Debtors joining these proceedings or commencing new proceedings, the Unsecured Creditors Committee will send to all of the unsecured creditors of those New Debtors a letter and questionnaire in a form attached to my Affidavit filed January 19, 2012 as Exhibit "A", with such modifications and updates as are necessary to reflect the current status of the proceedings and address the particulars of each New Debtor. It is anticipated that the membership of the Unsecured Creditors Committee will subsequently be increased by adding the two largest individual arms length creditors of each New Debtor to the Unsecured Creditors Committee.
12. I make this Affidavit in support of an Order amending the Order granted in these proceedings on January 19, 2012, and amending the Initial Order granted in these proceedings.

SWORN BEFORE ME
at Calgary, Alberta, this 15th day of February,
2012



(Commissioner for Oaths
in and for the Province of Alberta)

PRINT NAME AND EXPIRY/LAWYER

DAVID LeGEYT
Barrister & Solicitor



(Signature)

Kyle Brown

(Print Name)