Form 49 [Rule 13.19]

COURT FILE NUMBER

1103 18646

COURT

QUEEN'S BENCHIOF ALBERTA

JUDICIAL CENTRE

EDMONTON

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, Chapter C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGMENT OF ARMAC INVESTMENTS LTD. (AB), LAKE EDEN PROJECTS INC. (AB), 1204583 ALBERTA INC. (AB), 1317517 ALBERTA INC. (AB), WESTRIDGE PARK LODGE DEVELOPMENT CORP (AB), and WESTRIDGE PARK LODGE AND GOLF RESORT LTD. (AB), HALF MOON LAKE RESORT LTD. (AB), NO. 50 CORPORATE VENTURES LTD. (BC), FISHPATHS RESORTS CORPORATION (BC), ARMAC INVESTMENT LTD. (BC), OSTROM ESTATES LTD. (BC), HAWKEYE MARINE GROUP LTD. (BC), JUBILEE MOUNTAIN HOLDINGS LTD. (BC), GIANT MOUNTAIN PROPERTIES LTD. (BC), and CHERRY BLOSSOM PARK DEVELOPMENT CORP (BC)

DOCUMENT

AFFIDAVIT OF JOHN KENNETH PURDY sworn on December 1, 2011

ADDRESS FOR SERVICE

AND

CONTACT INFORMATION

OF

PARTY FILING THIS

DOCUMENT

Taylor Law Office

Suite 401, 10722 - 103 Avenue

Edmonton, Alberta

T5J 5G7

Attention: Conan J. Taylor Phone: (780) 428-7770 Fax: (780) 428-7775

I, JOHN KENNETH PURDY (also known as "Jack Purdy"), businessman, of the County of Strathcona, in the Province of Alberta, MAKE OATH AND SAY THAT:

- 1. I, either directly or through holding companies, legally and beneficially own and control 100 percent of the voting shares, and I am the sole director, of all the Applicants in these proceedings, and as such I have personal knowledge of the facts and matters hereinafter deposed to save and except where stated to be on information and belief and where so stated I verily believe the same to be true.
- 2. Attached as **Exhibit "A"** to this my Affidavit is a copy of Certificate of Title dated August 11, 2010 (the "Lake Eden CTO"), of the Lake Eden Projects Inc. lands (the "Lands"). This Lake Eden CTO is dated approximately one week prior to the tax sale of the Lands in question.
- 3. Attached hereto as Exhibit "B" is a copy of letter dated July 14, 2010, from the Count of Parkland, and attachment thereto, plus copies of newspaper advertisements dated July 30th and August 6th, 2010, in regard to the tax sale of the Lands scheduled for August 18th, 2010 (the "Tax Sale"). Of note, registered encumbrance holders as set out on the Lake Eden CTO are also indicated as being sent copies of this letter.
- 4. Attached hereto as **Exhibit "C"** is a copy of Certificate of Title in respect of the Lands dated September 23rd, 2010, following the tax sale.
- 5. With respect to Builder's Lien registered as Instrument #102248576 on the Lake Eden CTO, attached hereto as **Exhibit "D"** is a "Firm and Irrevocable Assignment of Interest" dated October 21, 2010, executed by "Mike Bilida".
- Attached hereto as Exhibit "E" is a copy of Mortgage registered on the Lake Eden CTO as Instrument #052489889.
- 7. With respect to Certificate of Lis Pendens registered on the Lake Eden CTO as Instrument #092183281 (the "S&D Action"):
 - a. Attached hereto as **Exhibit "F"** is a copy of the Statement of Claim filed in the S&D Action;
 - b. Attached hereto as Exhibit "G" is a copy of the Order to Registrar L.A. Smart, Q.C. dated June 25th, 2009, in which, with respect to any of the Applicant companies in this matter, the action is stayed and a Statement of Defence is not required to be filed until ordered otherwise by the Court;
 - c. Attached hereto as Exhibit "H" is a copy of Statement of Claim filed by Plaintiffs, including Lake Eden Projects Inc. alleging slander of title in respect of the Certificate of Lis Pendens registered against the lands, and S&D International Group Inc.'s Statement of Defence thereto;
 - d. Attached hereto as Exhibit "I" is a copy of the Affidavit of Truth of Statements in Application for Bankruptcy Order, sworn by Mr. David C. Yee as CEO of S&D International Group Inc., which evidences no basis of an interest by S&D International Group Inc. in the Lands.
- 8. I know of no basis in fact or law that gives S&D International Group Inc. any interest in the Lands or right to file the above referenced Certificate of Lis Pendens.

- With respect to Certificate of Lis Pendens registered on the Lake Eden CTO as Instrument #092183281, I attach hereto as Exhibit "J" a copy of Procedure Card dated December 1st, 2011, evidencing that no steps have been taken in this action since April 19, 1990, and that the file was transferred off site on July 21, 2000.
- 10. With respect to Leases registered on the Lake Eden CTO as Instruments #892146299, 892146300, 892146301, 892146302, 892146303, 892146306, 892188900, 892188901, 892190622, 892244790, 902270854, 922103265, and 042499892, I attach as Exhibit "K" hereto copy of Originating Notice and Consent Order dated September 22, 2006, which show evidence of "leases" that were registered on the Lands, but in fact were located on undeveloped Parkland County Road Allowance adjacent to the Lands. These registrations are, in my view, no longer sustainable, and in fact all the cabins in questions were demolished by Parkland County.
- 11. With respect to leases registered on the Lake Eden CTO as Instruments #892177358, 892276665, 902001473, and 932121890, these relate to two cabin locations known as Cabin 16 and Cabin 17. I personally know that from the time of purchase of the property by Lake Eden Projects Inc., these two cabins were never occupied by the registered lessees, and were derelict and abandoned and no longer occupiable. I believe that the former registered lessees take no interest in the leases, nor have paid any monies owing pursuant to the terms of the lease.
- 12. Attached hereto as **Exhibit "L"** is a sample form of Lease that I believe all the registered lessees entered into, except to my knowledge Hartman, Awalina, Glaesing, or Perron. I cannot locate original lease agreements for all the registered lessees.

John Kenneth Purdy

SWORN BEFORE ME at Edmonton, Alberta, this 25th day of November, 2011.

Conan Taylor Barrister & Solicitor

CONAN J. TAYLOR

Barrister and Solicitor