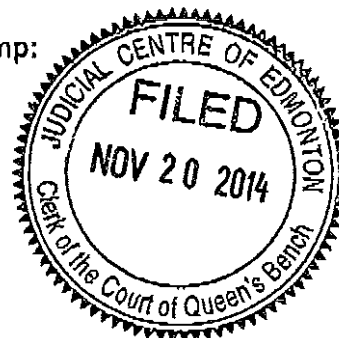




Clerk's Stamp:



COURT FILE NUMBER

BE03-568045

ESTATE NUMBER

24-1568045

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

APPLICANT

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDEDAND IN THE MATTER OF THE PROPOSAL OF JOHN
KENNETH PURDY OTHERWISE KNOWN AS JACK
PURDY

DOCUMENT

APPLICATIONADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENTRay C. Rutman
Dentons Canada LLP
Barristers & Solicitors
2900, 101080 - 101 Street
Edmonton, AB T5J 3V5
Ph. (780) 423-7246 Fx. (780) 423-7276
File No.: 529227-7/RCR

AND

COURT FILE NUMBER

1103 18646

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

APPLICANTS

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS
AMENDEDAND 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 INVESTMENTS 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)
(collectively, the "Purdy Group")

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APPLICATION

RAY C. RUTMAN
Dentons Canada LLP
2900 Manulife Place
10180 – 101 Street
Edmonton, AB T5J 3V5
Ph. (780) 423-7246 Fx. (780) 423-7276
File No.: 529227-7

NOTICE TO RESPONDENT(S)

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the master/judge.

To do so, you must be in Court when the application is heard as shown below:

Date	Monday, November 24, 2014
Time	2:00 p.m.
Where	Law Courts, 1A Sir Winston Churchill Square Edmonton, Alberta
Before Whom	The Honourable Mr. Justice D.R.G. Thomas

Go to the end of this document to see what you can do and when you must do it.

Remedy claimed or sought:

1. An Order in the form of the draft Order attached as Schedule "A" to this Application (or on such further terms as this Honourable Court may direct) directing the Proposal Trustee to pay its outstanding professional fees and disbursements, including the fees and disbursements of counsel to the Proposal Trustee from the Surplus Proceeds and thereafter to be utilized as follows:
 - (a) Firstly, a retainer up to the amount of \$20,000 shall be retained by the Proposal Trustee and may be applied by the Proposal Trustee without further order

against any further fees and disbursements incurred by the Proposal Trustee;
and

- (b) Secondly, the balance, if any, shall be paid to the Monitor and may be applied by the Monitor against outstanding professional fees and disbursements of the Monitor, its counsel and counsel for the Plan Applicants, the allocation of which shall be in the discretion of the Monitor.

Grounds for making this application:

2. Alvarez & Marsal Canada Inc. was named trustee in the Matter of the Proposal of John Kenneth Purdy Otherwise known as Jack Purdy (the "Proposal Trustee").
3. Purdy has filed with this Honourable Court a Second Amended and Restated Proposal on March 10, 2014 as amended April 17, 2014 (the "Proposal"). The Proposal is consolidated with a Second Amended and Restated Plan of Compromise and Arrangement (the "Plan") of Armac Investments Ltd. (AB), Half Moon Lake Resort Ltd., Lake Eden Projects Inc., Fishpath Resorts Corporation, Armac Investments Ltd. (BC), Ostrom Estates Ltd., Hawkeye Marine Group Ltd. and Cherry Blossom Park Development Corp. (the "Plan Applicants") in Court of Queen's Bench of Alberta, Court File No. 0903 03603, Judicial Centre of Edmonton (the "CCAA Proceedings").
4. Alvarez & Marsal Canada Inc. was appointed as the Monitor of the Plan Applicants in the CCAA Proceedings by Order of this Honourable Court December 1, 2012 (the "Initial Order").
5. Both the Proposal and the Plan have been approved by this Honourable Court.
6. Purdy was the registered owner of the Lands legally described as:

Parcel Identifier: 008 428 565
The South ½ Of District Lot 51
Alberny District
(the "Meshers Road Lands")
7. Ladysmith District Credit Union (the "Credit Union") had a first registered mortgage against title to the Meshers Road Lands.
8. The Proposal Trustee did not object to the Credit Union applying to lift the stay of proceedings imposed by the *Bankruptcy and Insolvency Act* to allow the Credit Union to enforce its mortgage against the Meshers Road Lands (the "Foreclosure Proceedings").
9. On July 4, 2014, this Honourable Court directed that any surplus proceeds from the sale of the Meshers Road Lands pursuant to the Foreclosure Proceedings be paid to the

Proposal Trustee subject to further direction of this Honourable Court (the "Surplus Proceeds").

10. On July 9, 2014, the Credit Union obtained an Order Approving Sale of the Meshers Road Lands and directed, *inter alia*, that any Surplus Proceeds be paid to the Proposal Trustee subject to further order of this Honourable Court in the Proposal proceedings.
11. On or about October 6, 2014, the Surplus Proceeds were paid to counsel for the Proposal Trustee, who then paid the Surplus Proceeds to the Proposal Trustee on October 17, 2014.
12. The Proposal Trustee has outstanding professional fees and disbursements, including fees and disbursements of its counsel. The Proposal permits payment to the Proposal Trustee of all its proper fees and disbursements, including reasonable fees of its counsel in each case at their standard rates incurred in the Proposal proceedings.
13. The Proposal Trustee is of the respectful view that its accounts and those of its legal counsel are fair and reasonable taking into consideration the services that have been provided.
14. The Monitor has outstanding fees and disbursements, including fees and disbursements of its counsel. By Paragraph 28(b) of the Initial Order, the Monitor, its counsel and counsel for the Plan Applicants are entitled to their reasonable fees and disbursements in each case at their standard rates incurred as a part of the cost of the CCAA Proceedings.
15. This Honourable Court granted an Order October 25, 2013, approving the accounts of the Monitor and its legal counsel attached as Appendix "E" and Appendix "F" to the Eighteenth Report of the Monitor filed in the CCAA Proceedings.

Material or evidence to be relied on:

16. The combined Eleventh Report to the Court of the Proposal Trustee and the Twenty-Eighth Report to the Court of the Monitor.
17. The pleadings and proceedings in this action.
18. Such further and other evidence as counsel may advise and this Honourable Court may allow.

Applicable Rules:

19. Section 1, 2 and 3 of Part 6 of the *Alberta Rules of Court*.

Applicable Acts and Regulations:

- 20. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended.
- 21. *Companies' Creditors Arrangement Act*, RSC 1985, c C-36
- 22. Such further Acts and Regulations as may be advised.

Any irregularity complained of or objection relied on:

- 23. None.

How the Application is proposed to be heard or considered:

- 24. In person before the Honourable Mr. Justice D.R.G. Thomas on a day and time above-referenced in open chambers.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

Schedule "A"

Clerk's Stamp:

COURT FILE NUMBER **BE03-568045**
ESTATE NUMBER **24-1568045**
COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE **EDMONTON**
APPLICANT **IN THE MATTER OF THE BANKRUPTCY AND
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ORDER

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Edmonton, AB T5J 3V5
Ph. (780) 423-7246 Fx. (780) 423-7276
File No.: 529227-7/RCR

AND

COURT FILE NUMBER **1103 18646**
COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE **EDMONTON**
APPLICANTS **IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS
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AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF ARMAC INVESTMENTS
LTD. (AB), LAKE EDEN PROJECTS INC. (AB),
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LODGE AND GOLF RESORT LTD. (AB), HALF MOON
LAKE RESORT LTD. (AB), NO. 50 CORPORATE
VENTURES LTD. (BC), FISHPATH RESORTS**

CORPORATION (BC), ARMAC INVESTMENTS 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) (collectively, the "Purdy Group")

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ORDER

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Dentons Canada LLP
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Ph. (780) 423-7246 Fx. (780) 423-7276
File No.: 529227-7

DATE ON WHICH ORDER WAS PRONOUNCED: Monday, November 24, 2014
LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta
NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Mr. Justice D.R.G. Thomas

UPON the application of counsel on behalf of Alvarez & Marsal Canada Inc. in its capacity as proposal trustee (the "Proposal Trustee") of John (Jack) Kenneth Purdy ("Purdy"); AND UPON noting that Purdy has filed with this Honourable Court a Second Amended and Restated Proposal on March 10, 2014 as amended April 17, 2014 (the "Proposal"); AND UPON noting that the Proposal is consolidated with a Second Amended and Restated Plan of Compromise and Arrangement (the "Plan") of Armac Investments Ltd. (AB), Half Moon Lake Resort Ltd., Lake Eden Projects Inc., Fishpath Resorts Corporation, Armac Investments Ltd. (BC), Ostrom Estates Ltd., Hawkeye Marine Group Ltd. and Cherry Blossom Park Development Corp. (the "Plan Applicants") in Court of Queen's Bench of Alberta, Court File No. 0903 03603, Judicial Centre of Edmonton; AND UPON noting that Alvarez & Marsal Canada Inc. was appointed as the Monitor of the Plan Applicants (the "Monitor"); AND UPON noting that both the Proposal and the Plan have been approved by this Honourable Court; AND UPON hearing that by an Order of

this Honourable Court dated July 4, 2014, surplus proceeds in the amount of \$143,557.74 arising from foreclosure proceedings regarding the Lands legally described as Parcel Identifier: 008 428 565, the South ½ of District Lot 51, Alberni District (the "Lands") were paid to the Proposal Trustee (the "Surplus Proceeds") pending further order of this Honourable Court; AND UPON having read the combined 11th Report to the Court of the Proposal Trustee and the 28th Report to the Court of the Monitor; IT IS HEREBY ORDERED AND DECLARED THAT:

1. Notice of the application for this Order and any material in support is deemed good and sufficient upon all interested persons, the time for service of the application and any material in support is abridged to the time actually given and all further and other service of the application for this Order and any material in support is dispensed with.
2. All capitalized words or terms not otherwise defined or ascribed a meaning in this Order which are defined or ascribed a meaning in the Plan shall have the meaning defined or ascribed in the Plan.
3. The Surplus Proceeds may be applied by the Proposal Trustee against all outstanding professional fees and disbursements incurred by the Proposal Trustee, including professional fees and disbursements of counsel to the Proposal Trustee (the "Proposal Trustee Professional Fees").
4. Any excess Surplus Proceeds after paying the Proposal Trustee Professional Fees shall be utilized as follows:
 - (a) Firstly, a retainer up to the amount of \$20,000 shall be retained by the Proposal Trustee and may be applied by the Proposal Trustee without further order against any further fees and disbursements incurred by the Proposal Trustee; and
 - (b) Secondly, the balance, if any, shall be paid to the Monitor and may be applied by the Monitor against outstanding professional fees and disbursements of the Monitor, its counsel and counsel for the Plan Applicants, the allocation of which shall be in the discretion of the Monitor.
5. A copy of this Order may be filed in each of Court File numbers 1103 18646 and BE03-568045.

6. Service of this Order may be effected upon all persons who attended by counsel at this application on the service list by service on such persons or their counsel by way of email transmission or facsimile transmission and any further or other service is dispensed with.

J.C.Q.B.A.