

COURT FILE NUMBER BE03-568045

ESTATE NUMBER 24-1568045

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

APPLICANT IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, c.B-3, AS AMENDED

AND IN THE MATTER OF THE PROPOSAL OF
JOHN KENNETH PURDY OTHERWISE KNOWN AS
JACK PURDY

DOCUMENT **EIGHTH REPORT OF ALVAREZ AND MARSAL
CANADA INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE OF
JOHN (JACK) KENNETH PURDY**

JANUARY 24, 2013

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT **PROPOSAL TRUSTEE**
ALVAREZ & MARSAL CANADA INC.
Bow Valley Square I
Suite 570, 202 – 6th Avenue SW
Calgary, Alberta T2P 2R9
Tim Reid/Orest Konowalchuk
Telephone: (403) 538-4756 / (403) 538-4736
Email: treid@alvarezandmarsal.com
okonowalchuk@alvarezandmarsal.com

COUNSEL
FRASER MILNER CASGRAIN LLP
Barristers & Solicitors
Ray Rutman
2900 Manulife Place, 10180 – 101 Street
Edmonton, Alberta T5J 3V5
Phone: (780) 423-7246
Fax: (780) 423-7276
Email: Ray.Rutman@FMC-Law.com
File: 529227-7



**TABLE OF CONTENTS OF THE EIGHTH REPORT OF THE PROPOSAL
TRUSTEE**

INTRODUCTION	3
TERMS OF REFERENCE	4
LIMITATION IN SCOPE OF REVIEW.....	4
BACKGROUND	5
THE OCTOBER 9 TH RECONVENED MEETING	6
INVESTIGATION OF AFFAIRS OF PURDY	6
PROOFS OF CLAIM UPDATE.....	9
ACTUAL RECEIPTS & DISBURSEMENTS OF PURDY – SEPTEMBER 22, 2012 TO JANUARY 24, 2012.....	9
RECOMMENDATION	11

**LISTING OF APPENDICES TO THE EIGHTH REPORT OF THE PROPOSAL
TRUSTEE**

APPENDIX A	Minutes of the October 9 th Reconvened Meeting
APPENDIX B	Distribution Order

INTRODUCTION

1. On December 2, 2011, Mr. John (Jack) Kenneth Purdy (“Purdy”) sought protection from his creditors through the filing of a Notice of Intention (the “NOI”) to Make a Proposal (the “Proposal”), under section 50.4(1) of the *Bankruptcy and Insolvency Act* (“BIA”), R.S.C. 1985, c.B-3, as amended. The NOI filing was accepted by the Office of the Superintendent of Bankruptcy Canada (“OSB”) and protection was obtained from Purdy’s creditors on the morning of December 2, 2011 (the “Filing Date”). Alvarez & Marsal Canada Inc. (the “Trustee”) was named as Trustee under the NOI.
2. On June 1, 2012, Purdy lodged a Proposal with the Trustee and the Trustee filed his Proposal at the Office of the Superintendent of Bankruptcy.
3. On June 22, 2012, the first meeting of creditors (the “FMOC”) was held to amongst other things consider the affairs of the debtor and vote on the proposal. A vote on the Proposal was not conducted as the FMOC was adjourned to October 9, 2012 (the “October 9th Reconvened Meeting”) pursuant to s.52(a) of the BIA to enable further appraisal and investigation of the affairs and property of Purdy by the Trustee.
4. The purpose of this eighth report of the Trustee (the “Trustee’s Eighth Report”) is to provide this Honourable Court and Purdy’s Creditors with an update in respect of the:
 - a) October 9th Reconvened Meeting;
 - b) proofs of claim received in these proposal proceedings;
 - c) affairs of Purdy and in particular the status of the CCAA proceedings;
 - d) collection of funds held in in accordance with an order granted by this Honourable Court (the “Distribution Order”) regarding a pre-NOI foreclosure sale of a condominium unit previously owned by Purdy;

- e) actual cash collections and disbursements of Purdy for the period of September 22, 2012 to January 24, 2013 (the “Reporting Period”); and
 - f) Trustee’s recommendations.
5. Capitalized words or terms not defined or ascribed a meaning in the Trustee’s Eighth Report are as defined or ascribed a meaning in the first report of the Trustee (the “Trustee’s First Report”), the second report of the Trustee (the “Trustee’s Second Report”), the third report of the Trustee (the “Trustee’s Third Report”), the fourth report of the Trustee (the “Trustee’s Fourth Report”), the fifth report of the Trustee (the “Trustee’s Fifth Report”), the sixth report of the Trustee (the “Trustee’s Sixth Report”), the seventh report of the Trustee (the “Trustee’s Seventh Report”) and the Proposal.
6. All references to dollars are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE

7. In preparing this Eighth Report, the Trustee has relied upon unaudited financial information, Purdy’s records and discussions with various advisors of Purdy. The Trustee has not performed an audit, review or other verification of such information. An examination of the financial forecast as outlined in the Canadian Institute of Chartered Accountants (“CICA”) Handbook has not been performed. Future oriented financial information relied upon in this report is based on Purdy’s assumptions regarding future events and actual results achieved may vary from this information and the variations may be material.

LIMITATION IN SCOPE OF REVIEW

8. The Eighth Report has been prepared by the Trustee pursuant to the rules and regulations set out in the BIA. The BIA provides that the Trustee shall incur no liability for any act or omission pursuant to its appointment or fulfillment of its duties, save and except for gross negligence or wilful misconduct on its part.

9. This Eighth Report is not and should not be construed or interpreted as an endorsement, comment or recommendation to any creditor, prospective investor, or any person to advance credit and/or goods and services or to continue to provide credit and/or goods and services or to lend monies to Purdy during these proceedings and/or at any other time.
10. The Trustee has not audited or reviewed the assets of Purdy, and with respect to such assets, has relied to a significant degree upon information provided by Purdy.
11. The Trustee is specifically not directed or empowered to take possession of the assets of Purdy or to manage any of the business and affairs of Purdy.

BACKGROUND

12. Purdy is a businessman who has been involved in the Alberta and British Columbia commercial real estate markets for many years. Purdy conducts his real estate development and related activities through a number of entities owned directly and indirectly, legally and beneficially, by Purdy.
13. The majority of Purdy's entities are currently operating under a stay of proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended (the "CCAA") (collectively, these entities are referred to as the "Purdy Companies"), pursuant to an order of the Court of Queen's Bench of Alberta (the "Initial Order"), dated December 1, 2011. Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. was appointed monitor of the Purdy Companies (the "Monitor").
14. Further background on Purdy and the Purdy Companies is contained in the materials filed in support of the application for the Initial Order, including the November 25, 2011 affidavit of Purdy (the "November 25th Purdy Affidavit"), the Trustee's previous seven reports in these proceedings and the Monitor's nine reports filed in the CCAA proceedings. These documents, together with other

information regarding the NOI and proposal of Purdy, which includes the various filed reports of the Trustee, as well as the CCAA proceedings, have been posted by the Trustee on its website at: www.amcanadadocs.com/purdy.

THE OCTOBER 9TH RECONVENED MEETING

15. The October 9th Reconvened Meeting occurred at 11:00 a.m., at the office of Fraser Milner Casgrain LLP, Suite 2900, 10180-101 Street, Edmonton, Alberta to advise the creditors on the further investigation of the affairs of Purdy and his Proposal as directed at the FMOC; to give direction to the Trustee as the creditors may see fit with reference to the administration of the estate; and to vote on the Proposal or any further adjournment of the meeting. Minutes of the October 9th Reconvened Meeting are attached as Appendix A.
16. The creditors, with the consent of Purdy, voted all in favour to have the Proposal amended with respect to amending clause 14 of the Proposal to reduce the time frame from 15 months to 12 months.
17. The vote on the Proposal by the creditors was not conducted as the creditors voted unanimously in favour to adjourn the meeting pursuant to s.52(a) of the BIA to enable further appraisal and investigation of the affairs and property of Purdy by the Trustee, without prejudice to further adjournment. The October 9th Reconvened Meeting was adjourned to January 25, 2013 at the office of Fraser Milner Casgrain LLP at 11:00 am.

INVESTIGATION OF AFFAIRS OF PURDY

18. Purdy continues to be cooperative and forthcoming with the Trustee during his Proposal proceedings. The Trustee is not aware of any change in the circumstances of Purdy's activities and/or personal affairs, other than the updates discussed below.

CCAA Proceedings

19. On December 18, 2012, an order was granted by the Court of Queen's Bench of Alberta in the CCAA proceedings extending the stay of proceedings to February 19, 2013. In connection with this application, the Monitor provided a report (the "Monitor's 9th Report") to the Court regarding, amongst other things, an update on the Purdy Companies' operational and restructuring activities to date. A copy of the Monitor's 9th Report is available on the Monitor's website.
20. In summary, the Monitor's 9th Report advised the Court that progress is being made towards putting forth a viable plan of arrangement (the "Plan") to the Purdy Companies creditors and that the Purdy Companies current restructuring intentions will likely require four (4) months before a formal Plan is circulated.
21. The Monitor's 9th Report also advised the Court that the Purdy Companies restructuring efforts continued to be consistent with what was outlined in previous Monitors reports, which, in summary, include:
 - a) continued litigation with the County of Strathcona to extend the term of the RV lot leases to enhance value and marketability;
 - b) further restoring and improving certain of their B.C. resort properties to full operating capability to enhance their marketability for sale or refinancing; and
 - c) the sale of certain non-core properties and the Alberta properties in foreclosure.
22. A claim proving process was previously approved by the Court in the CCAA proceedings. The Monitor indicated in previous reports that an order was granted by the Court on September 28, 2012 to hear all disputed claims in the CCAA proceedings and all appeals of disallowances in the Proposal proceeding, which was set down for December 18 and 19, 2012 and during the weeks of January 14th and 21st, 2013, as discussed further below (the "Claims Hearing Dates")

23. The Monitor advised that due to the significant quantum of disputed claims, it believed it is necessary to determine the validity of the claims before a formal Plan can be presented to creditors. The Monitor further advised the Court that it was concerned that if the claims are not determined by this Honourable Court on a summary basis during the Claims Hearing Dates, the Applicants may not have the ability to fund these proceedings over the coming months without further interim financing or sale of Non-Core Properties. In addition, any delay in resolving the claims will ultimately delay the Applicant's ability to formulate a Plan to their creditors until the claims are resolved.

New Cambridge Condominium Foreclosures

24. As discussed in the Sixth Report, a condo unit and 2 parking stalls (previously owned by Purdy) in an Edmonton condominium building known as New Cambridge was sold in a foreclosure proceeding commenced by the New Cambridge Condominium Corporation ("Condo Corp") as the condo fees were not paid. The units were sold pursuant to Court Orders granted in January and October 2010. The net proceeds (after deducting usual closing cost and realtor fees) of approximately \$277,000 were paid in to Court and a further Order of the Court was required for the proceeds to be paid out.
25. On January 9, 2013, a distribution order (the "Distribution Order") was granted by this Honourable Court setting out the payment of these proceeds held by this Court. A copy of the Distribution Order is attached as Appendix B to this report.
26. The Distribution Order directed that \$100,000 from the funds held in Court were to be paid to the Trustee and used to satisfy the Trustee's fees in accordance with paragraphs 26 and 32 of the Trustee's Sixth Report and the balance to be paid back to CCAA proceedings in accordance with paragraph 26 of the Trustee's Sixth Report. The remaining balance held in Court was paid out in accordance with the Distribution Order.

PROOFS OF CLAIM UPDATE

27. Since the October 9th Reconvened Meeting, one additional claim was filed against Purdy by a secured creditor, Ladysmith & District Credit Union (“Ladysmith”) for \$238,122.39 (plus accruing interest). This claim is with respect to a mortgage Purdy obtained from Ladysmith on June 17, 2000 against a residential property owned by Purdy, 8335 Meshers Road (“8335”). 8335 is currently listed for sale and is considered a “non-core property” as described in prior Monitor’s report.
28. The Trustee understands that this Honrouable Court made certain decision with respect to appealed claims that were heard during the Claims Hearing Dates. To date, this Honourable Court disallowed approximately \$2.47 million of claims filed by claimants against Purdy and the Court is currently in the process of making its decision on an additional \$3.3 million of appealed claims. A decision on these remaining appealed claims should be determined in the coming days. In addition, total filed claims of approximately \$29.1 million have also been disallowed by the Trustee (and not disputed by the claimant) or have been completely withdrawn by the claimant in these Proposal proceedings.

ACTUAL RECEIPTS & DISBURSEMENTS OF PURDY – SEPTEMBER 22, 2012 TO JANUARY 24, 2012

29. Upon review of certain Purdy financial information, to the best of the Trustee’s knowledge, the only receipts of Purdy during the Reporting Period were from management fees received from the Purdy Companies of approximately \$8,400. The Trustee understands that these receipts were used for personal living expenses and other miscellaneous costs.
30. The Trustee collected \$100,000 on behalf of Purdy relating to the Distribution Order (as discussed above) and a portion of these funds were paid to the Trustee for its outstanding invoice in these Proposal proceedings and the remaining balance will be paid back to the CCAA estate in accordance with the Distribution Order.

31. The Trustee has been advised that Purdy's ending available cash as at December 5, 2012 is understood to be approximately \$705. The Trustee has not been supplied with Purdy's financial bank statements for most of December 2012 and January 2013.

Professional Fee Retainer

32. Below is a chart outlining the retainer received from the CCAA proceedings and restructuring fees approved by Purdy (as discussed in the Sixth Report) for the Trustee's professional services during the NOI and proposal proceedings:

John (Jack) Kenneth Purdy Reconciliation of Trustee retainer fees December 2, 2011 to January 25, 2013				
	Remaining retainer balance	Invoices paid	Estimated accruals	Ending balance
Proposal Trustee retainer	10,000	100,407	25,000	(15,000)

33. As previously reported, the Trustee's first invoice of \$24,058 was paid from the Trustee's initial retainer of \$50,000. The Trustee's second invoice that was approved by Purdy for services rendered from March 1, 2012 to June 29, 2012 in the amount of \$76,348.58 (includes GST) was partially paid by the funds received from Distribution Order and a portion from the Trustee's initial retainer. The Trustee has accrued approximately \$25,000 for its fees incurred and estimated to be incurred by the Trustee from June 30, 2012 to January 25, 2013. There is approximately \$10,000 available in trust from the Trustee's retainer and there will be a requirement for an additional \$15,000 to cover the Trustee's shortfall, which is anticipated to be funded from the proceeds received from the potential sale of 8335 and other receipts obtained in these proceedings.

RECOMMENDATION

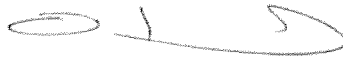
34. The Trustee recommends that the Unsecured Creditors support Purdy's proposal for the reasons set out in the Fifth Report.

All of which is respectfully submitted this 24th day of January, 2013.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as Trustee under the Notice
of Intention to Make a Proposal of
John (Jack) Kenneth Purdy**



Tim Reid, CA•CIRP
Senior Vice-President



Orest Konowalchuk, CA•CIRP
Senior Manager

APPENDIX A

<p>PROPOSAL</p> <p>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.

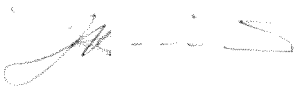
Motion by Canada Revenue Agency:

“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

APPENDIX B

COURT FILE NUMBER 0903 10981

COURT OF QUEEN'S
BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF CONDOMINIUM
CORPORATION NO, 0425913

DEFENDANTS SOUND DEVELOPMENT CORPORATION
and JOHN KENNETH PURDY

DOCUMENT DISTRIBUTION ORDER

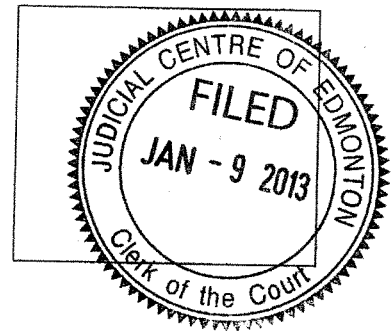
ADDRESS FOR SERVICE Department of Justice Canada
AND CONTACT 300 Epcor Tower
INFORMATION OF 10423 - 101 Street N.W.
PARTY FILING THIS Edmonton Alberta T5H 0E7
DOCUMENT Counsel: George F. Body
tel: 780-495-7595 (direct)
fax: 780-495-3319

NAME OF MASTER W.S. Schlosser, Q.C.
WHO PRONOUNCED
THIS ORDER

DATE ON WHICH THIS WEDNESDAY JANUARY 9, 2013
ORDER WAS ~~THURSDAY DECEMBER 20, 2012~~
PRONOUNCED

LOCATION WHERE EDMONTON, ALBERTA
ORDER PRONOUNCED

Clerk's Stamp



I hereby certify this to be a
true copy of the original.
for Clerk of the Court

WHEREAS

1. the sum of \$435,968.48 has been paid to the Clerk of the Court to the credit of this action as the proceeds of sale of eighty two condominium units in Condominium Plan 0425913;
2. John Kenneth Purdy was the owner of units 225, 326, and 327;
3. the net proceeds of sale of units 225, 326, and 327 is \$277,386.83;
4. John Kenneth Purdy is liable to the plaintiff, Condominium Corporation no. 0425913 in the sum of \$115,000 for arrears of condominium fees;
5. John Kenneth Purdy filed a Notice of Intent on to file a proposal pursuant to the *Bankruptcy and Insolvency Act* on December 2, 2011, Alvarez & Marsal Canada ULC was appointed his Proposal Trustee, and the Proposal Trustee consents to the terms of

this Order;

5. the Proposal Trustee has accepted the plaintiff's claim for condominium fee arrears and costs of \$10,000 attributable to the sale of the said units as a secured claim, pursuant to subsection 39(8) and section 42 of the *Condominium Property Act*, and consents to payment of the said amounts to the plaintiff from the proceeds of sale;
6. Her Majesty the Queen in right of Canada, as represented by the Minister of National Revenue (the "Crown") is deemed to be a secured creditor of John Kenneth Purdy pursuant to subsection 223(11.1) of the *Income Tax Act*;
7. Sound Development Corporation ("SDC") was the owner of the balance of the units sold in the course of this action;
8. the net proceeds of sale of the balance of the units is \$158,581.65;
9. SDC is liable to the Crown pursuant to the *Excise Tax Act* in the sum of \$441,508;
10. SDC is liable to the plaintiff, Condominium Corporation no. 0425913 in the sum of \$369,607.94 for arrears of condominium fees, plus costs of realization;

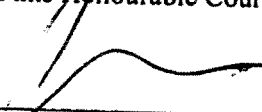
AND UPON NOTING:


1. the consent of counsel for the plaintiff, counsel for John Kenneth Purdy, counsel for John Kenneth Purdy's Proposal Trustee, and counsel for the Crown, and noting that counsel for Her Majesty the Queen in right of Alberta and counsel for RIC New Brunswick Inc. are aware of this application and have indicated their respective clients do not oppose the granting of the order sought;
2. the order of this court in BK03-11587 (*The Matter of the Notice of Intention to make a proposal of John Kenneth Purdy otherwise known as Jack Purdy*) pronounced December 19, 2012 by the Honourable Mr. Justice D.R.G. Thomas lifting the stay of proceedings to permit the payment of the sums described in this order to the Plaintiff and to the Crown;
3. the defendant, SDC, was struck as a corporation on November 2, 2011 for failure to file annual returns;
4. the affidavit of Edwina Wasmund, filed;

THIS COURT ORDERS, DECLARES, AND DIRECTS

1. Service of notice of this application upon SDC is dispensed with;
2. that the funds held to the credit of this action shall be distributed as follows:
 - (a) \$188,637.67 to Biamonte, Cairo & Shortreed LLP, counsel for the Plaintiff (1600, 10025 102 A Avenue Edmonton, AB T5J 2Z2, Attention: Brian S. Sussman, Q.C.), to be allocated as follows:
 - (i) \$115,000 to the condominium levy arrears on units 225, 326, and 327 formerly owned by John Kenneth Purdy;

- (ii) \$10,000 for costs attributable to the sale of units 225, 326, and 327;
- (iii) the balance for costs attributable to the sale of the balance of the units formerly owned by SDC.
- (b) \$100,000 to Alvarez & Marsal Canada ULS, as John Kenneth Purdy's proposal trustee (Bow Valley Square I, Suite 570, 202 - 6th Avenue SW, Calgary, Alberta T2P 2R9, Attention Tim Reid):
 - (i) to be utilized firstly, to satisfy outstanding Proposal Trustee fees in accordance with paragraphs 26 and 32 of the Sixth Report of the Proposal Trustee in Court of Queen's Bench of Alberta, Court File number BE03-568045; and
 - (ii) secondly, to pay the balance (after application of funds in accordance with (i)) into the CCAA Estate as referenced in paragraph 26 of that Sixth Report;
- (c) the balance to the Receiver General of Canada, with \$52,386.83 to be allocated to John Kenneth Purdy's liability to the Crown and the balance to be applied to SDC's GST liability.
- 3. This Order may be executed in counterpart by counsel for the represented parties, either in original or faxed or PDF form and the parties hereby adopt any signatures received by either a fax machine or an email as original signatures for the purposes of filing this Order with this Honourable Court.

//

 Master of the Court of Queen's Bench of Alberta

Consented to this <u>19th</u> day of December, 2012 Biamonte, Cairo & Shortreed LLP, counsel for the Plaintiff, Condominium Corporation No. 0425913  per: Brian S. Sussman, Q.C.	Consented to this ____ day of December, 2012 Fraser Milner Casgrain LLP Counsel for Alvarez & Marsal Canada ULC, Proposal Trustee for the estate of John Kenneth Purdy per: Ray C. Rutman
Consented to this ____ day of December, 2012 Taylor Law Office Counsel for John Kenneth Purdy per: Conan Taylor	Consented to this ____ day of December, 2012 William F. Pentney Deputy Attorney General of Canada Counsel to Her Majesty the Queen in right of Canada as represented by the Minister of National Revenue per: George F. Bódy Counsel – Department of Justice Canada Prairie Region

- (ii) \$10,000 for costs attributable to the sale of units 225, 326, and 327;
- (iii) the balance for costs attributable to the sale of the balance of the units formerly owned by SDC.
- (b) \$100,000 to Alvarez & Marsal Canada ULS, as John Kenneth Purdy's proposal trustee (Bow Valley Square I, Suite 570, 202 - 6th Avenue SW, Calgary, Alberta T2P 2R9, Attention Tim Reid):
 - (i) to be utilized firstly, to satisfy outstanding Proposal Trustee fees in accordance with paragraphs 26 and 32 of the Sixth Report of the Proposal Trustee in Court of Queen's Bench of Alberta, Court File number BE03-568045; and
 - (ii) secondly, to pay the balance (after application of funds in accordance with (i)) into the CCAA Estate as referenced in paragraph 26 of that Sixth Report;
- (c) the balance to the Receiver General of Canada, with \$52,386.83 to be allocated to John Kenneth Purdy's liability to the Crown and the balance to be applied to SDC's GST liability.
- 3. This Order may be executed in counterpart by counsel for the represented parties, either in original or faxed or PDF form and the parties hereby adopt any signatures received by either a fax machine or an email as original signatures for the purposes of filing this Order with this Honourable Court.

Master of the Court of Queen's Bench of Alberta

Consented to this ____ day of December, 2012 Biamonte, Cairo & Shortreed LLP, counsel for the Plaintiff, Condominium Corporation No. 0425913 per: Brian S. Sussman, Q.C.	Consented to this <u>2nd</u> day of December, 2012 Fraser Milner Casgrain LLP Counsel for Alvarez & Marsal Canada ULC, Proposal Trustee for the estate of John Kenneth Purdy per: Ray C. Rutman
Consented to this <u>5th</u> day of <u>January</u> , 2013 Taylor Law Office Counsel for John Kenneth Purdy per: Conan Taylor	Consented to this <u>5th</u> day of <u>January</u> , 2013 William F. Pentney Deputy Attorney General of Canada Counsel to Her Majesty the Queen in right of Canada as represented by the Minister of National Revenue per: George F. Bódy Counsel - Department of Justice Canada Prairie Region