

<p style="text-align: center;">PROPOSAL</p> <p style="text-align: center;">MINUTES OF THE RECONVENED FIRST MEETING OF CREDITORS</p>	<p>PROVINCE Alberta</p>	<p>DISTRICT #2</p>	<p>JUDICIAL CENTRE Edmonton</p>
	<p>ESTATE NUMBER 24-1568045</p>		
<p>IN THE MATTER OF THE PROPOSAL OF John (Jack) Kenneth Purdy</p>	<p>TRUSTEE APPOINTED BY OFFICIAL RECEIVER: Alvarez & Marsal Canada Inc.</p>		
<p>LOCATION OF MEETING: Office of Fraser Milner Casgrain Suite 2900, 10180 – 101 Street, Edmonton, Alberta T5J 3V5</p>	<p>CHAIRMAN OF MEETING: Tim Reid, CA-CIRP</p> <p>SECRETARY: Tim Reid, CA-CIRP</p> <p>DATE OF MEETING: October 9, 2012</p> <p>TIME OF MEETING: 11:00 am</p>		

1. INTRODUCTIONS

The Chairman introduced himself, the Secretary, Counsel to the Proposal Trustee, Counsel to the debtor and Mr. John (Jack) Kenneth Purdy (the “Debtor”).

2. PRESENT

☒ See attached attendance list.

3. QUORUM

The Chairman examined the Proofs of Claim and Proof of Notice of the meeting and the meeting was duly convened. The Chairman also identified the claims that were accepted and rejected for purposes of voting at the reconvened meeting of creditors. The Trustee advised that the claimants with rejected claims that they were not entitled to vote at the meeting but that they were welcome to stay for the meeting as observers only.

☒ There was a legally constituted quorum.

4. MEETING CALLED TO ORDER

☒ The Chairman called the meeting to order at 11:05 A.M

☒ Mr. Reid stated that the purpose of the meeting was to: a) advise the creditors on the further investigation of the affairs of the Debtor and his Proposal as directed at the First Meeting of Creditors; b) give direction to the trustee as the creditors may see fit with

reference to the administration of the estate; and c) vote on the Proposal or any further adjournment of the meeting.

5. DOCUMENTS TABLED

- ☒ Proposal of John (Jack) Kenneth Purdy and certificate of filing of Proposal by the official receiver;
- ☒ Proof of service of the notice calling the reconvened meeting of creditors;
- ☒ The sixth report of the Trustee (the "Trustee's Sixth Report") on the further investigation of the affairs of the Debtor and his Proposal.

6. PRESENTATION OF TRUSTEE'S REPORT TO CREDITORS

- a) Mr. Reid delivered an overview of the Trustee's Sixth Report and provided the following specific information to the creditors:
 - a. An update on the status of the CCAA Proceedings;
 - b. Status of the foreclosure of the New Cambridge condominiums and use of proceeds;
 - c. An update on the Proof of Claim Process;
 - d. The actual receipts and disbursements of Purdy during the period June 1 to September 21, 2012.
 - e. The Trustee recommended that the Proposal is in the best interest of the Unsecured Creditors.

7. QUESTION PERIOD

There was a general discussion surrounding the Trustee's Sixth Report and the affairs of the debtor, including the status of the CCAA proceedings and several questions were posed by claimants that were addressed by either the Trustee, counsel to the Trustee, the Debtor or counsel to the Debtor. The following were some of the questions raised:

- Do secured creditors in the CCAA proceedings have the right to claim their entire debt in the Proposal Proceedings?
 - Trustee and its counsel explained the process and the right of such creditors to claim the entire debt that was subject to guarantees of by Purdy.
- Mr. Body advised CRA is now making a secured claim to the proceeds from the sale of the New Cambridge Condos by virtue of a writ they filed in the amount of \$250,000.
 - The trustee questioned their ability to do this and it was agreed the matter would be discussed at a later time.
- There were a number of questions surrounding the status of the CCAA, all of which were addressed by the Trustee

- It was asked whether the meeting could be adjourned until more information was available on the CCAA proceedings and to allow time for those claimants with rejected claims to appeal.
 - The Trustee advised that the meeting could be adjourned with the consent of the meeting.

After all questions on the report had been responded to, the Trustee asked if anyone wished to make a motion on the floor to seek an adjournment of the meeting to further investigate the affairs of Purdy and the claims filed by Creditors or whether creditors wished to vote on the Proposal.

There was a short adjournment of the meeting as creditors wished to consider their positions.

The meeting was reconvened and at that time the representative of the Axxess creditor group asked the Debtor if he would be prepared to amend clause 14 of the Proposal to reduce the time from 15 months to 12 months and if so they would be in favour of an adjournment to further investigate the affairs of Purdy including the resolution of the significant disputed claims. Mr. Purdy agreed to amend the Proposal to reduce the time frame set out in clause 14 to 12 months from 15 months.

A motion was then put forward by CRA to adjourn the meeting.

Motion by Canada Revenue Agency:

“To adjourn the Proposal meeting and to be reconvened to January 25, 2013 at 11:00 AM at the offices of Fraser Milner Casgrain LLP, without prejudice to further adjournment”

Second: Zoobe Ventures Inc.

☒ Motion moved by Canada Revenue Agency – approved unanimously

THE MEETING WAS ADJOURNED AT 12:30 PM



Tim Reid, CA-CIRP
Chairman and Secretary of the Meeting