Form 49
[Rule 13.19]

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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., RAILSIDE CAPITAL INC., RAILSIDE INDUSTRIAL PARK INC., FOUNDATION PLACE CAPITAL INC. and FOUNDATION PLACE INC.**
DOCUMENT	**AFFIDAVIT OF RONALD AITKENS (LEGACY COMMUNITIES 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./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 RONALD AITKENS

Sworn on April 13, 2012

I, Ronald 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 and ACE are sometimes together referred to herein as "Airdie") 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. Airdrie 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, and pursuant to an application heard on January 19, 2012, the stay of proceedings granted in the Initial Order was extended to April 17, 2012.

3. Since the Applicants were last before this court in January of this year, we have, with the assistance of the Consultants, advanced our understanding of the options available to maximize value for investors from the lands held by each of Airdrie and Legacy within a manageable time horizon. Because we believe that the Calgary region is at the beginning of a real estate recovery cycle, and because of the particular characteristics of each property, we have concluded that an immediate sale of either property is not in the best interests of creditors. In the case of each, based on our analysis and confirmed by independent appraisals, we have concluded that the best option for maximizing recovery to creditors is to move forward with the development process for a period of approximately three years, with a view to being in a position to make a sale of each property toward the end of that period. Completion of the development process is not, however, a precondition to a CCAA plan being proposed to creditors of Legacy and Airdrie.

4. With that in mind we have prepared estimates of the funds required to take each property to the appropriate development stage, and begun efforts to locate funds to enable each of Legacy and Airdrie to exit CCAA and execute the proposed development plan. We have also developed an outline of the basic terms of a plan of arrangement to be proposed to creditors and we have developed a timeline which we anticipate would allow both Airdrie and Legacy to exit CCAA by the end of June, 2012, both of which are described in more detail below.

5. In order to stay within the proposed timeline our solicitors have prepared an expedited "negative" claims procedure for each of Legacy and Airdrie which we have requested, in a separate application, that this Honourable Court approve.

Legacy Update

6. In summary, the Legacy property (which is adjacent to the Glencoe Golf and Country Club) is ripe for residential development but to date the required development approvals have not been forthcoming from Rockyview County, which has cited a lack of utility servicing capacity. A substantial utility corporation has now tabled with developers in the area a proposal to provide a major regional sewer and water system, which we believe will be a catalyst for allowing development in the area to proceed.

7. Highway 8, which is the major access route to and from Calgary for residents of nearby areas such as Elbow Valley has become a traffic bottleneck. Work is now scheduled to begin in the fall of 2012 to twin Highway 8 between Sarcee Trail and Bragg Creek. This will greatly facilitate access to the area around the Legacy property and will create significant demand for additional housing. Two of the four adjoining parcels which comprise the Legacy property abut Highway 8.

8. Most of the larger parcels near the Legacy property are owned by developers who are concurrently exerting a considerable amount of political pressure on Rockyview County to revive the stalled Highway 8 Growth Corridor Area Structure Plan, which is ordinarily key to opening the area for development. Despite the absence of that plan, we have prepared and are filing a conceptual plan outlining the location of roads and utilities on the Legacy property, as are other developers in the area.

9. We anticipate that factoring in holding costs and development expenses the net value of the Legacy property will appreciate over the next three years by more than 100%, and that if it were held until it were ready for subdivision and servicing the value could substantially exceed the accumulated amount owed to bondholders and others.

Airdrie Update

10. Based upon our review and investigations, we believe that recent events in the area have now put the Airdrie lands in a position to be developed more quickly than the Legacy lands.

11. The Airdrie lands are close to both the new Cross Iron Mills mall and a very large distribution centre being constructed for Target Brands, Inc. in the East Balzac Development Area. The Target distribution centre will employ close to 2250 people when it opens in late 2012. As well, there are several additional distribution centres expected to start development in the area in 2013.

12. Rockyview County has a policy of balanced live/work development, which dictates that workers should have access to residential property near their places of employment. We anticipate that between new demand for housing from Target employees and new demand for housing from the employees of the other distribution centres there will be significant pressure on the housing supply in Airdrie and the East Balzac Development Area, which will in turn encourage Rockyview County to expedite approval of applications for residential development.

13. All of the required utility infrastructure is in place and has capacity, currently unallocated, to service a residential development on the Airdrie lands.

14. In order to prepare the Airdrie lands for residential development three steps must now be taken:

- The boundaries of the East Balzac Development Area must be expanded slightly to include the Airdrie lands;

- Arrangements must be made for access to utilities;

- Airdrie must complete and submit a concept plan for the property outlining the locations of roads and utilities.

Our estimate is that all of those steps could be accomplished by March of 2013, and that from that time forward there would be increasing interest in the entire parcel from potential purchasers as both demand and the pace of development in the area picks up. As well, we see the potential for the sale of smaller parcels well before that time, and have had discussions with one party who has expressed an interest in acquiring a ten acre parcel in the near future.

15. We anticipate that factoring in holding costs and development expenses the net value of the Airdrie property will appreciate over the next two to three years by more than 100%, and that if it were held until it were ready for subdivision and servicing the value could exceed the accumulated amount owed to bondholders and others.

Restructuring

16. Airdrie and Legacy each have slightly different corporate structures. Legacy has two classes of shares outstanding, class "A" preferred shares, and class "B" common shares. Only the class "A" shares vote. The class "A" shares are owed 60% by Eyelogic Systems Inc. ("Eyelogic"), a public

company whose participation is required for purposes of RRSP eligibility, and 40% by myself and/or parties associated with me. The class "B" shares are held approximately 30% by bondholders and (subject to meeting certain performance objectives) up to 70% between myself, another individual and/or parties associated with me.

17. ACC has one class of shares outstanding which are owned 60% by Eyelogic and 40% by Foundation Capital Corporation, a corporation associated with me. ACE has two classes of shares outstanding, class "A" shares and class "B" shares. Only the class "A" shares vote. The sole class "A" share outstanding is also owned by Foundation Capital Corporation. The class "B" shares in the hands of bondholders are proportionate to their investments in ACC.

18. Each of Legacy and ACC issued bonds to fund investments, but no trust deed structure was created for the bonds at the time. As noted in my earlier affidavits, the bonds became due on December 31, 2011 and remain unpaid.

19. Our analysis of the situation of Airdrie and Legacy has been that several structural changes need to be made in order to make governance more direct and transparent, and to address issues such as questions regarding RRSP eligibility for investors and ability to deal with the outstanding bonds. The changes we believe need to be made as part of a plan of arrangement include:

(a) The only shares of each of ACC and Legacy that should be outstanding post-plan would be voting shares issued to bondholders and creditors in proportion to their claims;

(b) Creditors of ACC and Legacy should have the opportunity to vote on a board of directors, coincident with voting on the plan of arrangement. The directors would be installed on plan implementation;

(c) Interim management services should be provided on a month to month basis at plan implementation to allow the new board of directors of each company the opportunity to run a process for the selection of a manager/management firm;

(d) Fresh bonds in the full amount of outstanding principal and interest, bearing no interest and maturing at or after the anticipated time of the sale of the assets, would be issued to bondholders and creditors on plan implementation, and other ongoing obligations would be restructured on a voluntary basis;

(e) There should be a trust deed structure in place to manage the bonds;

(f) RRSP eligibility should be maintained;

(g) Recognition of losses for tax purposes should be deferred to the extent legally possible until the sale of the assets;

(h) Specific regular financial reporting requirements to shareholders/bondholders would be incorporated into each corporation's constating documents.

20. In the case of ACC, the real estate asset currently held by ACE would be moved to ACC, either by foreclosure, surrender, amalgamation of the corporations, or otherwise.

21. In the case of Legacy, a satisfactory arrangement for the repayment of amounts lent to other entities within the Harvest group of companies would be developed and incorporated into a formal agreement.

Financing

22. With respect to exit financing for both Legacy and Airdrie, we expect is that it will be necessary to make arrangements for an interim loan secured by a mortgage on each property in an amount sufficient to repay DIP financing and provide operating funds for a three to six month period.

23. For Airdrie that interim loan would allow for either the negotiation of longer term financing by the new board of Airdrie following its exit from CCAA or the opportunity to conclude a sale of a small portion of the property.

24. Regarding Legacy, efforts are underway to obtain funds for the repayment of a portion of the amounts lent by Legacy to other entities within the Harvest group. An interim loan would again allow for either the negotiation of longer term financing by the new board of Legacy following its exit from CCAA or, if funds have not by that time flowed to Legacy from repayment of a portion of its loans, the opportunity to bridge its cash requirements until that occurs.

25. We have had discussions with a number of potential lenders and once those are firmed up we expect to present those to the UCC for its consideration.

Timeline

26. In discussions with our counsel, counsel for the UCC, and the Monitor we have developed an approximate proposed timeline for the exit of Legacy and Airdrie from CCAA protection, as follows:

- April 17 – claims process order application
- April 23 – claims process notices are issued and advertisements regarding the claims process published
- May 16 – claims bar date
- May 23 - Notices of dispute issued
- May 23 – application for approval to circulate plan of arrangement and call for nominations for directors. Creditors wishing to challenge Notices of Dispute must file a notice of motion within fifteen days of receipt of the Notice of Dispute.
- June 8 – close of nominations for directors
- June 22 – Vote on plan and proposed board of directors
- June 26 - Plan sanction application
- June 29 – Plan implementation

Cash Flows and Extension of DIP Financing

27. In conjunction with the Initial Application, Airdrie and Legacy each obtained a DIP facility from Harvest Capital Management Inc. (the "DIP Lender") in the amount of $125,000 (the "Initial DIP"). By an order of this Honourable Court granted January 19, 2012, additional DIP financing of $275,000 was approved for Legacy, and additional DIP financing of $200,000 was approved for Airdrie, and the relevant provisions of the Initial Order were amended accordingly.

28. Because each of Legacy and Airdrie are bare-land real estate development projects, there is no cash flow from the properties. Accordingly, in the absence of other available cash, all expenses of this restructuring process must be funded from DIP financing. I have reviewed cash flow statements for Legacy and Airdrie for the period from April 1, 2012 to June 30 prepared with the assistance of the Monitor, and which will be included in the Monitor's Third Report regarding

Legacy and Airdrie, which I believe to be accurate. Those cash flow projections indicate that in order to continue with this restructuring process through to the end of May, 2012, by which time we hope to have filed a plan of compromise and arrangement for consideration by creditors, Legacy and Airdrie require, respectively, additional DIP financing of $325,000 and $180,000.

29. Harvest Capital Management Inc., the current DIP Lender, cannot provide the additional DIP financing required, which amounts are larger than had been anticipated, and accordingly we are in discussions with another potential DIP financier to provide those funds.

Extension of Stay Period

30. 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 May 23, 2012.

Relief Requested

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

(a) extending the stay period up to and including May 23, 2012.

(b) Subject to satisfying this Court regarding arrangements for a substitute DIP Lender, approving the granting of additional DIP financing as described in paragraph 28; and

(c) amending paragraphs 31 and 37 of the Initial Order to reflect increases in the Legacy and Airdrie DIP charges to $725,000 and $505,000 respectively

SWORN BEFORE ME at Calgary, Alberta, this 13th day of April, 2012.	)	
Commissioner for Oaths in and for the Province of Alberta	)	RONALD AITKENS

DANIEL L. BAXTER
BARRISTER & SOLICITOR