Form 49

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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), FISHPATH 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 July 1947, 2013

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. Since the last stay application on May 17th, 2013, the Applicants have continued diligently with their restructuring efforts, as set out and described in detail in the Thirteenth Report of the Monitor, filed.
- 2. I confirm that all statements and reporting I have made to the Monitor and upon which the Monitor has based its conclusions and recommendations as set out in the Thirteenth Report have been made by me in good faith and are true.
- 3. All statements made in the Thirteenth Report regarding the Applicants are true, and are put forward, confirmed, and attested to by me as if set out and expressly stated in this my Affidavit.
- 4. I believe that if the Applicants are granted the requested stay extension as recommended by the Monitor in the Thirteenth Report, the results will be to the best benefit of creditors and other stakeholders.
- 5. The proposed stay extension will, among other things as set out in the Thirteenth Report, give the Applicants the time necessary to draft the proposed Plan, and to continue in efforts to finalize a commitment in respect of monies required to finance the contemplated Plan.
- 6. On July 18th, 2013, I met with the Monitor and with representatives from both Axcess and CRA the Applicants two major creditors -- for a review of the proposed Plan, as outlined in the Twelfth Report of the Monitor. The meeting culminated in a request by both CRA and Axcess that the Applicants apply for the within requested stay extension, which they believe is the reasonable time required to prepare a draft Plan for their further review and consideration as to support.
- 7. I believe that substantial progress continues to have been made over the timeframe of the past extension towards building the necessary foundation for an acceptable proposal to Creditors. However, as set out in the Thirteenth Report, and as requested by both CRA and Axcess, continuing time is still required to allow the Applicants, with the assistance of the Monitor, to complete their restructuring efforts, finalize the proposed Plan, and get the necessary input from CRA and Axcess as to a final form of Plan that might be acceptable to them.
- 8. The Applicants will have a draft Plan for further review by Axcess and CRA by September 6th, 2013, as requested by them.
- 9. It is anticipated that the Applicants will be in a position to seek approval to circulate the Plan at or prior to the expiry of the request stay extension, and that by that time both Axcess and CRA will have had the opportunity to have reviewed a draft of the Plan and to have had the opportunity to seek the necessary direction from their decision makers on whether to support the proposed Plan.

- 10. Attached to this my Affidavit as Exhibit "A" is a copy of the Applicants' Actual to Forecast Cash Flow Results for the period of May 4th, to July 12th, 2013, and a copy of the Updated Forecast Cash Flow for the period of July 13th to October 25th, 2013 (the "Forecast Period").
- 11.I believe that the Updated Forecast Cash Flow is based on reasonable and achievable assumptions. I further believe that the Applicants have or will have sufficient available cash to meet their current obligations through the Forecast Period.
- 12. The Applicants are acting in good faith and with due diligence, and in the best interests of their creditors.
- 13.1 believe that no creditor will be materially prejudiced if the extension being applied for is granted.
- 14. I make this Affidavit in support of an application for an Order to extend the Stay Period in this matter until and including October 25, 2013, and for no other improper purposes.

SWORN BEFORE ME at Edmonton, Alberta, this Lot day of July, 2013.

Commission of Oaths in and for the

Province of Alberta

John Kenneth Purdy

CONAN J. TAYLOR
Barrister and Solicitor

Purdy Group of Companies Actual to Forecast Results For the period of May 4, 2013 to July 12, 2013 (the "Forecast Period") (in CDN dollars)

	Forecast	Actual	Variance
	Week 77 to	Week 77 to	Week 77 to
	Week 86	Week 86	Week 86
	May	4 to July 12, 2	013
Operating receipts			
Hawkeye Group Properties sales and rental			
receipts			
Half Moon Lake Resort receipts	97,000	238,971	141.074
Sale of Half Moon Lake lots	91,000	52,500	141,971
Advances received		78,000	52,500 78,000
Total receipts	97,000	369,471	272,471
	37,000	303,471	212,411
Funds from Monitor's Trust Account	374,500	35,370	(339,130)
			(000)
Total receipts	471,500	404,841	(66,659)
Outside Dist			
Operating Disbursements			
Hawkeye Group Properties expenses	7,000	20,156	(13,156)
Half Moon Lake expenses	64,000	310,736	(246,736)
Management fees, wages and consultants	31,500	9,000	22,500
Half Moon Lake Capital costs Contingency	25,000	15,776	9,225
Contingency	12,000	-	12,000
LBVR Management agreement disbursements	139,500	355,668	(216,168)
Release of funds to LBVR	200,000	70.000	400 000
Troicage of failing to EBVIT	200,000	78,000	122,000
Total operating & LBVR disbursements	339,500	433,668	(94,168)
	330,000	.00,000	(04,100)
Restructuring professional fees			
- Monitor	70,000	-	70,000
- Company Counsel	40,000	-	40,000
- Monitor Counsel	40,000	-	40,000
Total restructuring professional fees	150,000	•	150,000
Total disbursements	100 500		
i Otal dispulsements	489,500	433,668	55,832
Net change in Applicant cash	(18,000)	(28,827)	(10,827)
	(10,000)	(20,027)	(10,021)

APPLICANT CASH BALANCE			
Opening cash	28,944	28,944	- 1
Net change in operating cash	(18,000)	(28,827)	(10,827)
Ending Cash	10,944	117	_ (10,8276

referred to in the

Sucm before me this

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A Commissioner for Oath in and for the Province of Alberta

CONAN J. TAYLOR
Barrister and Solicitor

FUNDS HELD BY MONITOR	1	A STREET, STRE	
Opening Cash	100,675	100,675	,
Collection of funds - other	50,000	52,500	2,500
Non Core Property Sale Receipts	335,000	-	(335,000)
Half Moon Lake Lot Sale Receipts	-	-	-
Release of funds to Applicants (LBVR)	(200,000)	-	200,000
Release of funds to Applicants (for operations)	(174,500)	(35,370)	139,130
	10,500	17,130	6,630
Ending cash	111,175	417 005	C C20
	111,175	117,805	6,630

TOTAL AVAILABLE CASH FOR GENERAL RES	TRUCTURING		
Applicant ending cash balance	10,944	117	(10,827)
Total Funds held by Monitor Less: Funds held for LBVR Agreement	111,175	117,805	6,630
Cash held in trust per Court Order	(100,000)	(100,000)	-
	11,175	17,805	6,630
Cash available for general restructuring	22,119	17,922	(4,197)

Jack Purdy, President Purdy Group

Jel 17/2013

JOHN KENNETH LIBOY This is Exhibit " 13" referred to in the Affidavit of

APPENDIX C

CONAN J. TAYLOR
Barrister and Solicitor

							CONTROL AND CO	Į			CAMP AND	0000	7			
Purdy Group of Companies Updated Forecast Cash Flow					Ba	rrister ar	Barrister and Solicitor	ָר אַ	Swom	Sworn before me this	e this	2	+	: 1		
For the period of July 13 to October 25, 2013 (the "Forecast Period") (In CDN dollars)	he "Forecasi	Period")							9	フレイ	1			4		
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Adrecast	Forocast	Pirogram	orac	Forecast	Forecast	Forecast
	Week 87 19-Jul-13	Week 86 26-Jul-13	Week 89 2-Aug-13	Week 90 9-Aug-13	Week 91 16-Aug-13	Week 92 23-Aug-13	Week 93	Week 94	Week 95	Wed Committee			AND	- 1	Week 101	Week 87 to
Operating receipts			0.00							in and lor	the Provi	nce of Albe	le		20000	
Other receipts	10,000	10,000	10,000	20,000	10,000 50,000	10,000	10,000	10,000	5,000	5,000	5,000	5,000	5,000	5,000	3,000	123,000
Total operating receipts	10,000	10,000	10,000	20,000	60,000	10,000	60,000	10,000	5,000	5,000	5,000	5,000	5,000	5,000	3,000	223,000
Funds from Monitor's Trust Account		,	352,000													
Total receives	10 000	1000	300	77	9										,	352,000
	10,000	10,000	200,200	20,000	60,000	10,000	60,000	10,000	5,000	5,000	5,000	5,000	5,000	5,000	3,000	575,000
Operating Disbursements Half Moon Lake expenses	7 000	7 000	7 000	7 000	1	1	1									
Management fees, wages and consultants	×	. ;	4,500	5,000	,,000	4,500	7,000	6,000	6,000	4,500	6,000	5,000	5,000	5,000	5,000	93,000
Repayment of loan	. ,		5,500 78,000	1,500	50										1,000	7,000
Contingency				,	500					500					1	78,000
Total operating dispursements	7,000	7,000	95,000	13,500	7,500	11,500	7,000	6,000	6,000	11,000	6,000	5,000	5,000	5,000	9,500	202,000
LBVR management agreement disbursements																
Release of funds to LBVR	•		122,000	v	÷										ī.	122,000
Total operating & LBVR disbursements	7,000	7,000	217,000	13,500	7,500	11,500	7,000	0.000	6,000	11,000	6,000	5,000	5.000	5.000	9.500	324,000
Restructuring professional fees																
- Company Coursel		٠	70,000	,	9		50,000									120.000
- Monitor Counsel			40,000				25,000								1	65,000
rotal restructuring professional rees			150,000				100,000									250,000
Total disbursements	7,000	7,000	367,000	13,500	7,500	11,500	107,000	0.000	6.000	11.000	6 000	5 000	5000	2,000	0.600	E74.000
Net change in Applicant cash	3 000	3000	12 000	8 800	63 600	(4 EAR)										4,400
		0,000	(n'nn)	0,300	92,500	(1,500)	(47,000)	4,000	(1,000)	(6,000)	(1,000)	,			(6,500)	1,000
APPLICANT CASH BALANCE Opening cash	417	2 117	B 447						8				8			
Net change in operating cash	3,000	3,000	(5,000)	6,500	52,500	(1,500)	(47,000)	4,000	(1,000)	(6,000)	0,617	7,617	7,617	7,617	7,617	117
Limit Capi	3,117	6,117	1,117	7,617	60,117	58,617	11,617	15,617	14,617	8,617	7,617	7,617	7,617	7,617	1,117	1,117

_	Ending cash	Release of funds to Applicants (for operations) (123,000)		117,805 117,805 100,805 100,805 100,805 100,805 100,805 100,805 100,805 100,805 100,805 100,805	FINDS HELD BY MONITOR	1,117 7,617 60,117 59,617 11,617 15,617 14,617 8,617 7,617 7,617 7,617 7,617	operating cash 3,000 3,000 (5,000) 6,500 52,500 (1,500) (47,000) 4,000 (1,000) (6,000) (1,000)	3 117
317 7,617 (0,500) 317 1,117 305 100,805				100,805		7.617	7,617	

Cash available for general restructuring 17,922 23,922 1,922 8,422 69,922 59,422 12,422 15,422 15,422 9,422 8,422 8,422 8,422	17,000 000 000 000 005 005 005 005 005 005	(100,000) (100,000) (100,000) (100,000) (100,000) (100,000) (100,000) (100,000) (100,000) (100,000)	Total Funds held by Monitor 117,805 117,805 100,805 10	Applicant ending cash beliance 117 6,117 1,117 7,617 60,117 58,617 11,617 15,617 14,617 8,617 7,617 7,617 7,017	Week 87 Week 88 Week 89 Week 90 Week 91 Week 92 Week 93 Week 94 Week 95 Week 96 Week 97 Week 98 Wook 98 Wook 99 11-Jul-13 28-Jul-13 28-Jul-13 2-Aug-13 18-Aug-13 18-Aug-13 30-Aug-13 8-Sep-13 13-Sep-13 20-Sep-13 27-Sep-13 4-Oct-13 11-Oct-1	Purry Group of Companies Updated Forecast Cash Flow For the period of July 13 to October 25, 2013 (the "Forecast Period") [in CDN dollars] Forecast Fore
					Week 98 4-Oct-13	Forecast Forecast
8,422 8,422 1,922	805 805 805	(100,000) (100,000) (100,000)	100,805 100,805 100,805	7,017 7,017 1,117	Week 99 Week 100 Week 101 11-Oct-13 18-Oct-13 25-Oct-13	Forecast Forecast Forecast
1,922	805	000,000)	100,805	1,117	Week 87 to 101	TOTAL Forecast

Date July 18

Jack Purdy, President
Purdy Group