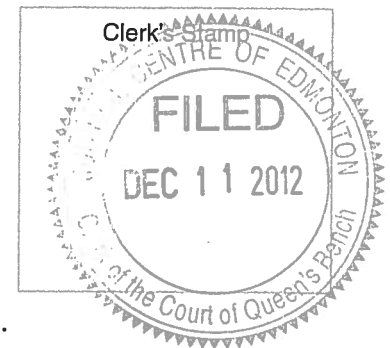


COURT FILE NUMBER 1103 18646  
 COURT QUEEN'S BENCH OF ALBERTA  
 JUDICIAL CENTRE EDMONTON



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 December 11<sup>th</sup>, 2012

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 September 28<sup>th</sup>, 2012, the Applicants have continued diligently with their restructuring efforts, and specifically:

- (a) continued efforts at seeking resolution of the dispute currently before the Court, between the Applicant Half Moon Lake Resort Ltd. and the County of Strathcona, which is anticipated to finalize and make certain a saleable form of Lease Agreement in respect of Half Moon Lake Resort ("HMLR") RV campsites,
  - (b) continued finalizing of the restoration of the Hawkeye Group of Properties to full operating capability, including marine and road gas facilities, under professional resort management and marketing, and the development of a comprehensive Business Plan;
  - (c) continued finalizing of the validity of claims that have been filed and disputed; and,
  - (d) continued marketing and sales initiatives in respect of Non-Core Properties in both Alberta and British Columbia.
2. I continue to believe that if the Applicants are provided sufficient time to achieve the foregoing, the results will be of substantial benefit to creditors and other stakeholders, and will put the Applicants in a position to finalize a compromise or Plan of Arrangement acceptable to the Creditors and other stakeholders.
  3. I have read the Ninth Report of the Monitor (the "9<sup>th</sup> Report"), which sets out in some detail the efforts currently being undertaken by the Applicants to move forward with and bring to conclusion the foregoing described outstanding completion items. 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 9<sup>th</sup> Report have been made by me in good faith and I believe them to be true.
  4. I believe that substantial progress continue<sup>3</sup> to have been made over the timeframe of the past extension towards building the strong foundation for a proposal to Creditors. However, as brought to the attention of the Honourable Court during the last extension application, continuing time is still required to allow the Applicants, with the assistance of the Monitor, to complete their restructuring efforts and to put forward a meaningful compromise or Plan of Arrangement.
  5. Attached to this my affidavit as Exhibit "A" is a copy of the Applicants' Actual to Forecast Cash Flow Results for the period September 8<sup>th</sup>, 2012 to November 30<sup>th</sup>, 2012, and a copy of the Projected Cash Flow Statement for the period of December 1<sup>st</sup>, 2012 to February 8<sup>th</sup>, 2012 (the "Forecast Period").
  6. 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.
  7. I believe that the Stay Extension is necessary for the Applicants in furtherance of their restructuring initiatives, and to develop a compromise or Plan of Arrangement acceptable to their creditors.
  8. I continue strongly to believe that any forced sale strategies would certainly result in a substantial reduction in realizations, would negatively impact the nature of any potential compromise or Plan of Arrangement presently being undertaken by the Applicants, and would certainly be to the significant detriment of all creditors and other stakeholders.

9. I strongly believe that the Notices of Disallowances in the CCAA proceeding and the Notices of Revision in the Proposal proceeding have been properly disallowed/revised by the Monitor/Proposal Trustee.
10. The Applicants are acting in good faith and with due diligence, and in the best interests of their creditors.
11. I remain confident and believe that the Applicants will be able to make a viable proposal if more time is made available.
12. I believe that no creditor will be materially prejudiced if the extension being applied for is granted.
13. I make this Affidavit in support of an application for Orders as set out in Notice of Motion filed on December 11<sup>th</sup>, 2012, and for no other improper purposes.

SWORN BEFORE ME at Edmonton, Alberta,  
this 11<sup>th</sup> day of December, 2012.

Name:

Expiry Date:

Commission of Oaths in and for the Province  
of Alberta

**CONAN J. TAYLOR**  
Barrister and Solicitor

John Kenneth Purdy

**Purdy Group of Companies**  
**Projected Cash Flow Statement**  
**For the period of September 8, 2012 to November 30, 2012 (the "Forecast Period")**  
**(in CDN dollars)**

	Forecast	Actual	Variance
	Week 43 to	Week 43 to	Week 43 to
	Week 54	Week 54	Week 54
	September 8, 2012 to November 30, 2012		
<b><u>Operating receipts</u></b>			
Fishpath trade sales and rental receipts	4,500	20,825	16,325
Half Moon Lake Resort receipts	18,000	31,520	13,520
Other receipts	60,000	-	(60,000)
<i>Total operating receipts</i>	82,500	52,346	(30,154)
<b><u>Funds received from Interim Financing</u></b>			
	1,292,947	1,345,087	52,140
<b>Total receipts</b>	<b>1,375,447</b>	<b>1,397,432</b>	<b>21,985</b>
<b><u>Operating Disbursements</u></b>			
Fishpath expenses	2,700	20,524	(17,824)
Half Moon Lake expenses	30,600	48,149	(17,549)
Management fees, wages and salaries	28,500	15,461	13,039
Half Moon Lake Capital Costs	25,000	16,135	8,865
BC Crown redemption property tax	567,000	567,000	-
Remaining BC property tax	138,000	135,897	2,103
Contingency - Non Bamfield	6,000	-	6,000
LBVR Managment agreement set aside funds	150,000	250,000	(100,000)
Ostrom fuel improvements	-	-	-
<i>Total operating disbursements</i>	<b>947,800</b>	<b>1,053,166</b>	<b>(105,366)</b>
<b><u>Restructuring professional fees</u></b>			
- Monitor	250,000	175,000	75,000
- Company Counsel	125,000	100,000	25,000
- Monitor Counsel	60,000	36,766	23,234
<i>Total restructuring professional fees</i>	435,000	311,766	123,234
<b>Total disbursements</b>	<b>1,382,800</b>	<b>1,364,932</b>	<b>17,868</b>
<b>Net change in Applicant cash</b>	<b>(7,353)</b>	<b>32,500</b>	<b>39,853</b>
<b>APPLICANT CASH BALANCE</b>			
Opening cash	20,842	20,842	-
Net change in operating cash	(7,353)	32,500	39,853
Ending Cash	13,489	53,342	39,853

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

JOHN KENNETH RUZOV  
Sworn before me this 11<sup>th</sup> day  
of December A.D., 20 12

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 September 8, 2012 to November 30, 2012 (the "Forecast Period")**  
**(in CDN dollars)**

Forecast	Actual	Variance
Week 43 to	Week 43 to	Week 43 to
Week 54	Week 54	Week 54
September 8, 2012 to November 30, 2012		

**FUNDS HELD BY MONITOR**

Opening Cash	100,000	100,000	-
Collection of Interim Financing Advances	1,792,947	1,792,947	-
Collection of Other Receipts	1,191	1,191	-
Release of funds to LBVR	(150,000)	(250,000)	(100,000)
Release of funds to Applicants	(1,142,947)	(1,095,087)	47,860
	501,191	449,051	(52,140)
Ending cash	601,191	549,051	(52,140)

**TOTAL AVAILABLE CASH FOR GENERAL RESTRUCTURING**

Applicant ending cash balance	13,489	53,342	39,853
			-
Total Funds held by Monitor	601,191	549,051	(52,140)
Less: Funds held for LBVR Agreement	(500,000)	(400,000)	100,000
Cash held in trust per Court Order	(100,000)	(100,000)	-
	1,191	49,051	47,860
Cash available for general restructuring	14,680	102,394	87,714

**DIP Loan Reconciliation**

Max. borrow on DIP	2,150,000	2,150,000	-
Opening balance	-	-	-
DIP Advance to Monitor	1,792,947	1,792,947	-
Principal repayments on DIP	-	-	-
Legal costs and closing fees	8,753	8,753	-
DIP fee payment to Axxess - 4.45%	95,675	95,675	-
DIP Interest reserve held by Axxess - 11.75%	252,625	252,625	-
Ending balance	2,150,000	2,150,000	-

  
 Jack Purdy, President  
 Purdy Group

  
 Date

Purdy Group of Companies  
Projected Cash Flow Statement  
For the period of December 1, 2012 to February 8, 2013 (the "Forecast Period")  
(in CDN dollars)

	Forecast Week 51 7-Dec-12	Forecast Week 52 14-Dec-12	Forecast Week 53 21-Dec-12	Forecast Week 54 28-Dec-12	Forecast Week 55 4-Jan-13	Forecast Week 56 11-Jan-13	Forecast Week 57 18-Jan-13	Forecast Week 58 25-Jan-13	Forecast Week 59 1-Feb-13	Forecast Week 60 8-Feb-13	TOTAL
<b>Operating receipts</b>											
Fishpath trade sales and rental receipts	-	-	-	-	-	-	-	-	-	-	-
Half Moon Lake Resort receipts	5,000	-	-	-	2,000	-	-	-	-	2,000	9,000
Other receipts	-	-	-	-	-	60,000	-	-	-	-	60,000
<b>Total operating receipts</b>	5,000	-	-	-	2,000	60,000	-	-	-	2,000	69,000
<b>Funds from Monitor's Trust Account</b>											
<b>Total receipts</b>	5,000	-	-	-	2,000	105,000	-	-	-	2,000	114,000
<b>Operating Disbursements</b>											
Fishpath expenses	6,300	-	-	-	-	-	-	-	-	-	6,300
Half Moon Lake expenses	10,000	4,000	-	-	-	-	4,000	-	-	-	18,000
Management fees, wages and salaries	12,000	-	-	-	-	6,700	-	-	-	-	18,700
Half Moon Lake Capital Costs	25,000	-	-	-	-	-	-	-	-	-	25,000
Contingency - Non Barnfield	-	-	-	1,000	-	-	-	1,000	-	-	2,000
LBVR Managment agreement set aside funds	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating disbursements</b>	53,300	4,000	-	1,000	-	6,700	4,000	1,000	-	-	70,000
<b>Restructuring professional fees</b>											
- Monitor	-	-	-	-	-	25,000	-	-	-	-	25,000
- Company Counsel	-	-	-	-	-	25,000	-	-	-	-	25,000
- Monitor Counsel	-	-	-	-	-	25,000	-	-	-	-	25,000
<b>Total restructuring professional fees</b>	-	-	-	-	-	75,000	-	-	-	-	75,000
<b>Total disbursements</b>	53,300	4,000	-	1,000	-	81,700	4,000	1,000	-	-	145,000
<b>Net change in Applicant cash</b>	(48,300)	(4,000)	-	(1,000)	2,000	23,300	(4,000)	(1,000)	-	2,000	(31,000)
<b>APPLICANT CASH BALANCE</b>											
Opening cash	53,342	5,042	1,042	1,042	42	2,042	25,342	21,342	20,342	20,342	53,342
Net change in operating cash	(48,300)	(4,000)	-	(1,000)	2,000	23,300	(4,000)	(1,000)	-	2,000	(31,000)
Ending Cash	5,042	1,042	1,042	42	2,042	25,342	21,342	20,342	20,342	22,342	22,342

Purdy Group of Companies  
Projected Cash Flow Statement  
For the period of December 1, 2012 to February 8, 2013 (the "Forecast Period")  
(in CDN dollars)

	Forecast Week 51 7-Dec-12	Forecast Week 52 14-Dec-12	Forecast Week 53 21-Dec-12	Forecast Week 54 28-Dec-12	Forecast Week 55 4-Jan-13	Forecast Week 56 11-Jan-13	Forecast Week 57 18-Jan-13	Forecast Week 58 25-Jan-13	Forecast Week 59 1-Feb-13	Forecast Week 60 8-Feb-13	TOTAL
<b>FUNDS HELD BY MONITOR</b>											
Opening Cash	549,051	549,051	549,051	549,051	549,051	549,051	504,051	504,051	504,051	504,051	549,051
Collection of Interim Financing Advances	-	-	-	-	-	-	-	-	-	-	-
Release of funds to LBVR	-	-	-	-	-	-	-	-	-	-	-
Release of funds to Applicants	-	-	-	-	-	(45,000)	-	-	-	-	(45,000)
	-	-	-	-	-	(45,000)	-	-	-	-	(45,000)
Ending cash	549,051	549,051	549,051	549,051	549,051	504,051	504,051	504,051	504,051	504,051	504,051

<b>TOTAL AVAILABLE CASH FOR GENERAL RESTRUCTURING</b>											
Applicant ending cash balance	5,042	1,042	1,042	42	2,042	25,342	21,342	20,342	20,342	22,342	22,342
Total Funds held by Monitor	549,051	549,051	549,051	549,051	549,051	504,051	504,051	504,051	504,051	504,051	504,051
Less: Funds held for LBVR Agreement	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)
Cash held in trust per Court Order	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
	49,051	49,051	49,051	49,051	49,051	4,051	4,051	4,051	4,051	4,051	4,051
Cash available for general restructuring	64,093	50,093	50,093	49,093	51,093	29,393	26,393	24,393	24,393	26,393	26,393



Jack Purdy, President  
Purdy Group  
Date

*Dec 5/2012*