

**Form 27**  
[Rules 6.3 and 10.52(1)]

Clerk's Stamp



COURT FILE NUMBER 1103 18646

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c.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), 131717 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)  
(COLLECTIVELY, THE "PURDY GROUP")

APPLICANT ALVAREZ & MARSAL CANADA INC. IN ITS  
CAPACITY AS MONITOR OF THE PURDY GROUP

DOCUMENT **APPLICATION ON BEHALF OF ALVAREZ &  
MARSAL CANADA INC. IN ITS CAPACITY AS  
MONITOR OF THE PURDY GROUP**

ADDRESS FOR SERVICE AND CONTACT  
INFORMATION OF PARTY FILING THIS  
DOCUMENT RAY C. RUTMAN  
Dentons Canada LLP  
2900 Manulife Place  
10180 – 101 Street  
Edmonton, Alberta T5J 3V5  
Ph. (780) 423-7246 Fx. (780) 423-7276  
File No.: 529227-7

**NOTICE TO THE PURDY GROUP AND PERSONS ON THE SERVICE LIST:**

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

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

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

Date	Friday, September 6, 2013
Time	10:00 am
Where	Law Courts Building 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 or other terms that this Honourable Court may direct authorizing Alvarez & Marsal Canada Inc. (the "Monitor") to market, list, enter into and implement offers to purchase, offers to sell and sale agreements (collectively "Agreements"), all as the case may be, with respect to certain properties owned by all or any of the Purdy Group, directing the disposition of the proceeds from any sale of property resulting from such Agreements and authorizing and directing incidental relief; and
2. An Order in the form of the draft Order attached as Schedule "B" to this Application or on such further or other terms as this Honourable Court may direct declaring that Division 4 Part 6 of the *Rules of Court* does not apply to this Application and the Monitor's confidential bid summary (the "Bid Summary") be temporarily sealed until further Order of this Honourable Court.

**Grounds for making this application:**

3. An Initial Order was granted by this Honourable Court pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended (the "CCAA") on December 1, 2011 (the "Initial Order").
4. By the Initial Order the Monitor was appointed monitor for the purpose of monitoring the property, business and financial affairs of the Purdy Group.
5. Paragraph 30 of the Initial Order granted to the Monitor, counsel to the Monitor and the Purdy Group's counsel an Administration Charge (the "Administration Charge") for the purpose of securing the professional fees and disbursements incurred by the Monitor and such counsel, which charge was not to exceed an aggregate amount of \$500,000.
6. The administration charge was increased by Order of this Honourable Court July 4, 2013 to \$625,000.

7. The administration charge was increased further by Order of this Honourable Court July 26, 2013 to \$800,000.
8. By an Order of this Honourable Court dated July 26, 2013 (the "Initial Monitor Marketing Order"), the Monitor was authorized to market and list in its own name on behalf of all or any of the Purdy Group certain properties (the "Initial Properties") and to execute offers, counter-offers, sale agreements and any amendments or addendums to any of such documents in relation to the Initial Properties provided that such agreements be subject to the approval of this Honourable Court subsequent to execution by the Monitor all, conditional upon the Purdy Group not having paid to the Monitor on or before July 27, 2013 certain funds on account of Professional Fees which professional fees are secured by the Administration Charge.
9. No funds were paid by the Purdy Group on account of Professional Fees subsequent to the Initial Monitor Marketing Order (to the date of the filing of this Application) and the Monitor did initiate a marketing process with respect to the Initial Properties.
10. The Monitor did receive a number of bids for the purchase of the Initial Properties which bids are summarized in the Bid Summary. The Monitor has not to date accepted any of the bids in the Bid Summary and is considering how to respond to each of such bids.
11. The Bid Summary contains confidential information of a commercial nature which if disclosed to third parties prior to the closing of any sales respecting the properties which are the subject of the bids contained in the Bid Summary could materially jeopardize the sales or, if the sales do not close, could materially jeopardize the values that the Purdy Group could subsequently obtain from the sale of the Initial Properties and as such, it is appropriate that this Honourable Court granted a Temporary Sealing Order in relation to the Bid Summary.
12. The information available to date to the Monitor with respect to the proceeds which will be realized from the sale of the Initial Properties suggest that such proceeds are unlikely to result in repayment in full of the outstanding professional fees.
13. The Initial Monitor Marketing Order adjourned an application by the Monitor to market, list and sell the following properties:

Parcel 001-018-507, Plan 38260, Lot 1, Section 18, Township 1, Barclay District

("Title Number 1")

Parcel 001-018-507, Plan 38260, Lot 1, Section 18, Township 1, Barclay District

(Title Number 2")
14. Title Number 1 is in the name of Armac Investments Ltd. (as to an undivided one-half interest) and Title Number 2 is in the name of Ostrom Estates Ltd. (collectively the "Ocean Front Property").
15. The Monitor is of the respectful view that the authorization sought to dispose of the Ocean Front Property is necessary to ensure the reasonable and prompt payment of the professional fees of the Monitor, its counsel and counsel for the Purdy Group incurred to date in these proceedings.

**Material or evidence to be relied on:**

16. The Fifteenth Report of the Monitor, filed.
17. The pleadings and proceedings in this action.
18. Such further and other materials as counsel may advise and this Honourable Court may permit.

**Applicable Rules:**

19. Rules 6.1, 6.3, 11.27 and 13.5 of the *Alberta Rules of Court*.

**Applicable Acts and Regulations:**

20. The CCAA.

**Any irregularity complained of or objection relied on:**

21. N/A

**How the Application is proposed to be heard or considered:**

22. In person by way of personal attendance of counsel

**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"**

COURT FILE NUMBER	1103 18646
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.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), 131717 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) (COLLECTIVELY, THE "PURDY GROUP")
APPLICANT	ALVAREZ & MARSAL CANADA INC. IN ITS CAPACITY AS MONITOR OF THE PURDY GROUP
DOCUMENT	<b><u>ORDER</u></b>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	RAY C. RUTMAN Dentons Canada LLP 2900 Manulife Place 10180 – 101 Street Edmonton, Alberta T5J 3V5 Ph. (780) 423-7246 Fx. (780) 423-7276 File No.: 529227-7

**DATE ON WHICH ORDER WAS PRONOUNCED:** Friday, September 6, 2013

**LOCATION WHERE ORDER WAS PRONOUNCED:** Edmonton, Alberta

**NAME OF MASTER/JUDGE WHO MADE THIS ORDER:** The Honourable Mr. Justice D. R. G. Thomas

UPON Application of counsel on behalf of Alvarez & Marsal Canada Inc. (the "Monitor"); AND UPON having read the Fifteenth Report of the Monitor and proof of service thereof; AND UPON having read the

pleadings and proceedings herein; AND UPON hearing counsel for the Monitor and counsel for the Purdy Group (which, in this Order shall mean and include those persons referenced as being included in the Purdy Group in the style of cause in these proceedings) and other counsel who appeared at the hearing of this Application;

IT IS HEREBY ORDERED THAT:

1. Service of the Application for this Order and any material in support is deemed good and sufficient upon all interested persons and the time for service such Application and material is abridged to the time actually given.
2. The Monitor is authorized, but not required, without further Order to:
  - a. market and list in its own name on behalf of all or any of the Purdy Group the properties listed in Schedule "A" to this Order (the "Ocean Front Property");
  - b. execute in its own name on behalf of all or any of the Purdy Group offers, counteroffers, sale agreements and any amendments or addenda to any such documents (individually and collectively "Agreements") with respect to any of the Ocean Front Property, provided that all such Agreements shall be subject to the approval of this Honourable Court after execution by the Monitor;
  - c. apply to this Honourable Court for approval of any Agreement entered into by the Monitor authorized by this Order and for the vesting of the Ocean Front Property which are the subject of the Agreement into the name of a proposed purchaser or its nominee;
  - d. do all acts and execute all documents in its own name on behalf of any of the Purdy Group for the purpose of implementing any Agreement approved by this Honourable Court (an "Approved Transaction").
3. Any listing of Ocean Front Property authorized by this Order and any Agreement entered into by the Monitor shall supercede and take the place of any other listing or agreement entered into in relation to the disposition of any of the Ocean Front Property by any of the Purdy Group.
4. The net proceeds of any Approved Transaction after payment of realtor commissions and any cost directly attributable to the closing of an Approved Transaction will be paid to the Monitor and may be applied by the Monitor without further Order against all Professional Fees then outstanding. Should the net proceeds received by the Monitor exceed the Professional Fees then outstanding, any surplus funds received by the Monitor in accordance with the terms of this Order shall be retained by the Monitor pending further direction of this Honourable Court.
5. Any interested person may apply to this Honourable Court on notice to any other person likely to be affected for an Order to allocate the funds paid for Professional Fees amongst the various assets comprising the "Property" as defined in paragraph 4 of the Initial Order granted in these proceedings December 1, 2011 notwithstanding the utilization of proceeds from the Ocean Front Property for payment of Professional Fees in accordance with this Order.

6. Service of this Order may be effected upon all persons 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.

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J.C.Q.B.A.

**Schedule "A" to the Order**

**Property List**

Parcel 001-018-507, Plan 38260, Lot 1, Section 18, Township 1, Barclay District

("Title Number 1")

Parcel 001-018-507, Plan 38260, Lot 1, Section 18, Township 1, Barclay District

("Title Number 2")

(Title Number 1 and Title Number 2 are collectively the "Ocean Front Property")



**SCHEDULE "B"**

COURT FILE NUMBER	1103 18646
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
	IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.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), 131717 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) (COLLECTIVELY, THE "PURDY GROUP")
APPLICANT	ALVAREZ & MARSAL CANADA INC. IN ITS CAPACITY AS MONITOR OF THE PURDY GROUP
DOCUMENT	<b><u>TEMPORARY SEALING ORDER</u></b>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	RAY C. RUTMAN Dentons Canada LLP 2900 Manulife Place 10180 – 101 Street Edmonton, Alberta T5J 3V5 Ph. (780) 423-7246 Fx. (780) 423-7276 File No.: 529227-7

**DATE ON WHICH ORDER WAS PRONOUNCED:** Friday, September 6, 2013

**LOCATION WHERE ORDER WAS PRONOUNCED:** Edmonton, Alberta

**NAME OF MASTER/JUDGE WHO MADE THIS ORDER:** The Honourable Mr. Justice D. R. G. Thomas

UPON Application of counsel on behalf of Alvarez & Marsal Canada Inc. (the "Monitor"); AND UPON having read the Fifteenth Report of the Monitor and proof of service thereof; AND UPON noting the

contents of the Monitor's Bid Summary as yet unfiled; AND UPON hearing counsel for the Monitor and counsel for the Purdy Group (which, in this Order shall mean and include those persons referenced as being included in the Purdy Group in the style of cause in these proceedings) and other counsel who appeared at the hearing of this Application;

IT IS HEREBY ORDERED THAT:

1. Service of the Application for this Order and any material in support is deemed good and sufficient upon all interested persons and the time for service of such Application and material is abridged to the time actually given.
2. Division 4 of Part 6 of the *Rules of Court* do not apply to this Application and the Clerk of the Court is directed to seal the Monitor's Bid Summary (the "Confidential Document") on the Court file until the Clerk receives a letter from the Monitor confirming the sale of each property referenced in the Confidential Document has closed or further Order of this Honourable Court. The Clerk of this Honourable Court is hereby directed to seal the Confidential Document in an envelope setting out the style of cause in the within proceedings and labeled:

**"This envelope contains a Confidential Document. This Confidential Document is sealed on the Court file pursuant to an Order issued by the Honourable Mr. Justice D.R.G. Thomas, Friday, September 6, 2013. This Confidential Document is not to be accessed by any person until the filing of a letter from Alvarez & Marsal Canada Inc. in its capacity as Monitor of the Purdy Group confirming that the sale of each of the properties referenced in the Confidential Document has closed or further Order of this Honourable Court."**

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J.C.Q.B.A.