

COURT FILE NUMBER 1103 18646
COURT QUEEN'S BENCH OF 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
ARRANGEMENT 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 February 7, 2012**

ADDRESS FOR SERVICE
AND
CONTACT INFORMATION
OF
PARTY FILING THIS
DOCUMENT Taylor Law Office
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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% 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. An Initial Order was granted in this matter dated December 1st, 2011 (the "Initial Order"), which Initial Order contemplated an initial thirty (30) day stay, subsequently extended by the Order of the Honourable Mr. Justice D.R.G. Thomas dated December 20th, 2011, up to and including February 16th, 2012.
3. In support of the Initial Order, I swore and had filed in this Action a lengthy and detailed Affidavit dated November 25th, 2011, which set out the estimated assets and liabilities of the Applicants. This Affidavit provided substantial evidence in support of the Applicants' submissions that the Applicants had assets (the "Purdy Companies Property Assets") which were likely in excess of the Applicants' present liabilities. Subject to qualifications as therein set out, the Second Report of the Monitor in this matter, which I have now reviewed, appears to substantiate this evidence.
4. The Applicants are continuing to work with the Monitor to put together a meaningful analysis of the values and or likely values of the Purdy Companies Property Assets, and to formulate a go-forward plan and overall restructuring of these assets so as to put in place a compromise or plan of arrangement that I continue to believe will be acceptable to the Applicants' creditors and other stakeholders.
5. Continuing time is required, however, to allow the Applicants, with the assistance of the Monitor, to undertake the necessary assessment and restructuring that is required in respect of the Purdy Group of Companies in order to put forward a meaningful compromise or plan of arrangement.
6. The Second Report of the Monitor sets out in some detail the efforts taken and which continue to be undertaken by the Applicants with the assistance of the Monitor. I have read the Second Report of the Monitor and agree with its contents. This Second Report supports the extension of time and other relief currently being sought by the Applicants in the within application.
7. It is very important to the Applicants' success in this matter that a claims procedures process be initiated in order to clearly establish the amount of claims against the Applicants, to identify and classify the Applicants' creditors for the purposes of quantifying claims and voting on and participating in a Plan, and to establishing a claims bar date. The Applicants have worked with the Monitor to develop a claims proving process that I believe is fair and reasonable and to the benefit of all creditors.
8. Attached to this my affidavit as Exhibit "A" is a copy of the Applicants' Actual to Forecast Cash Flow Results for the period of December 15th, 2011 to January 27th, 2012, and a copy of the Projected Cash Flow Statement for the period of January 28th, 2012 to May 4, 2012.
9. I believe that the Projected Cash Flow Statement is reasonable and achievable. I further believe that the Applicants have sufficient available cash to meet their current obligations through the Forecast Period, subject to the availability of the Lake Eden Monies

10. I believe that the Stay Extension is necessary for the Applicants to complete the claims procedure process, further their restructuring initiatives, and develop compromise or Plan of Arrangement acceptable to their creditors.
11. I am acting in good faith and with due diligence, and in the best interests of my creditors.
12. I am very confident and believe that that the Applicants will be able to make a viable proposal if the extension being applied for were granted.
13. I believe that no creditor will be materially prejudiced if the extension being applied for were granted.
14. I make this Affidavit in support of an application for an amendment of paragraph 13 of the Initial Order dated December 1, 2011, as further amended by the Order of the Honourable Mr. Justice D.R.G. Thomas dated December 20th, 2011, at paragraph 1, extending the "Stay Period" to May 4, 2012.

Conan Taylor
Barrister & Solicitor

~~John Kenneth Purdy~~

Purdy Group of Companies
Actual to Forecast Cash Flow Results
For the period of December 15, 2011 to January 27, 2012 (the "Reporting Period")
(in CDN dollars)

	ACTUAL	FORECAST	VARIANCE
	Week 4 to Week 9	Week 4 to Week 9	Week 4 to Week 9
Week ending:	Dec.15/11 - Jan.27/12	Dec.15/11 - Jan.27/12	Dec.15/11 - Jan.27/12
RECEIPTS			
Fishpath trade sales and rental receipts	5,600	13,800	(8,200)
Half Moon Resort receipts	1,600	-	1,600
Other	-	-	-
Total receipts	7,200	13,800	(6,600)
DISBURSEMENTS			
Fishpath operating disbursements	7,954	7,000	(954)
Half Moon Lake operating disbursements	6,600	-	(6,600)
Advances / Management fees	5,104	9,600	4,496
Property tax arrears	105,592	206,000	100,408
Contingency	8,663	15,000	6,337
Preservation, repair and marketing costs	7,246	130,000	122,754
Total operating disbursements	141,159	367,600	226,441
NET CHANGE IN CASH	(133,959)	(353,800)	219,841
OPENING CASH	363,381	363,381	-
Net change in cash	(133,959)	(353,800)	219,841
ENDING CASH	229,422	9,581	219,841

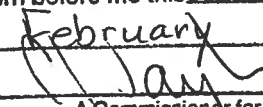

 Jack Purdy
 President & Chief Executive Officer

Date

February 7, 2012

This is Exhibit "A" referred to in the
 Affidavit of

John Kenneth Purdy
 Sworn before me this 7th day
 of February A.D., 2012


 A Commissioner for Oaths
 in and for the Province of Alberta

CONAN J. TAYLOR
 Barrister and Solicitor

Purdy Group of Companies
Projected Cash Flow Statement*
For the period of January 28, 2012 to May 4, 2012 (the "Forecast Period")
(in CDN dollars)

	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	Week 21	Week 22	Week 23	Total
Week ending:	3-Feb-12	10-Feb-12	17-Feb-12	24-Feb-12	2-Mar-12	9-Mar-12	16-Mar-12	23-Mar-12	30-Mar-12	6-Apr-12	13-Apr-12	20-Apr-12	27-Apr-12	4-May-12	
RECEIPTS															
Fishpath trade sales and rental receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,250
Half Moon Lake Resort receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,250
Funds held in trust	-	-	320,000	-	-	-	-	-	-	-	-	-	-	-	320,000
Total receipts	-	-	320,000	-	-	-	-	-	-	-	-	-	-	-	322,250
DISBURSEMENTS															
Fishpath operating disbursements	-	-	4,500	-	-	-	-	-	-	-	12,500	-	-	-	21,500
Half Moon Lake Resort disbursements	-	-	4,500	-	-	-	4,500	-	-	-	4,500	-	-	-	13,500
Management fees, wages and salaries	9,600	-	-	5,000	-	-	-	-	5,000	4,400	-	-	5,000	5,200	34,200
Contractor fees and expenses	-	-	-	10,000	-	-	-	-	10,000	-	-	-	10,000	-	30,000
Property tax arrears	-	-	-	-	95,000	-	-	-	-	-	-	-	-	-	95,000
Contingency	-	-	-	-	5,000	-	-	-	5,000	-	-	-	-	5,000	15,000
Preservation, repair and marketing costs	9,600	-	50,000	15,000	100,000	50,000	9,000	-	20,000	54,400	17,000	-	20,000	5,200	359,200
Total operating disbursements	9,600	-	59,000	15,000	100,000	50,000	9,000	-	20,000	54,400	17,000	-	20,000	5,200	150,000
Restructuring retainer fees	-	-	-	-	-	-	-	-	150,000	-	-	-	-	-	-
Total disbursements	9,600	-	59,000	15,000	100,000	50,000	9,000	-	170,000	54,400	17,000	-	20,000	5,200	509,200
NET CHANGE IN CASH	(9,600)	-	261,000	(15,000)	(100,000)	(50,000)	(9,000)	-	(170,000)	(54,400)	(17,000)	-	(20,000)	(2,950)	(186,950)
OPENING CASH	229,422	219,822	219,822	480,822	465,822	365,822	315,822	306,822	306,822	136,822	82,422	65,422	65,422	45,422	229,422
Net change in cash	(9,600)	-	261,000	(15,000)	(100,000)	(50,000)	(9,000)	-	(170,000)	(54,400)	(17,000)	-	(20,000)	(2,950)	(186,950)
ENDING CASH	219,822	219,822	480,822	465,822	365,822	315,822	306,822	306,822	136,822	82,422	65,422	65,422	45,422	42,472	42,472

Jack Purdy
 President & Chief Executive Officer

February 7 / 2012
 Date