

COURT FILE NUMBER 1103-18646
COURT 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
AMENDED



AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGMENT 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)
(collectively, the "Purdy Group" or the "Applicants")

DOCUMENT **SIXTEENTH REPORT OF THE MONITOR**

SEPTEMBER 16, 2013

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

MONITOR
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INTRODUCTION

1. On December 1, 2011, the Purdy Group sought and obtained protection from its creditors under the Companies' Creditors Arrangement Act, R.S.C. 1985, c.C-36, as amended (the "CCAA") pursuant to an order of the Court of Queen's Bench of Alberta ("Court") (the "Initial Order").
2. Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. was appointed monitor of the Purdy Group (the "Monitor").
3. The purpose of this sixteenth report of the Monitor (the "Sixteenth Report" or this "Report") is to request that this Honourable Court:
 - a) grant an order approving sale and vesting order for the sale of the 3620-3rd Avenue Property (defined below);
 - b) approving the marketing and sales activities of the Monitor in respect of the Non Core For Sale Properties (the "Sales Process"), which includes the marketing of the 3620-3rd Avenue Property; and
 - c) direct that the proceeds from the sale of the 3620 3rd Avenue Property be utilized to pay outstanding CCAA professional fees, pursuant to the Order granted July 26, 2013 by the Court authorizing the Monitor to sell certain Non-Core For Sale Properties on behalf of the Applicants, subject to court approval (the "Sale Order").
4. Capitalized terms not defined in this Sixteenth Report are as defined in the Initial Order, the First Report, the Second Report, the Third Report, the Fourth Report, the Fifth Report, the Sixth Report, the Seventh Report, the Eighth Report, the Ninth Report, the Tenth Report, the Eleventh Report, the Twelfth Report, the Thirteenth Report, the Fourteenth Report, the Fifteenth Report, the Claims Procedure Order, the Dispute Procedural Order and the Sale Order.

5. The style of cause has either an (AB) or (BC) after each of the corporate Applicant company names. The Monitor understands this was done to indicate in which province the corporate applicants are located, and that those letters do not form a part of the legal name of the company. There are two different corporate entities with the name Armac Investments Ltd, one is a British Columbia (“B.C.”) corporation and the other is an Alberta corporation (“AB”).
6. All references to dollars are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE

7. In preparing this Sixteenth Report, the Monitor has relied upon unaudited financial information, company records and discussions with management of the Purdy Group. The Monitor 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 management’s assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

BACKGROUND

8. The Purdy Group is a group of privately-held companies engaged in the business of property acquisition, development and sale in the provinces of Alberta and British Columbia, as well as the management of operating businesses on the lands. The primary assets are geographically located mainly on the West Coast of Vancouver Island, British Columbia and in or around Edmonton, Alberta.
9. The Purdy Group entities are owned 100% by its sole owner, director and officer, Mr. John (Jack) Kenneth Purdy (“Jack Purdy”), either directly or through holding companies, legally and beneficially. Jack Purdy is operating under the proposal provisions of the BIA and has presented a proposal to his creditors. Alvarez and

Marsal Canada Inc. is also the Proposal Trustee. The meeting of creditors to consider the proposal was held on June 22, 2012 and the meeting was adjourned to October 9, 2012. At that meeting, the creditors voted to further adjourn the meeting to January 25, 2013 at the same time and place and at this meeting the creditors again adjourned the meeting for further investigation into the affairs of Jack Purdy to February 20, 2013 at 10:00 am at the offices Dentons Canada LLP (“Dentons”), formerly Fraser Milner Casgrain LLP. The February 20, 2013 meeting was further adjourned until May 16, 2013 at 4:00 pm at the offices of Dentons. The May 16, 2013 meeting was adjourned to within ten days of the next stay extension expiry of July 26, 2013. The July 26, 2013 meeting was then adjourned to within ten days of the next stay extension expiry October 25, 2013 at 10:00 am at the offices of Dentons.

10. Further background to the Purdy Group and its operations and description of the Purdy Group properties are contained in the materials filed relating to the Initial Order including the various affidavits of Jack Purdy and in the previous fourteen reports of the Monitor. These documents, together with other information regarding this CCAA proceeding, have been posted by the Monitor on its website at: www.amcanadadocs.com/purdy.

3620 - 3RD AVENUE PROPERTY OFFER

Overview

11. On July 26, 2013, on application made by the Monitor, the Court granted the Sale Order authorizing the Monitor to sell certain Non-Core For Sale Properties on behalf of the Applicants, subject to court approval. One of these properties is located at 3620-3rd Avenue, Port Alberni, BC (the “3620-3rd Avenue Property”). The Sale Order also provided that the proceeds from the sale would be firstly applied to the outstanding CCAA professional fees. A copy of the Sale Order is attached as Appendix A to this Report.

12. The Monitor previously advised the Court that the Non Core For Sale Properties, which includes the 3620-3rd Avenue Property, were extensively marketed by the Applicants, with the assistance of Colliers MacAulay Nicolls Inc. (“Colliers” or the “Agent”), to potential purchasers for over a year. The Applicants, with the assistance of Colliers, used two sales strategies and techniques: (a) traditional fair market value sales approach with a listing price (the “Traditional Sales Process”); and (b) a more aggressive sales approach where the Applicants initiated a “solicitation for offers” process to attract any and all reasonable offers on an “as is where is” basis (“Solicitation Sales Process”).
13. The Monitor understands that the Traditional Sales Process did not attract any offers for the 3620-3rd Avenue Property and the Solicitation Sales Process only attracted one offer for \$100,000 that contained multiple conditions.
14. On August 13, 2013, pursuant to the Sale Order, the Monitor, with the assistance of Collier’s, initiated its own “solicitation for offers” process (the “Monitors Solicitation Process”) to attract any and all reasonable offers on an “as is where is” basis with a bid deadline of August 30, 2013. As previously reported to the Court, the Monitor received three (3) offers for 3620-3rd Avenue Property.
15. The Fifteenth Report and other filed reports of the Monitor provide a more fulsome discussion and analysis regarding the Traditional Sales Process, the Solicitation Sales Process and the Monitor’s Solicitation Process (collectively, the “Overall Sales Process”) during the CCAA proceedings.
16. In order to be able to more fully assess the commercial reasonableness of the offers received on the 3620-3rd Avenue Property, the Monitor reviewed the offers and compared them to previous real estate property assessments completed by Colliers and other real estate agents in January 2012, previous offers received on the 3620-3rd Avenue Property over the past year and the property tax assessments values, as discussed further below.

Offer Accepted Subject to Court Approval

17. After review and analysis of the offers received in the Monitor's Solicitation Process, the Monitor accepted, subject to the Court's approval, an offer for \$175,000 on an "as is where is" basis (the "3620-3rd Avenue Property Offer") and believes the purchase price accepted by the Monitor is reasonable in the circumstances. A copy of the accepted 3620-3rd Avenue Property Offer is attached as Appendix B to this report.
18. Pursuant to the Sale Order, the Monitor is applying to this Honourable Court to approve the 3620-3rd Avenue Property Offer and for the vesting of this property to the purchaser, Alberni Clayoquot Regional District (the "Regional District"), as discussed further below. Pursuant to the Sale Order, the net proceeds from the sale of approximately \$160,000 are to be paid to the Monitor to pay outstanding professional fees.

Assessment of Purchase Price

19. The 3620-3rd Avenue Property is located in the City of Port Alberni and is comprised of a total land area of approximately 19,218 square feet and a 12,000 square foot commercial/light industrial building (partially tenanted by Sun Coast Waste Service who occupies 4,000 sq.ft and pays \$2,800 per month in net rent directly to Jack Purdy).. The 3620-3rd Avenue Property is owned by Armac Investments Ltd. (BC).
20. In January 2012, based on market data available suggesting a maximum value per square foot in the range of \$40-\$50 and the property tax assessed value of \$430,000, Colliers suggested a listing price under a Traditional Sales Process for the 3620-3rd Avenue Property of \$460,000. Based on this advice, the Applicants listed the property in late-June 2012 for \$460,000. As no interest was received the listing price was reduced in mid-February 2013 to \$369,000. No offers were received at that price during the Traditional Sales Process.

21. The Monitor has also compared the 3620-3rd Avenue Property Offer to the 2011, 2012 and 2013 property tax assessment values of \$276,000, \$446,000 and \$446,000, respectively. The Monitor understands that the land value component of the three property tax assessments remained the same at \$134,000 over the past three years, but for some unknown reason to the Applicants, Colliers and the Monitor, the “improvements” value component of the property tax assessment increased in 2012 to \$312,000 from \$142,000 in 2011 and remains at that level. The Monitor is not aware that there have been any improvements made to the 3620-3rd Avenue Property between 2011 and 2012 that would have warranted this increase in property tax assessment value; however, the increase was not disputed by Armac. Colliers has advised the Monitor that the current property tax assessment on 3620-3rd Avenue Property is not indicative of the current market conditions.
22. Based on the results of the offers received throughout the Overall Sales Process, Colliers, advises that the 3620-3rd Avenue Property Offer is appropriate and represents market value in the circumstances and that exposing this property for an additional time period will unlikely attract a stronger offer than what was offered by the Regional District at \$175,000.

Monitor’s Consideration

23. The Monitor’s review of the Overall Sales Process and review of all offers to purchase submitted involved the following:
 - a) the extent to which prices offered are consistent with independent real estate market assessments received by the Monitor, other offers received by the Monitor and Applicants on this property over the past year and property tax assessment values;
 - b) the overall execution risk associated with closing a transaction with a particular prospective purchaser;

- c) the reputation and financial wherewithal of each of the prospective purchasers;
- d) the timing, execution and fairness of the Overall Sales Process, generally; and
- e) the degree to which offers conformed to the terms of the “solicitation for offers” as set out in the information package submitted to all interested parties and the extent to which prospective purchasers complied with the Monitor’s Solicitation Process.

Monitor’s Recommendation

24. The Monitor believes that the 3620-3rd Avenue Property Offer is reasonable under the circumstance and should be approved by the Court given:

- a) the extensive marketing and sales efforts conducted by Colliers, with the assistance of the Applicants and the Monitor, in the Overall Sales Process;
- b) the final purchase price offer is the highest and best offer received on this property in the Overall Sales Process;
- c) the purchase price is all cash;
- d) the 3620-3rd Avenue Property Offer has minimal closing conditions (only subject to Court approval) and the Regional District advised that it wishes to continue having the current lease in place with the tenant, Sun Coast Waste Services;
- e) the Monitor was specifically authorized to market and sell this property pursuant to the Sale Order (subject to Court approval);

- f) in the opinion of the Monitor, the Regional District has the reputation and financial wherewithal to render a limited overall execution risk; and
- g) the 3620-3rd Avenue Property Offer conformed to the terms and conditions of the Monitor's Solicitation Process.

PAYMENT OF OUTSTANDING CCAA PROFESSIONAL FEES

- 25. As previously reported, there are significant outstanding professional fees and the purpose to the Sale Order was to provide the Applicants a means to catch up on these fees. Earlier reports of the Monitor discuss the need and requirement for the payment of these fees.
- 26. There are various registrations of mortgages and encumbrances disclosed on land titles for 3620-3rd Avenue Property, as attached as Appendix C to this Report. The holders of these registrations were served with the application for the Sale Order and the Monitor is not aware of any objection to the Sale Order being granted.
- 27. Pursuant to paragraph 5 of the Sale Order, any interested person may apply to the Court on notice to any other person likely to be affected for an order to allocate the funds paid for outstanding professional fees amongst the various assets compromising the "Property" as defined in paragraph 4 of the Initial Order notwithstanding the utilization of proceeds from specific property for payment of outstanding professional fees.

ORDER APPROVING SALE AND VESTING ORDER

- 28. As contained in the Notice of Application, the Monitor will be seeking the approval of the sale of the 3620-3rd Avenue Property (the "Approving Sale and Vesting Order"). The form of the Approving Sale and Vesting Order contains, among other things:

- a) the Court's approval of the marketing activities of the Monitor;
- b) the Court's approval and ratification of the 3620-3rd Avenue Property Offer as accepted by the Monitor;
- c) an order vesting title of the 3620-3rd Avenue Property to the Regional District free and clear of all liens, encumbrances and other such limitation or restrictions in respect of title;
- d) an order directing the proceeds from the sale be utilized to pay the outstanding CCAA professional fees; and
- e) the Approving Sale and Vesting Order shall have full force and effect in all provinces and territories in Canada and directing the Registrar of Victoria Land Title Office to discharge, release, delete and expunge from title the registrations on the land which are registered in the Victoria Land Title Office.

All of which is respectfully submitted this 16th day of September, 2013.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as court-appointed Monitor of
the Purdy Group**



Tim Reid, CA•CIRP
Senior Vice-President



Orest Konowalchuk, CA•CIRP
Director

APPENDIX A

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


for Clerk of the Court



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

ORDER

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: July 26, 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 Thirteenth Report of the Monitor and proof of service thereof; AND UPON having read

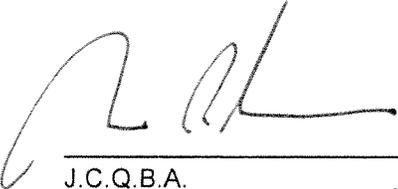
the pleadings and proceedings herein; AND UPON hearing counsel for the Monitor and counsel for the Purdy Group (which, in this Order shall mean and include those persons referenced as being included in the Purdy Group in the style of cause in these proceedings) and other counsel who appeared at the hearing 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. If the Purdy Group has not paid to the Monitor on or before ~~August 30~~ ^{July 27}, 2013 funds equal to the lesser of the fees, disbursements and applicable goods and services tax and provincial sales tax then outstanding in these proceedings payable to of the Monitor, the Monitor's legal counsel and counsel for the Purdy Group (collectively "Professional Fees") and \$600,000, 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 all or any of the properties listed in Schedule "A" to this Order (other than the properties referred to under the heading Ocean Front Property (the "Properties"));
 - 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 Properties, 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 those Properties 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 Properties 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 Properties 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 specific Properties for payment of Professional Fees in accordance with this Order.

6. The Application of the Monitor in respect to the marketing, listing and sale of any Ocean Front Property is adjourned to September 6, 2013 at ~~10:00~~ ^{9:30} a.m.
7. 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.



J.C.Q.B.A.
Thorne J

Schedule "A" to the Order

Property List

**PURDY GROUP OF COMPANIES
PROPERTY LISTING
July 19, 2013**

| Legal Description | Notes | Registered Owner | Mortgagor, Amount and Date | Other encumbrances |
|---|--|--|---|--|
| NON CORE FOR SALE PROPERTIES | | | | |
| 5611 Culverton Rd. Parcel: 003 651 168 Lot 1; Sec.8, Range 6, Sahltlam District; Plan 12309 Duncan Rural | 18.37 acres land Utility big- 2,112sq.ft | Cherry Blossom Park Development Corp. | 1) Armac Investments Ltd.; April 16, 2004 2) Tarmac Management Ltd. (Feb.9/05) | 1) Esquimalt and Nanaimo Railway Company - registered owner charge |
| Roll: 03 765 03588.055 | | | | |
| 3425 River Road, Chemainus | 7.51 acres 31422, Lot 2; Sections 14 & 15; Range 3; Chemainus district | Armac Investments Ltd (BC) | Tarmac Management Ltd; February 9, 2005 | 1) Esquimalt and Nanaimo Railway Company - registered owner charge 2) Her Majesty the Queen in the Right of BC (May 26/88) 3) Easement (April 8/99) 4) Crown in the Right of Canada - Judgement (Aug.20/03) 5) Kim Galavan - CPL (Sept.19/06) 6) Ronald Durrance - builder's lien (Nov.24/09) 7) Crown of BC - property tax charge (Mar.9/10) 8) B.Loewen - Judgement (July 13/10) |
| Roll: 16472-000 | | | | |
| 3620 3rd Ave. Port Alberni | Retail Store & Land 19,218 sq.ft. (land) 10,000 sq.ft (building size) | Armac Investments Ltd (BC) | 1) John Purdy (May 14/99) 2) Crown in the Right of Canada (Aug.22/02) | 1) Alberni Land Company Limited and Esquimalt and Nanaimo Railway Company - undersurface rights 2) Crown in the Right of Canada - Judgement - interest in Jack Purdy (May 23/03); 3) Kim Galavan - CPL (Sept.19/06); 4) Crown of BC - Property Transfer Tax charge (March 9/10) 5) Byron Loewen - Judgement (Apr.23/10) |
| Roll: 04-223-990/0101-00 00 | | | | |

**PURDY GROUP OF COMPANIES
PROPERTY LISTING
July 19, 2013**

| Legal Description | Notes | Registered Owner | Mortgagor, Amount and Date | Other encumbrances |
|---------------------------------|--|---|---|--|
| 3203-3211 2nd Ave. Port Alberni | Parcel: 009-278-923 009-278-940 009-278-966 Lot 13-15, Block 74, District Lot 1, Plan 197; Alberni District | Land - 12,375 sq. ft. Storage Warehouse 33 x 125 ft (1,600 sq ft) | Armac Investments Ltd (BC) | 1) Alberni Land Company Limited and Esquimalt and Nanaimo Railway Company. 2) City of Port Alberni - restrictive covenant (June 13, 1996) 3) Crown of Canada - Judgement (Aug.20/03) 4) Kim Galavan - CPL (Sep.19/06) 5) Crown of BC - property tax transfer (Mar.9/10) 6) B.Loewen - Judgement - (Apr.23/10) |
| Roll: 04-223-001/0916-00 00 | | | 1) Crown in the Right of Canada (Aug.22/02) | |
| Roll: 04-223-001/0917-00 00 | | | | |

**PURDY GROUP OF COMPANIES
PROPERTY LISTING
July 19, 2013**

| Legal Description | Notes | Registered Owner | Mortgagor, Amount and Date | Other encumbrances |
|---|--|--|---|---|
| <u>OCEAN FRONT PROPERTY</u> | | | | |
| 200 South Bamfield Road Parcel: 001-018-507; Plan 38260; Lot 1; Section 18; Township 1; Barclay district Roll: 05 770 02771.000 | WaterFront Lots - 38.53 acres (value \$2,872,000 BC assessments) | Armac Investment Ltd. (undivided 1/2 interest) | 1) Crown in the Right of Canada (Aug.22/02) | 1) Her Majesty the Queen in the Right of the Province of BC & Regional District of Alberni-Clayoquot (April 30/87) 2) Crown in the Right of Canada - Judgement (Oct.5/2000) 3) CPL - Kim Galavan (Sept.19/06) 4) CPL - Crown in the Right of Canada (Dec.9/09) 5) Property Transfer Tax charge - Crown of BC (Mar.9/10) |
| 200 South Bamfield Road Parcel: 001-018-507; Plan 38260; Lot 1; Section 18; Township 1; Barclay district Roll: 05 770 02771.000 | WaterFront Lots - 38.53 acres (value \$2,872,000 BC assessments) | Ostrom Estates Ltd. (undivided 1/2 interest) | 1) Crown in the Right of Canada (Aug.22/02) | 1) Her Majesty the Queen in the Right of the Province of BC & Regional District of Alberni-Clayoquot (April 30/87) 2) Crown in the Right of Canada - Judgement (Nov.6/1998) 3) CPL - Kim Galavan (Sept.19/06) 4) CPL - Crown in the Right of Canada (Dec.9/09) 5) Property Transfer Tax charge - Crown of BC (Mar.9/10) |

**PURDY GROUP OF COMPANIES
PROPERTY LISTING
July 19, 2013**

| Legal Description | Notes | Registered Owner | Mortgagor, Amount and Date | Other encumbrances |
|-------------------------------------|--|--------------------------------|----------------------------|---|
| <u>Giant Mine Properties</u> | | | | |
| Giant Mine Rd. Invermere | Parcel: 012-778-362; District Lot 8199; Kootenay District | Arnac Investment Ltd. (BC) | | 1) Baroid Corporation of Canada Ltd. - undersurface rights (Sept 30/60) 2) Baroid Corporation of Canada Ltd. - undersurface rights (Aug. 15/89) 3) Crown of BC - Property Tax Charge (Nov 6/08) 4) Crown in the Right of BC - Crown Debt - (Jan.28/10) |
| | Roll: 29 704 05450.000 | | | |
| Giant Mine Rd. Invermere | Parcel: 014-571-943; District Lot 136; Kootenay District | Giant Mountain Properties Ltd. | | 1) Baroid Corporation of Canada Ltd. - undersurface rights (Aug. 15/89) |
| | Roll: 29 704 02102.000 | | | |
| Giant Mine Rd. Invermere | Parcel: 012-778-338; District Lot 1109; Kootenay District | Jubilee Mountain Holdings Ltd. | | |
| | Roll: 29 704 03107.000 | | | |

APPENDIX B

SCHEDULE 1

TO: Alvarez & Marsal Canada Inc.
c/o Tom Powell
Monitor of the Companies
Commerce Place
1680 - 400 Burrard Street
Vancouver, B.C. V6C
3A6
Email: tpowell@alvarezandmarsal.com
Phone: (604) 639-0846

1. Alberni Clapquot Regional District
Name of Offeror

2. 3008 Fifth Ave.
Port Alberni, BC
V94 2E3

Address of Offeror

3. The Offeror hereby offers to purchase from the Vendor, subject to the Terms and Conditions, the Properties indicated below, which are more particularly described in Appendices A through C attached hereto and forming part of this Offer:

SCHEDULE I

| <u>DESCRIPTION</u> | <u>APPENDIX</u> | <u>PURCHASE PRICE</u> Excluding GST |
|--|-----------------|--|
| EN BLOC OFFER <i>(*if you intend to make an "en bloc" offer, you must allocate the total purchase amongst the Properties listed below)</i> | Appendix A-C. | 0 |
| <u>OR Offer on Individual Property (s)</u> | | |
| 5611 Culverton Road | Appendix A. | 0 |
| 3425 River Road | Appendix B. | 0 |
| 3620 - 3 rd Avenue | Appendix C. | \$175,000 |

4. The Offeror hereby acknowledges and agrees that the Definitions and the Terms and Conditions attached hereto as **Schedule I** and **Schedule II** are incorporated by reference and made a part of this Offer and made a part of any Agreement constituted by the acceptance of this Offer.

DATED at Port Alberni, this 29 day of August, 2013.

Alberni Clayoquot Regional District
 Print Name of Offeror
 Per: [Signature] Chairperson
 Per: Russell Dyson CAO

Teri Fong
 Print Name of Witness
 Per: Fong
 Per: Fong

ACCEPTED:
[Signature]
 Alvarez & Marsal Canada Inc.
 in its capacity as Monitor of
 the Companies

[Signature]
 Per Name of Witness

Per: Tim Reid
 Per: _____

Per: DREW KONOWALCZYK
 Per: _____

SCHEDULE IDEFINITIONS OF OFFER TO PURCHASE
Cherry Blossom Park Development Corp.
Armac Investments Ltd. (BC)

In this Offer and in the Agreement constituted by acceptance hereof, including the Terms and Conditions of this Offer contained in Schedule II hereof, the following words and phrases shall have the following meanings:

"**Agreement**" means the agreement constituted by the acceptance of the Offer;

"**Closing Date**" means, transaction approved pursuant to the Vesting Order and shall occur on the first business day after the Vesting Order is issued or such other business day as may be agreed to by the Vendor and the Offeror acquiring one, some and/or all the Properties; ;

"**Court Approval**" means, the day in which the court approves the transaction of the Properties and grants the Vesting Order;

"**Deposit**" means an amount to be delivered to the Vendor coincident with the delivery of the Offer and shall be in an amount equal to ten (10%) percent of the amount of the Offer and payable by way of certified cheque to "Alvarez & Marsal Canada Inc. - In Trust";

"**Effective Date**" means, unless otherwise agreed to between the parties, 12:01 a.m., Mountain daylight time, on the closing date;

"**Offer**" means the OFFER TO PURCHASE – Cherry Blossom Park Development Corp. and Armac Investments Ltd. (BC) when duly completed and executed by the Offeror;

"**Offeror**" and "**Purchaser**" means the person described as Offeror in the Offer;

"**Properties**" means, 5611 Culverton Road, 3425 River Road, and 3620-3rd Avenue and other items as stipulated in paragraph 3 of the Offer;

"**Purchase Price**" means the amount set forth in the Offer, adjusted only for property taxes, plus applicable GST payable in lawful money of Canada and unconditionally releasable and payable in cash (or by certified cheque or bank draft drawn on a Canadian Chartered Bank) by the Purchaser to the Vendor on the Closing Date;

"**Terms and Conditions**" means all of the terms and conditions contained in Schedule II to the Offer;

"**Vendor**" means Alvarez & Marsal Canada Inc. in its capacity as Court-Appointed Monitor of the Companies.

SCHEDULE II

TERMS AND CONDITIONS OF
OFFER TO PURCHASE
Cherry Blossom Park Development Corp.
Armac Investments Ltd. (BC)

1. The Offeror acknowledges and agrees that acceptance of the Offer by the Monitor is made by it solely in its capacity as Monitor of the Companies and not in its personal capacity, and that the Vendor and its respective employees, servants and agents shall have no personal or corporate liability whatsoever with respect to any matter(s) relating to or arising out of the Offer, the Agreement or the advertisement or sale of the Properties. Any suit, claim, demand or cause of action of the Offeror, in any way arising out of or related to the Offer, the Agreement or the advertisement or sale of the Properties, shall be restricted solely to the Properties and the Deposit.
2. Nothing herein shall be construed as a warranty, agreement or representation that the Vendor, as the Monitor of the Companies, is the owner of the Properties or that there are or will be no restrictions, encumbrances, burdens or obligations against the Properties.
3. The Vendor, in its sole discretion, may waive any or all of the Terms and Conditions of the Agreement which are for the benefit of the Vendor, provided however that any waiver shall only be effective if in writing and any such waiver shall not apply to waive any other provisions unless expressly stated in writing.
4. The Vendor has specified certain details respecting the Properties described above. The descriptions therein contained are not warranted to be complete or accurate, and the Offeror has had full opportunity to and has conducted such tests, examinations, inspections, and investigations as it deems necessary or advisable to fully acquaint itself with the Properties, their title, fitness for particular purpose, location, existence, condition, quality, quantity, merchantability, suitability for intended purpose, and with any other attributes which the Offeror considers relevant.
5. The Properties are being sold on an "as is and where is" without recourse basis.
6. The Offeror acknowledges that it was entitled to and had the opportunity to consult with its own independent legal counsel prior to making the Offer.
7. The Offeror, with this Offer, delivered to the Vendor the Deposit. If the Offer is accepted, then subject to Paragraph 8 hereof, the Deposit shall be applied to the Purchase Price.

8. If the Offer is accepted and the Offeror fails to comply with any of the Agreement, or if the Offeror is unable or unwilling to complete this transaction for any reason whatsoever, the Deposit and all payments made on account of the Purchase Price shall be forfeited to the Vendor as a genuine pre-estimate of liquidated damages and not as a penalty.
9. In the event that this Offer is not accepted, the Deposit accompanying this Offer shall be returned to the Offeror without interest as soon as reasonably practicable.
10. The Offeror acknowledges that Vendor is not obligated to accept this Offer or the highest or any offer received by the Vendor. Any offer accepted by the Vendor is subject to Court Approval.
11. If the Offer is accepted, then notification of such acceptance shall be made effective upon delivery of such notification in writing to the address of the Offeror set forth in the Offer and shall be deemed to have been received by the Offeror on the day on which such delivery is made. Subject to the satisfaction of the condition precedent in favour of the Vendor at Paragraph 20 B of this Schedule II, upon acceptance as aforesaid, the accepted Offer shall constitute a binding agreement of purchase and sale. Unless otherwise agreed between the parties, the closing of this transaction shall take place on the Closing Date.
12. Time shall be of the essence of this Offer, any acceptance thereof and the Agreement constituted by such acceptance.
13. This Offer and the Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the Offeror irrevocably attorns to the jurisdiction of the Courts of the Province of Alberta.
14. In consideration of the Vendor making available to the Offeror information relating to the Properties and the opportunity of inspection of such information, and in consideration of the Vendor receiving offers, the Offeror agrees that its Offer is irrevocable prior to the expiration of September 4, 2013.
13 RD
15. The Offeror shall, after the Purchase Price has been paid in full, take delivery and possession of the Properties on an "as is and where is" basis on the Closing Date, without recourse to the Vendor or their respective employees, servants and agents. The Purchase Price shall be paid to the Vendor on the Closing Date in cash or by certified cheque or bank draft drawn on a Canadian Chartered Bank by the Offeror.

16. Existing insurance coverage held by the Companies is limited to liability insurance on the Properties. In the event of any damage occurring prior to Closing Date, the Offeror shall not have the right to rescind, but, rather, shall have all of the rights of the insured party under the terms of the insurance policy under which the Properties are insured. The Offeror shall arrange for its own insurance as at and from the Closing Date.
17. At the Closing Date, the Vendor shall execute and deliver a Transfer of Land or any other documentation necessary to give effect to this transaction.
18. There are no representations, warranties, collateral agreements, or conditions whatsoever by the Vendor, and the Offeror, having been afforded all reasonable opportunity to examine the Properties and all documents and information pertaining to or affecting the Properties insofar as such documents and information are in the Vendor's possession, acknowledges and agrees that there are no representations, collateral agreements, conditions or warranties, expressed or implied, by statute, custom or otherwise, on the part of the Vendor or their respective agents, servants or employees, affecting the rights of the Offeror hereunder, and that, without restricting the generality of the foregoing, there are no representations regarding the Properties as to title, location, existence, fitness for particular purpose, condition, quality, quantity, merchantability or suitability for intended purpose, or as to any other attributes which the Offeror considers relevant. The Offeror further acknowledges and agrees that it is not relying upon any representations made by the Vendor or their respective agents, servants or employees and that the Agreement is and shall be the entire agreement between the parties.
19. The Offeror (if a corporation) represents and warrants to the Vendor that as of the date hereof, to and including the Closing Date:
 - A. the Offeror is and will be a corporation duly incorporated, validly subsisting and in good standing under the laws of the Province of Alberta or British Columbia or is and will be a corporation duly incorporated, validly subsisting and in good standing under the laws of the jurisdiction of its incorporation and duly qualified and registered in the province of Alberta, and the Offeror has the full legal right, power, capacity and authority to acquire and own the Properties;
 - B. the Offeror has and had at the time of execution, all requisite corporate power, authority and capacity to execute and deliver this Offer to the Vendor and to make and fully observe and perform all terms, covenants, conditions, agreements, representations and warranties contained in this Offer;

- C. the execution and delivery of this Offer has been duly authorized by all necessary corporate action of the Offeror and all necessary resolutions have been taken or passed by the Offeror and its shareholders, directors and officers in order to authorize the execution and delivery of this Offer and the carrying out of the transaction contemplated hereunder, and this Offer together with the acceptance thereof shall constitute a legal, valid and binding agreement for sale enforceable against the Offeror in accordance with its terms, with respect to those obligations of the Offeror set forth herein;
 - D. the Offeror has duly executed and delivered this Offer and the execution, delivery and performance by the Offeror of this Offer does not and will not violate or conflict with the constituting documents and by-laws (if any) of the Offeror, nor any resolution of the directors or shareholders of the Offeror nor with any agreements, instruments, injunctions, judgments, decrees or writs to which the Offeror is a party or is bound, nor result in a violation of any law, statute, regulation, ordinance or rule to which the Offeror is subject;
 - E. no registration with, giving of notice to, or consent or approval of, any governmental or public bodies or authorities, or any other parties, is necessary for the execution and delivery by the Offeror of the Offer or for the performance by the Offeror of the terms and conditions contained herein;
 - F. the Offeror is not a non-Canadian as defined in the Investment Canada Act or if the Offeror is such a non-Canadian, then either the transaction herein is not notifiable or reviewable under such Act or the Offeror has satisfied the requirements of such Act such that the transaction herein provided for may be completed without contravention of such Act.
20. The obligation of the Vendor to complete the sale of the Properties pursuant hereto is subject to the following conditions precedent:
- A. the Offeror shall cause to be paid and delivered to the Vendor on the Closing Date the Purchase Price plus any applicable goods and services tax.
 - B. that a Court Order is obtained authorizing the sale of the Properties and vesting title of the Properties in the Offeror.

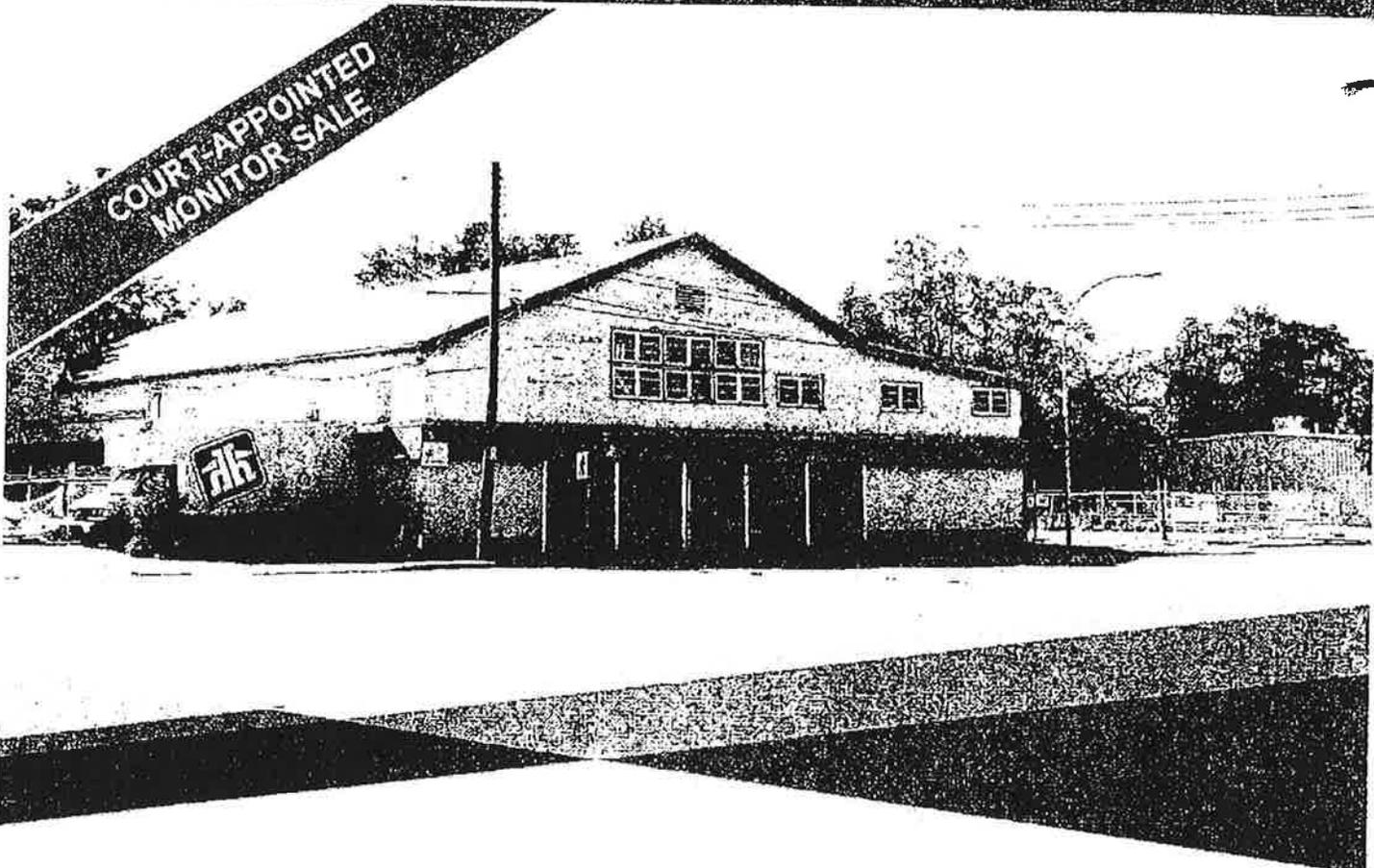
21. The foregoing conditions precedent in Paragraph 20 shall be for the benefit of the Vendor and Purchaser and may not be waived, in whole or in part, at any time on or before the Closing Date.
22. No amendment or variation of the Agreement shall be of any force or effect unless the same is reduced to writing and duly executed by the Vendor and the Offeror.
23. Interest on the Deposit and all other funds paid to the Vendor pursuant to this Offer shall accrue to the benefit of Vendor.
24. The Offeror and the Vendor mutually agree to do all such further acts and execute all such further documents and instruments as may reasonably be necessary or convenient to give full effect to the Agreement.
25. This Agreement shall endure to the benefit of and be binding upon the Offeror and Vendor and their respective successors and assigns.
26. The Listing Agent shall be paid sales commission with respect to the sales arising upon the acceptance of any Offer, in accordance with the Exclusive Sale Listing Agreement between the Monitor and Colliers dated August 6, 2013.

FOR SALE > SERVICE COMMERCIAL BUILDING & LAND

Service Commercial Property



3620 3RD AVENUE, PORT ALBERNI, BC



INVITATION FOR OFFERS

COURT-APPOINTED MONITOR SALE

Offers must be submitted to Alvarez & Marsal Canada Inc. by August 30, 2013.

All offers will be considered.



ALVAREZ & MARSAL CANADA INC.
400 Burrard Street
Suite 1660, Commerce Place
Vancouver, BC V6C 3A6
MAIN: +1 604 638 7440
FAX: +1 604 638 7441

Contact Us

JASON WINTON
+1 250 740 1060 Ext. 2223
jason.winton@colliers.com

BRAD BAILEY
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brad.bailey@colliers.com

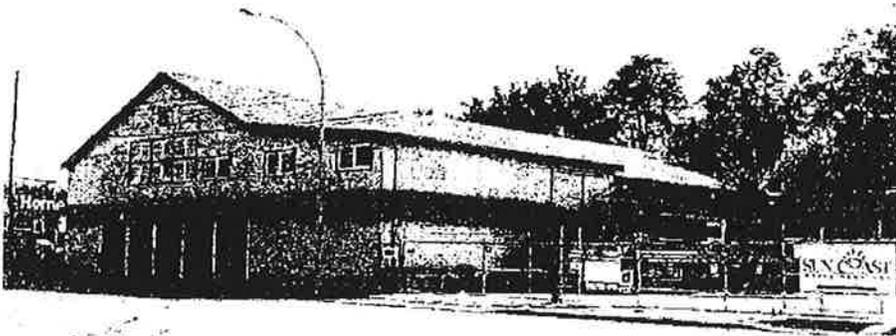
BRAD ARCHIBALD
+1 250 740 1060 Ext. 2224
brad.archibald@colliers.com

Colliers International
335 Wesley Street Suite 105
Nanaimo, BC V9R 2T5
MAIN: +1 250 740 1060
FAX: +1 250 740 1067
www.collierscanada.com/nanaimo

FOR SALE > SERVICE COMMERCIAL BUILDING & LAND

Service Commercial Property

3620 3RD AVENUE, PORT ALBERNI, BC



Opportunity

Colliers is pleased to offer for sale a ±12,000-square-foot service commercial building centrally located along 3rd Street, one of Port Alberni's main commercial arteries connecting downtown to the northern portion of city.

Location

The property is located on 3rd Avenue at the bottom of Burde Street, directly adjacent to Home Hardware retail store, Big O Tires and peripheral to the downtown core area of the City of Port Alberni. The Property represents an opportunity to purchase land and building, on the major traffic corridor of 3rd Avenue, and in immediate proximity to the industrial and commercial waterfront operations.

The subject property is considered well located in relation to the majority of downtown amenities and is situated in a developed area of retail, industrial, and service commercial uses. Main traffic arteries are nearby and access and exposure are very good.

Land and Improvements

The subject property comprises a relatively flat, rectangular land parcel. The building is approximately 12,000 SF partially tenanted by Sun Coast Waste Services who occupy 4,000 SF leaving 6,000 SF vacant. Tenant pays \$2,800 per month gross rent.

Zoning

C3 - Service Commercial (To establish and maintain areas for retail and service operations that are vehicle oriented or require large storage areas.)

Permitted Uses include: Bakeries, Printing Industry, Woodworking, Lumber Wholesalers, Storage & Warehousing, Hardware Stores, Automotive Supply Stores, Motor Vehicle Dealers & Repair Shops, Garden Supply shops, Furniture Stores, Restaurants, Mini Storage, Fitness Centres, Gas Stations and many more.

Total Building Size

±12,000 SF

Total Land Area

±19,218 SF or 0.44 acre

Legal Description

THAT PART OF LOT 1, ALBERNI DISTRICT, SHOWN OUTLINED IN RED ON PLAN 795R (PID: 000-522-546)

THAT PART OF LOT 1, ALBERNI DISTRICT, SHOWN OUTLINED IN RED ON PLAN 721R (PID: 000-522-538)

Gross Taxes (2013)

\$10,356.44

Price

All offers will be considered.

AS IS, WHERE IS

This document has been prepared by Colliers International for advertising and general information only. Colliers International makes no guarantee, representation or warranty of any kind, expressed or implied, regarding the information contained herein, which is not intended to constitute an offer of any kind. Any interested party should undertake their own due diligence in the verification of the information. Colliers International is not responsible for any inaccuracies, omissions or errors, whether in this document or otherwise, and shall not be liable for any damages or losses of any kind, arising from the use of this information. Colliers International is a registered real estate broker and is not a real estate agent. This information is for general information only and should not be used as a basis for any investment decision. The information is not intended to be used as a basis for any investment decision. Colliers International, 1000 Burrard Street, Vancouver, BC V6Z 1G6. Tel: 604-681-1111. Fax: 604-681-1112. Website: www.colliers.com

APPENDIX C

TITLE SEARCH PRINT

Requestor: PS23173

Folio/File Reference:6581/529227-7

****CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN****

Land Title District

Land Title Office

VICTORIA

VICTORIA

Title Number

From Title Number

EN41303

EG153431

Application Received

1999-05-14

Application Entered

1999-05-17

Registered Owner in Fee Simple

Registered Owner/Mailing Address:

ARMAC INVESTMENTS LTD., INC.NO. 343240,
1250 WEST HASTINGS STREET,
VANCOUVER, BC
V6E 2M4.

Taxation Authority

CITY OF PORT ALBERNI

Description of Land

Parcel Identifier:

000-522-546

Legal Description:

THAT PART OF LOT 1, ALBERNI DISTRICT, SHOWN OUTLINED IN RED ON
PLAN 795R

Legal Notations

NONE

Charges, Liens and Interests

Nature:

UNDERSURFACE RIGHTS

Registration Number:

242295G

Registered Owner:

ALBERNI LAND COMPANY LIMITED AND ESQUIMALT AND
NANAIMO RAILWAY
CO.

Remarks:

AFB 36.402.19651F; DD 18162, 33879N AND 35991

Nature:

MORTGAGE

Registration Number:

EN41304

Registration Date and Time:

1999-05-14 10:47

Registered Owner:

JOHN KENNETH PURDY

Transfer Number:

ET37405

Remarks:

INTER ALIA

TITLE SEARCH PRINT

Requestor: PS23173

Folio/File Reference:6581/529227-7

Nature: MORTGAGE
Registration Number: ET96390
Registration Date and Time: 2002-08-22 09:25
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA

Nature: JUDGMENT
Registration Number: EV52158
Registration Date and Time: 2003-05-23 13:20
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
AS TO THE INTEREST OF JOHN KENNETH PURDY
RENEWED BY EX47387
RENEWED BY FB37693

Nature: JUDGMENT
Registration Number: EV94884
Registration Date and Time: 2003-08-20 11:47
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
RENEWED BY EX99057

Nature: JUDGMENT
Registration Number: EX47387
Registration Date and Time: 2005-04-29 12:23
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
RENEWAL OF EV52158

Nature: JUDGMENT
Registration Number: EX99057
Registration Date and Time: 2005-08-09 12:23
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
RENEWAL OF EV94884
RENEWED BY FB74761

Nature: CERTIFICATE OF PENDING LITIGATION
Registration Number: FA113294
Registration Date and Time: 2006-09-19 09:57
Registered Owner: KIM GALAVAN
Remarks: INTER ALIA
RE-INSTATED PURSUANT TO SECTION 40(3), TAXATION
(RURAL AREA) ACT

TITLE SEARCH PRINT

Requestor: PS23173

Folio/File Reference:6581/529227-7

Nature: JUDGMENT
Registration Number: FB37693
Registration Date and Time: 2007-04-18 13:12
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
RENEWAL OF EV52158

Nature: JUDGMENT
Registration Number: FB74761
Registration Date and Time: 2007-07-19 11:47
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
RENEWAL OF EX99057
RENEWED BY FB281646

Nature: JUDGMENT
Registration Number: FB281646
Registration Date and Time: 2009-07-10 10:35
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
RENEWAL OF FB74761
RENEWED BY FB386647
RENEWED BY FB421840

Nature: JUDGMENT
Registration Number: FB292039
Registration Date and Time: 2009-08-19 10:09
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
OF EN41304 (SEE ET37405)

Nature: JUDGMENT
Registration Number: FB295834
Registration Date and Time: 2009-09-02 10:15
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
AS TO THE INTEREST OF JOHN PURDY IN MORTGAGE
EN41304
RENEWED BY FB422812

Nature: JUDGMENT
Registration Number: FB314787
Registration Date and Time: 2009-11-24 10:04
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
RENEWED BY FB440888

TITLE SEARCH PRINT

Requestor: PS23173

Folio/File Reference:6581/529227-7

Nature: PROPERTY TRANSFER TAX ACT CHARGE
Registration Number: FB334737
Registration Date and Time: 2010-03-09 10:05
Registered Owner: THE CROWN IN RIGHT OF BRITISH COLUMBIA
Remarks: INTER ALIA
SECTION 28

Nature: JUDGMENT
Registration Number: LB381165
Registration Date and Time: 2010-04-23 11:27
Registered Owner: BYRON LOEWEN
Remarks: INTER ALIA

Nature: JUDGMENT
Registration Number: FB421840
Registration Date and Time: 2011-07-06 09:58
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
RENEWAL OF FB281646
(FB74761,EX99057 AND EV94884)

Nature: JUDGMENT
Registration Number: FB422812
Registration Date and Time: 2011-07-12 13:52
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
RENEWAL OF FB295834
AS TO THE INTEREST OF JOHN PURDY IN MORTGAGE
EN41304
RENEWED BY FB469492

Nature: JUDGMENT
Registration Number: FB440888
Registration Date and Time: 2011-10-28 11:29
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
RENEWAL OF FB314787

Nature: JUDGMENT
Registration Number: FB469492
Registration Date and Time: 2013-06-21 13:46
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
RENEWAL OF FB422812
AS TO THE INTEREST OF JOHN KENNETH PURDY
IN MORTGAGE EN41304

TITLE SEARCH PRINT

Requestor: PS23173

Folio/File Reference:6581/529227-7

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

TITLE SEARCH PRINTAPPENDIX C
2013-09-13, 08:36:03

Requestor: PS23173

Folio/File Reference:6581/529227-7

****CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN******Land Title District**

Land Title Office

VICTORIA

VICTORIA

Title Number

From Title Number

EN41302

EG153430

Application Received

1999-05-14

Application Entered

1999-05-17

Registered Owner in Fee Simple

Registered Owner/Mailing Address:

ARMAC INVESTMENTS LTD., INC.NO. 343240,
1250 WEST HASTINGS STREET,
VANCOUVER, BC
V6E 2M4.**Taxation Authority**

CITY OF PORT ALBERNI

Description of Land

Parcel Identifier:

000-522-538

Legal Description:

THAT PART OF LOT 1, ALBERNI DISTRICT, SHOWN OUTLINED IN RED ON
PLAN 721R**Legal Notations**

NONE

Charges, Liens and Interests

Nature:

UNDERSURFACE RIGHTS

Registration Number:

242295G

Registered Owner:

ALBERNI LAND COMPANY LIMITED AND ESQUIMALT AND
NANAIMO RAILWAY
CO.

Remarks:

AFB 36.402.19651F; DD 18162, 33879N AND 35991

Nature:

MORTGAGE

Registration Number:

EN41304

Registration Date and Time:

1999-05-14 10:47

Registered Owner:

JOHN KENNETH PURDY

Transfer Number:

ET37405

Remarks:

INTER ALIA

TITLE SEARCH PRINT

Requestor: PS23173

Folio/File Reference:6581/529227-7

Nature: JUDGMENT
Registration Number: EV52158
Registration Date and Time: 2003-05-23 13:20
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
AS TO THE INTEREST OF JOHN KENNETH PURDY
RENEWED BY EX47387
RENEWED BY FB37693

Nature: JUDGMENT
Registration Number: EV94884
Registration Date and Time: 2003-08-20 11:47
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
RENEWED BY EX99057

Nature: JUDGMENT
Registration Number: EX47387
Registration Date and Time: 2005-04-29 12:23
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
RENEWAL OF EV52158

Nature: JUDGMENT
Registration Number: EX99057
Registration Date and Time: 2005-08-09 12:23
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
RENEWAL OF EV94884
RENEWED BY FB74761

Nature: CERTIFICATE OF PENDING LITIGATION
Registration Number: FA113294
Registration Date and Time: 2006-09-19 09:57
Registered Owner: KIM GALAVAN
Remarks: INTER ALIA
RE-INSTATED PURSUANT TO SECTION 40(3), TAXATION
(RURAL AREA) ACT

Nature: JUDGMENT
Registration Number: FB37693
Registration Date and Time: 2007-04-18 13:12
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
RENEWAL OF EV52158

TITLE SEARCH PRINT

Requestor: PS23173

Folio/File Reference:6581/529227-7

Nature: JUDGMENT
Registration Number: FB74761
Registration Date and Time: 2007-07-19 11:47
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
RENEWAL OF EX99057
RENEWED BY FB281646

Nature: JUDGMENT
Registration Number: FB281646
Registration Date and Time: 2009-07-10 10:35
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
RENEWAL OF FB74761
RENEWED BY FB386647
RENEWED BY FB421840

Nature: JUDGMENT
Registration Number: FB292039
Registration Date and Time: 2009-08-19 10:09
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
OF EN41304 (SEE ET37405)

Nature: JUDGMENT
Registration Number: FB295834
Registration Date and Time: 2009-09-02 10:15
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
AS TO THE INTEREST OF JOHN PURDY IN MORTGAGE
EN41304
RENEWED BY FB422812

Nature: JUDGMENT
Registration Number: FB314787
Registration Date and Time: 2009-11-24 10:04
Registered Owner: THE CROWN IN RIGHT OF CANADA
Remarks: INTER ALIA
RENEWED BY FB440888

Nature: PROPERTY TRANSFER TAX ACT CHARGE
Registration Number: FB334737
Registration Date and Time: 2010-03-09 10:05
Registered Owner: THE CROWN IN RIGHT OF BRITISH COLUMBIA
Remarks: INTER ALIA
SECTION 28

TITLE SEARCH PRINT

Requestor: PS23173

Folio/File Reference:6581/529227-7

| | |
|-----------------------------|------------------|
| Nature: | JUDGMENT |
| Registration Number: | LB381165 |
| Registration Date and Time: | 2010-04-23 11:27 |
| Registered Owner: | BYRON LOEWEN |
| Remarks: | INTER ALIA |

| | |
|-----------------------------|--|
| Nature: | JUDGMENT |
| Registration Number: | FB421840 |
| Registration Date and Time: | 2011-07-06 09:58 |
| Registered Owner: | THE CROWN IN RIGHT OF CANADA |
| Remarks: | INTER ALIA RENEWAL OF FB281646 (FB74761,EX99057 AND EV94884) |

| | |
|-----------------------------|---|
| Nature: | JUDGMENT |
| Registration Number: | FB422812 |
| Registration Date and Time: | 2011-07-12 13:52 |
| Registered Owner: | THE CROWN IN RIGHT OF CANADA |
| Remarks: | INTER ALIA RENEWAL OF FB295834 AS TO THE INTEREST OF JOHN PURDY IN MORTGAGE EN41304 RENEWED BY FB469492 |

| | |
|-----------------------------|-----------------------------------|
| Nature: | JUDGMENT |
| Registration Number: | FB440888 |
| Registration Date and Time: | 2011-10-28 11:29 |
| Registered Owner: | THE CROWN IN RIGHT OF CANADA |
| Remarks: | INTER ALIA RENEWAL OF FB314787 |

| | |
|-----------------------------|--|
| Nature: | JUDGMENT |
| Registration Number: | FB469492 |
| Registration Date and Time: | 2013-06-21 13:46 |
| Registered Owner: | THE CROWN IN RIGHT OF CANADA |
| Remarks: | INTER ALIA RENEWAL OF FB422812 AS TO THE INTEREST OF JOHN KENNETH PURDY IN MORTGAGE EN41304 |

Duplicate Infeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

SCHEDULE "A"

1. Legal Description: PID: 000-282-553, Lot 2, Section 20, Township 1, Barclay District, Plan 34316
2. Legal Description: PID: 005-705-258, Lot 7, District Lot 39, Alberni District, Plan 1877
3. Legal Description: PID: 001-160-141, Lot 2, Sections 14 and 15, Range 3, Chemainus District, Plan 31422, Except Part in Plan VIP69038
4. Legal Description: PID: 000-287-393, Lot 12, Block 4A, District Lot 1, Alberni District, Plan 197
5. Legal Description: PID: 000-287-342, Lot 11, Block 4A, District Lot 1, Alberni District, Plan 197
6. Legal Description: PID: 000-287-296, Lot 10, Block 4A, District Lot 1, Alberni District, Plan 197
7. Legal Description: PID: 012-778-362, District Lot 8199 Kootenay District
8. Legal Description: PID: 000-287-181, Lot 1, Block 4A, District Lot 1, Alberni District, Plan 197
9. Legal Description: PID: 007-175-698, Lot 23, Block 18, District Lot 9, Alberni District Plan 1585
10. Legal Description: PID: 000-787-744, Lot 2, Section 20, Township 1, Barclay District, Plan 23308 Except that Part in Plan 45519
11. Legal Description: PID: 000-522-546, That Part of Lot 1, Alberni District, Shown outlined in red on Plan 795 R.
12. Legal Description: PID: 000-522-538, That Part of Lot 1, Alberni District, Shown Outlined in Red on Plan 721R
13. Legal Description: PID: 000-286-885, Lot 5, District Lot 389, Alberni District, Plan 1877
14. Legal Description: PID: 009-278-940, Lot 14, Block 74, District Lot 1, Alberni District, Plan 197
15. Legal Description: PID: 009-278-923, Lot 13, Block 74, District Lot 1, Alberni District, Plan 197

16. Legal Description: PID: 009-278-966, Lot 15, Block 74, District Lot 1, ALberni District, Plan 197
17. Legal Description: PID: 001-018-507, Lot 1, Section 18, Township 1, Barclay District, Plan 38260, Ex cept Part in Plan 45043 464, 46428 and 47590
18. Legal Description: PID: 003-524-213, Lot 1, Section 20, Township1, Barclay District, Plan 20233

No. 86594
Kelowna Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BYRON LOEWEN

PETITIONER

AND:

ARMAC INVESTMENTS LTD., HAWKEYE INDUSTRIES
LTD., FISHPATH RESORTS CORPORATION and JACK
PURDY

RESPONDENTS

CERTIFICATE OF JUDGMENT

PIHL & ASSOCIATES LAW CORPORATION

#300 - 1465 Ellis Street
Kelowna, BC
V1Y 2A3

Tel: (250) 762-5434
Fax: (250) 762-5450

10-108
GMD/RHN

21 JUN 2013 13 46

FB469492

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

15

NATURE OF INTEREST: (1) FEE-SIMPLE

HEREWITH FEES OF: (2) CHARGE

Renewal of Judgment
FB0422812 (see FB295834)

\$30.60 (3) CANCELLATION OF CHARGE:

AS TO (1) AND (2) :
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

AS TO THE INTEREST OF:
John Purdy (sometime known as John Kenneth Purdy), Businessman
11617 - 106 Avenue,
Edmonton, Alberta
T5H 0S1

tn 6/21/2013 1:47:48 PM 2 1
Judgement 1 \$30.60

LEGAL DESCRIPTION OF LAND:
See attached Schedule

APPLICATION BY:

TW

SIGNATURE OF APPLICANT

SIGNATURE OF AUTHORIZED AGENT

J. HAYNES
SECTION 463-16 - REVENUE COLLECTIONS
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE BOULEVARD
SURREY, BC V3T 5E1
TEL: 604-691-4251, FAX: 604-691-4081

c/o West Coast Title Search Ltd.
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE BOULEVARD
SURREY, BC V3T 5E1

LAND TITLE ACT

SCHEDULE

Enter the required information in the same order as the information must appear on the freehold transfer form, mortgage form or general document form.

- (1) As to the interest in mortgage No. EN41304:
City of Port Alberni
PID: 000-522-538
That Part of Lot 1, Alberni District, shown outlined in red on Plan 721R

- (2) As to the interest in mortgage No. EN41304:
City of Port Alberni
PID: 000-522-546
That Part of Lot 1, Alberni District, shown outlined in red on Plan 795R

12 JUL 2011 13 52

FB0422812

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

COPY

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

| | | | | |
|---------------------|-----|-------------------------------------|-------------------------|------------------------------|
| NATURE OF INTEREST: | (1) | <input type="checkbox"/> | FEE-SIMPLE | |
| HEREWITH FEES OF: | (2) | <input checked="" type="checkbox"/> | CHARGE | Renewal of Judgment FB295834 |
| \$30.05 | (3) | <input type="checkbox"/> | CANCELLATION OF CHARGE: | |

AS TO (1) AND (2) :
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

AS TO THE INTEREST IN MORTGAGE EN41304 OF:
John Purdy (sometime know as John Kenneth Purdy), Businessman
11617 - 106 Avenue
Edmonton, Alberta
T5H 0S1

LEGAL DESCRIPTION OF LAND:
See attached Schedule

APPLICATION BY:

J. HAYNES
SECTION 463-16 - REVENUE COLLECTIONS
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE BOULEVARD
SURREY, BC V3T 5E1
TEL: 604-691-4251, FAX: 604-691-4081

TW
SIGNATURE OF AUTHORIZED AGENT
THOMAS WONG - LAND TITLE CLERK
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE BOULEVARD
SURREY, BC V3T 5E1
TEL: (604) 691-4079, FAX: (604) 691-4081

LAND TITLE ACT

SCHEDULE

Enter the required information in the same order as the information must appear on the freehold transfer form, mortgage form or general document form.

- (1) As to the interest in mortgage No. EN41304:
City of Port Alberni
PID: 000-522-538
That Part of Lot 1, Alberni District, shown outlined in red on Plan 721R

- (2) As to the interest in mortgage No. EN41304:
City of Port Alberni
PID: 000-522-546
That Part of Lot 1, Alberni District, shown outlined in red on Plan 795R

-2 SEP 2009 10 15

FB295834

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

COPY

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

NATURE OF INTEREST:

(1) FEE-SIMPLE

HEREWITH FEES OF:

(2) CHARGE

Judgment

\$30.05

(3) CANCELLATION OF CHARGE:

AS TO (1) AND (2):

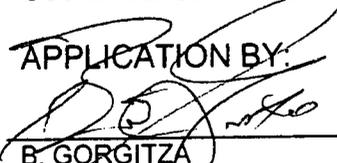
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

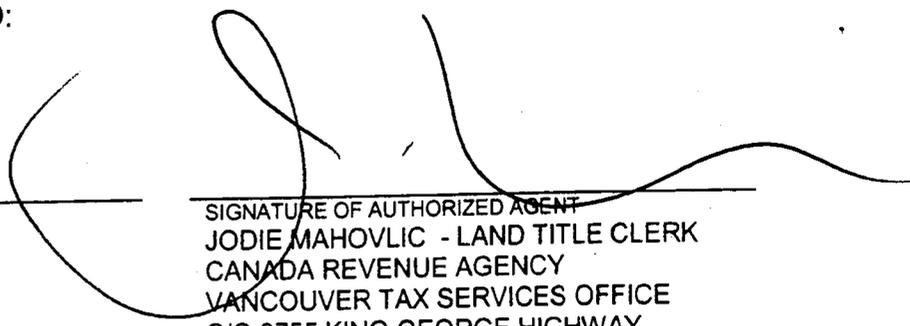
(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

AS TO THE INTEREST IN MORTGAGE EN41304 OF:
John Purdy (sometime known as John Kenneth Purdy), Businessman
11617- 106 Avenue
Edmonton, Alberta
T5H 0S1

LEGAL DESCRIPTION OF LAND:
See attached Schedule

APPLICATION BY:


B. GORGITZA
SECTION 463-16 WP05 - REVENUE
COLLECTIONS
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE HIGHWAY
SURREY, BC V3T 5E1
TEL: 604-691-4438, FAX: 604-691-4081


SIGNATURE OF AUTHORIZED AGENT
JODIE MAHOVLIC - LAND TITLE CLERK
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE HIGHWAY
SURREY, BC V3T 5E1
TEL: (604) 691-4479, FAX: (604) 691-4081

LAND TITLE ACT

SCHEDULE

Enter the required information in the same order as the information must appear on the freehold transfer form, mortgage form or general document form.

- (1) City of Port Alberni
PID: 000-522-538
That Part of Lot 1, Alberni District, shown outlined in red on Plan 721R

- (2) City of Port Alberni
PID: 000-522-546
That Part of Lot 1, Alberni District, shown outlined in red on Plan 795R

COURT NO. ITA- 5093 -06

FEDERAL COURT

In the matter of the *Income Tax Act*,

- and -

In the matter of an assessment or assessments by the Minister of National Revenue under one or more of the *Income Tax Act, Canada Pension Plan, Employment Insurance Act, the Income Tax Act*,
against:



JOHN PURDY
(sometime known as
JOHN KENNETH PURDY)
c/o Dale Matheson Carr-Hilton
1700-1140 Pender Street West,
Vancouver, British Columbia.
V6E 4G1

CERTIFICATE

I certify that on the **28th** day of **April** in the year of Our Lord Two Thousand and Six, a Certificate, that is deemed to be a judgment of this Honourable Court, was registered in this Honourable Court and bears No. ITA- 5093 -06

for **Two Hundred Fifty-nine Thousand Five Hundred Fifty Dollars and Ninety-four Cents (\$259,550.94)**

plus interest pursuant to the said Acts, compounded daily, at the rate prescribed under the *Income Tax Act* applicable from time to time, on the sum of **\$259,550.94**, from the **25th** day of **April, 2006**, to the day of payment, and that no satisfaction of the Certificate or any part thereof appears of record in this Court.

Dated this **28th** day of **April** in the year of Our Lord Two Thousand and Six.

A handwritten signature in cursive script that reads "Charles Payette".

Federal Court

C. Payette
Senior Registry Officer
Agent principal du greffe

T309(E)A-1
Rev. 98-04

28 OCT 2011 11 29

FB440888

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

15

NATURE OF INTEREST: (1) FEE-SIMPLE

HEREWITH FEES OF: (2) CHARGE

Renewal of Judgment FB314787

\$30.05

(3) CANCELLATION OF CHARGE:

AS TO (1) AND (2) :

**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

AS TO THE INTEREST OF (Inc.No.40671):
Armac Investments Ltd.
11617 106 Avenue Northwest
Edmonton, Alberta
T5H 0S1

hw 10/28/2011 11:29:47 AM 2 1
Judgement 1 \$30.05

LEGAL DESCRIPTION OF LAND:
See attached Schedule

APPLICATION BY:

c/o West Coast Title Search Ltd.
10104



SIGNATURE OF AUTHORIZED AGENT

J. HAYNES
SECTION 463-16 - REVENUE COLLECTIONS
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE BOULEVARD
SURREY, BC V3T 5E1
TEL: 604-691-4251, FAX: 604-691-4081

CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE BOULEVARD
SURREY, BC V3T 5E1

LAND TITLE ACT

SCHEDULE A

Enter the required information in the same order as the information must appear on the freehold transfer form, mortgage form or general document form.

- (1) City of Port Alberni
PID: 009-278-923
Lot 13,Block 74,District Lot 1,Alberni District, Plan 197
- (2) City of Port Alberni
PID: 009-278-940
Lot 14,Block 74,District Lot 1,Alberni District,Plan 197
- (3) City of Port Alberni
PID: 009-278-966
Lot 15,Block 74,District Lot 1,Alberni District,Plan 197
- (4) City of Port Alberni
PID: 000-522-538
That Part of Lot 1,Alberni District,Shown Outlined in Red on
Plan 721R
- (5) City of Port Alberni
PID: 000-522-546
That Part of Lot 1, Alberni District, Shown Outlined in Red
on Plan 795R
- (6) City of Port Alberni
PID: 007-175-698
Lot 23,Block 18,District Lot 9,Alberni District,Plan 1585

- (7) City of Port Alberni
PID: 000-287-181
Lot 1,Block 4A,District Lot 1,Alberni District,Plan 197
- (8) City of Port Alberni
PID: 000-287-296
Lot 10,Block 4A,District Lot 1,Alberni District,Plan 197
- (9) City of Port Alberni
PID: 000-287-342
Lot 11,Block 4A,District Lot 1,Alberni District,Plan 197
- (10) City of Port Alberni
PID: 000-287-393
Lot 12,Block 4A,District Lot 1,Alberni District,Plan 197
- (11) Municipality of North Cowichan
PID: 001-160-141
Lot 2,Sections 14 and 15,Range 3,Chemainus District,Plan
31422 Except Part in Plan VIP69038
- (12) As to the ½ interest in:
Port Alberni Assessment Area
PID: 001-018-507
Lot 1,Section 18,Township 1,Barclay District,Plan 38260
Except Part in Plan 45043,46428 and 47590

e-document ITA-13379-09

| | |
|--------------------------------|------------------|
| FEDERAL COURT COUR FÉDÉRALE | DÉLIVRÉ & DÉPOSÉ |
| Nov 18, 2009 | |
| Robert Gravelle | |
| Ottawa, ONT | 2 |

Court File No.: ITA-13379-09

FEDERAL COURT

In the matter of the *Income Tax Act*,

- and -

In the matter of an assessment or assessments by the Minister of National Revenue under one or more of the *Income Tax Act*, *Canada Pension Plan*, *Employment Insurance Act*, *the Income Tax Act*,
against:

ARMAC INVESTMENTS LTD.
11617 106 Avenue Northwest,
Edmonton, Alberta.
T5H 0S1



CERTIFICATE

I certify that on the **18th** day of **November** in the year of Our Lord Two Thousand and Nine, a Certificate that is deemed to be a judgment of this Honourable Court, was registered in this Honourable Court,

for **Three Million Two Hundred Eighty-nine Thousand Eight Hundred Seventy-two Dollars and Ninety-two Cents (\$3,289,872.92)**

plus interest pursuant to the said Acts, compounded daily, at the rate prescribed under the *Income Tax Act* applicable from time to time, on the sum of **\$3,289,872.92**, from the **6th** day of **November, 2009**, to the day of payment, and that no satisfaction of the Certificate or any part thereof appears of record in this Court.

Dated this **18th** day of **November** in the year of Our Lord Two Thousand and Nine.

T309(E)A-1
Rev. 98-04
(NS)

Robert Gravelle
Federal Court

ROBERT GRAVELLE
REGISTRY ASSISTANT
ADJOINT AU GREFFE

24 NOV 2009 10 04

FB314787

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

COPY

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

| | | | | |
|---------------------|-----|-------------------------------------|-------------------------|----------|
| NATURE OF INTEREST: | (1) | <input type="checkbox"/> | FEE-SIMPLE | |
| HEREWITH FEES OF: | (2) | <input checked="" type="checkbox"/> | CHARGE | Judgment |
| \$30.05 | (3) | <input type="checkbox"/> | CANCELLATION OF CHARGE: | |

AS TO (1) AND (2) :
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

AS TO THE INTEREST OF (Inc. No. 40671):
Armac Investments Ltd.
11617 106 Avenue Northwest
Edmonton, Alberta
T5H 0S1

LEGAL DESCRIPTION OF LAND:
See attached Schedule "A"

APPLICATION BY:

B. Gorgitza
B. GORGITZA
SECTION 463-16 WP05 - REVENUE
COLLECTIONS
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE HIGHWAY
SURREY, BC V3T 5E1
TEL: 604-691-4438, FAX: 604-691-4081

Jodie Mahovlic
SIGNATURE OF AUTHORIZED AGENT
JODIE MAHOVLIC - LAND TITLE CLERK
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE HIGHWAY
SURREY, BC V3T 5E1
TEL: (604) 691-4479, FAX: (604) 691-4081

LAND TITLE ACT

FORM E

SCHEDULE "A"

Enter the required information in the same order as the information must appear on the freehold transfer form, mortgage form or general document form.

1. **Port Alberni Assessment Area**
PID: 004-090-381
Lot 1, Section 20, Township 1, Barclay District, Plan 16439
2. **Port Alberni Assessment Area**
PID: 017-801-231
Lot 1, Section 20, Township 1, Barclay District, Plan VIP54368
3. **Port Alberni Assessment Area**
PID: 000-977-179
Lot C, Section 20, Township 1, Barclay District, Plan 38547
Except Part in Plan VIP54368
4. **Port Alberni Assessment Area**
PID: 008-691-363
The North East $\frac{1}{4}$ of the North East $\frac{1}{4}$ of Section 17, Township 1,
Barclay District
5. **Port Alberni Assessment Area**
PID: 003-524-213
Lot 1, Section 20, Township 1, Barclay District, Plan 20233
6. **Port Alberni Assessment Area**
PID: 003-706-311
Lot 1, Section 20, Township 1, Barclay District, Plan 19909
7. **Port Alberni Assessment Area**
PID: 008-594-015
Block A of the South West $\frac{1}{4}$ of Section 20, Township 1,
Barclay District, Except Part in Plan 19909
8. **Port Alberni Assessment Area**
PID: 003-291-294
Parcel A (DD E25649) of Lot 1, Section 20, Township 1,
Barclay District, Plan 22579

9. **Port Alberni Assessment Area**
PID: 003-317-641
Block C of the Northwest ¼ of Section 17, Township 1,
Barclay District
10. **City Of Port Alberni**
PID: 009-278-923
Lot 13, Block 74, District Lot 1, Alberni District, Plan 197
11. **City Of Port Alberni**
PID: 009-278-940
Lot 14, Block 74, District Lot 1, Alberni District, Plan 197
12. **City Of Port Alberni**
PID: 009-278-966
Lot 15, Block 74, District Lot 1, Alberni District, Plan 197
13. **Port Alberni Assessment Area**
PID: 000-204-315
Lot 3, Section 19, Barclay District, Plan 36032
14. **Port Alberni Assessment Area**
PID: 000-286-885
Lot 5, District Lot 39, Alberni District, Plan 1877
15. **Port Alberni Assessment Area**
PID: 006-249-540
Lot 1, Section 20, Township 1, Barclay District, Plan 3077
16. **City of Port Alberni**
PID: 000-522-538
That Part of Lot 1, Alberni District, Shown Outlined in Red
On Plan 721R
17. **City of Port Alberni**
PID: 000-522-546
That Part of Lot 1, Alberni District, Shown Outlined In Red
On Plan 795R
18. **Port Alberni Assessment District**
PID: 000-787-744
Lot 2, Section 20, Township 1, Barclay District, Plan 23308
Except That Part of Plan 45519

19. **City of Port Alberni**
PID: 007-175-698
Lot 23, Block 18, District Lot 9, Alberni District, Plan 1585
20. **City of Port Alberni**
PID: 000-287-181
Lot 1, Block 4A, District Lot 1, Alberni District, Plan 197
21. **City of Port Alberni**
PID: 000-287-296
Lot 10, Block 4A, District Lot 1, Alberni District, Plan 197
22. **City of Port Alberni**
PID: 000-287-342
Lot 11, Block 4A, District Lot 1, Alberni District, Plan 197
23. **City of Port Alberni**
PID: 000-287-393
Lot 12, Block 4A, District Lot 1, Alberni District, Plan 197
24. **Municipality of North Cowichan**
PID: 001-160-141
**Lot 2, Sections 14 and 15, Range 3, Chemainus District,
Plan 31422 Except Part in Plan VIP69038**
25. **As to the 1/2 interest in:**
Port Alberni Assessment Area
PID: 001-018-507
**Lot 1, Section 18, Township 1, Barclay District,
Plan 38260 Except Part in Plan 45043, 46428 and 47590**
26. **As to the 1/3 interest in:**
Port Alberni Assessment Area
PID: 014-852-985
**Lot A, Section 20, Township 1, and District Lot 782,
Barclay District, Plan 49089**

| | | | |
|---|--------------------------------|--------------|--|
| e-document | | ITA-13379-09 | |
| I S S U E D & F I L E | FEDERAL COURT COUR FÉDÉRALE | | D E L I V R É & D É P O S É |
| | Nov 18, 2009 | | |
| | Robert Gravelle | | |
| Ottawa, ONT | | 2 | |

Court File No.: ITA-13379-09

FEDERAL COURT

In the matter of the *Income Tax Act*,

- and -

In the matter of an assessment or assessments by the Minister of National Revenue under one or more of the *Income Tax Act*, *Canada Pension Plan*, *Employment Insurance Act*, *the Income Tax Act*,
against:

ARMAC INVESTMENTS LTD.
11617 106 Avenue Northwest,
Edmonton, Alberta.
T5H 0S1



CERTIFICATE

I certify that on the **18th** day of **November** in the year of Our Lord Two Thousand and Nine, a Certificate that is deemed to be a judgment of this Honourable Court, was registered in this Honourable Court,

for **Three Million Two Hundred Eighty-nine Thousand Eight Hundred Seventy-two Dollars and Ninety-two Cents (\$3,289,872.92)**

plus interest pursuant to the said Acts, compounded daily, at the rate prescribed under the *Income Tax Act* applicable from time to time, on the sum of **\$3,289,872.92**, from the **6th** day of **November, 2009**, to the day of payment, and that no satisfaction of the Certificate or any part thereof appears of record in this Court.

Dated this **18th** day of **November** in the year of Our Lord Two Thousand and Nine.

T309(E)A-1
Rev. 98-04
(NS)

Robert Gravelle
Federal Court

ROBERT GRAVELLE
REGISTRY ASSISTANT
ADJOINT AU GREFFE

12 JUL 2011 13 52

FB0422812

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

15

NATURE OF INTEREST: (1) FEE-SIMPLE
HEREWITH FEES OF: (2) CHARGE Renewal of Judgment FB295834
(3) CANCELLATION OF CHARGE:
\$30.05

2/3

AS TO (1) AND (2):
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

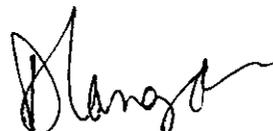
hw 7/12/2011 1:52:23 PM 2 1
Judgement 1 \$30.05

AS TO THE INTEREST IN MORTGAGE EN41304 OF:
John Purdy (sometime know as John Kenneth Purdy), Businessman
11617 - 106 Avenue
Edmonton, Alberta
T5H 0S1

LEGAL DESCRIPTION OF LAND:
See attached Schedule

c/o West Coast Title Search Ltd.
10104

APPLICATION BY:



TW

J. HAYNES
SECTION 463-16 - REVENUE COLLECTIONS
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE BOULEVARD
SURREY, BC V3T 5E1
TEL: 604-691-4251, FAX: 604-691-4081

SIGNATURE OF AUTHORIZED AGENT
THOMAS WONG - LAND TITLE CLERK
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE BOULEVARD
SURREY, BC V3T 5E1
TEL: (604) 691-4079, FAX: (604) 691-4081

LAND TITLE ACT

SCHEDULE

Enter the required information in the same order as the information must appear on the freehold transfer form, mortgage form or general document form.

- (1) As to the interest in mortgage No. EN41304:
City of Port Alberni
PID: 000-522-538
That Part of Lot 1, Alberni District, shown outlined in red on Plan 721R

- (2) As to the interest in mortgage No. EN41304:
City of Port Alberni
PID: 000-522-546
That Part of Lot 1, Alberni District, shown outlined in red on Plan 795R

-2 SEP 2009 10 15

FB295834

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

COPY

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

| | | | | |
|---------------------|-----|-------------------------------------|-------------------------|----------|
| NATURE OF INTEREST: | (1) | <input type="checkbox"/> | FEE-SIMPLE | |
| HEREWITH FEES OF: | (2) | <input checked="" type="checkbox"/> | CHARGE | Judgment |
| \$30.05 | (3) | <input type="checkbox"/> | CANCELLATION OF CHARGE: | |

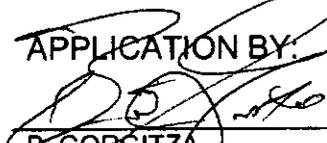
AS TO (1) AND (2):
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

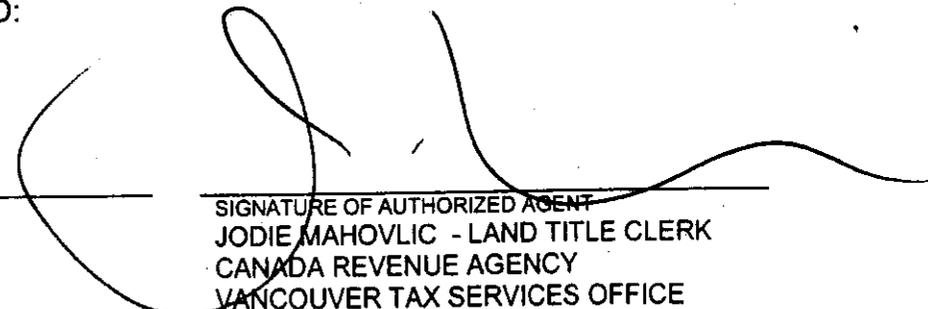
(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

AS TO THE INTEREST IN MORTGAGE EN41304 OF:
John Purdy (sometime known as John Kenneth Purdy), Businessman
11617- 106 Avenue
Edmonton, Alberta
T5H 0S1

LEGAL DESCRIPTION OF LAND:
See attached Schedule

APPLICATION BY:


 B. GORGITZA
 SECTION 463-16 WP05 - REVENUE
 COLLECTIONS
 CANADA REVENUE AGENCY
 VANCOUVER TAX SERVICES OFFICE
 C/O 9755 KING GEORGE HIGHWAY
 SURREY, BC V3T 5E1
 TEL: 604-691-4438, FAX: 604-691-4081


 SIGNATURE OF AUTHORIZED AGENT
 JODIE MAHOVLIC - LAND TITLE CLERK
 CANADA REVENUE AGENCY
 VANCOUVER TAX SERVICES OFFICE
 C/O 9755 KING GEORGE HIGHWAY
 SURREY, BC V3T 5E1
 TEL: (604) 691-4479, FAX: (604) 691-4081

LAND TITLE ACT

SCHEDULE

Enter the required information in the same order as the information must appear on the freehold transfer form, mortgage form or general document form.

- (1) City of Port Alberni
PID: 000-522-538
That Part of Lot 1, Alberni District, shown outlined in red on Plan 721R

- (2) City of Port Alberni
PID: 000-522-546
That Part of Lot 1, Alberni District, shown outlined in red on Plan 795R

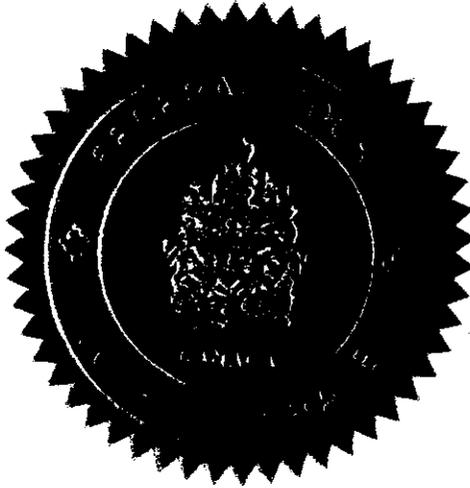
COURT NO. ITA- **5093** -06

FEDERAL COURT

In the matter of the *Income Tax Act*,

- and -

In the matter of an assessment or assessments by the Minister of National Revenue under one or more of the *Income Tax Act, Canada Pension Plan, Employment Insurance Act, the Income Tax Act*,
against:



JOHN PURDY
(sometime known as
JOHN KENNETH PURDY)
c/o Dale Matheson Carr-Hilton
1700-1140 Pender Street West,
Vancouver, British Columbia.
V6E 4G1

CERTIFICATE

I certify that on the **28th** day of **April** in the year of Our Lord Two Thousand and Six, a Certificate, that is deemed to be a judgment of this Honourable Court, was registered in this Honourable Court and bears No. ITA- **5093** -06

for **Two Hundred Fifty-nine Thousand Five Hundred Fifty Dollars and Ninety-four Cents (\$259,550.94)**

plus interest pursuant to the said Acts, compounded daily, at the rate prescribed under the *Income Tax Act* applicable from time to time, on the sum of **\$259,550.94**, from the **25th** day of **April, 2006**, to the day of payment, and that no satisfaction of the Certificate or any part thereof appears of record in this Court.

Dated this **28th** day of **April** in the year of Our Lord Two Thousand and Six.

Federal Court

C. Payette
Senior Registry Officer
Agent principal du greffe

T309(E)A-1
Rev. 98-04

-6 JUL 2011 09 58

FB0421840

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

15

NATURE OF INTEREST: (1) FEE-SIMPLE

HEREWITH FEES OF: (2) CHARGE

Renewal of Judgment FB281646
(see FB74761, EX099057 and EV094884)

\$30.05

(3) CANCELLATION OF CHARGE:

AS TO (1) AND (2) :

**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

hw 7/6/2011 9:58:01 AM 2 1
Judgement 1 \$30.05

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

AS TO THE INTEREST OF:

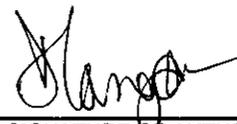
Armac Investments Ltd. (Inc. No. 40671)
1270 - 1130 West Pender Street
Vancouver, B. C. V6E 4V4

LEGAL DESCRIPTION OF LAND:

See attached Schedule 'A'

c/o West Coast Title Search Ltd.
1010-

APPLICATION BY:



J. HAYNES
SECTION 463-16 - REVENUE COLLECTIONS
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE BOULEVARD
SURREY, BC V3T 5E1
TEL: 604-691-4251, FAX: 604-691-4081

SIGNATURE OF AUTHORIZED AGENT
THOMAS WONG - LAND TITLE CLERK
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE BOULEVARD
SURREY, BC V3T 5E1
TEL: (604) 691-4079, FAX: (604) 691-4081

LAND TITLE ACT

SCHEDULE A

Enter the required information in the same order as the information must appear on the freehold transfer form, mortgage form or general document form.

- (1) City of Port Alberni
PID: 009-278-923
Lot 13,Block 74,District Lot 1,Alberni District, Plan 197
- (2) City of Port Alberni
PID: 009-278-940
Lot 14,Block 74,District Lot 1,Alberni District,Plan 197
- (3) City of Port Alberni
PID: 009-278-966
Lot 15,Block 74,District Lot 1,Alberni District,Plan 197
- (4) City of Port Alberni
PID: 000-522-538
That Part of Lot 1,Alberni District,Shown Outlined in Red on
Plan 721R
- (5) City of Port Alberni
PID: 000-522-546
That Part of Lot 1, Alberni District, Shown Outlined in Red
on Plan 795R
- (6) City of Port Alberni
PID: 007-175-698
Lot 23,Block 18,District Lot 9,Alberni District,Plan 1585

- (7) City of Port Alberni
PID: 000-287-181
Lot 1,Block 4A,District Lot 1,Alberni District,Plan 197
- (8) City of Port Alberni
PID: 000-287-296
Lot 10,Block 4A,District Lot 1,Alberni District,Plan 197
- (9) City of Port Alberni
PID: 000-287-342
Lot 11,Block 4A,District Lot 1,Alberni District,Plan 197
- (10) City of Port Alberni
PID: 000-287-393
Lot 12,Block 4A,District Lot 1,Alberni District,Plan 197
- (11) Municipality of North Cowichan
PID: 001-160-141
Lot 2,Sections 14 and 15,Range 3,Chemainus District,Plan
31422 Except Part in Plan VIP69038
- (12) As to the ½ interest in:
Port Alberni Assessment Area
PID: 001-018-507
Lot 1,Section 18,Township 1,Barclay District,Plan 38260
Except Part in Plan 45043,46428 and 47590

10 JUL 2009 10 35

FB281646

**Land Title Act
Form 17
(Sections 154, 155(1), 241)**

APPLICATION

Note: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality and Improvement, Water and Irrigation Districts.

NATURE OF INTEREST:

- (1) FEE SIMPLE Market Value:
Parcel Identifier No(s):
- (2) CHARGE Parcel Identifier No(s): **See attached schedule**
Nature of Charge: Renewal of Judgment FB074761
(see EX099057 and EV094884)
- (3) CANCELLATION OF CHARGE Parcel Identifier No(s):
Nature and Number of Charge cancelled

HEREWITH FEES OF: \$ _____

As to (1) and (2) ADDRESS of person entitled to be registered as owner, if different than shown in the instrument:

**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For Purposes of litigation, Her Majesty is represented by Attorney General of Canada, Department of Justice, 900 – 840 Howe Street, Vancouver, British Columbia, V6Z 2S9)

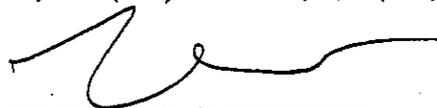
AS TO THE INTEREST OF:

Armac Investments Ltd. (Inc. No. 40671)
1270-1130 West Pender Street
Vancouver, B.C., V6E 4V4

LEGAL DESCRIPTION(S), if not shown in instrument being submitted with this application: See attached Schedule

FULL NAME, ADDRESS, TELEPHONE NUMBER of person presenting application:

Department of Justice, 900 – 840 Howe Street, Vancouver, British Columbia, V6Z 2S9,
Attention: Christine Matthews, Barrister & Solicitor, Tel: (604) 666-5891, Fax (604) 666-1462



Signature of Solicitor

19 JUL 2007 11 47

FB074761

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

COPY

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

NATURE OF INTEREST: (1) FEE-SIMPLE

HEREWITH FEES OF: (2) CHARGE

Renewal of Judgment EX99057
(see EV94884)

\$27.00 (3) CANCELLATION OF CHARGE:

AS TO (1) AND (2):
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

AS TO THE INTEREST OF:

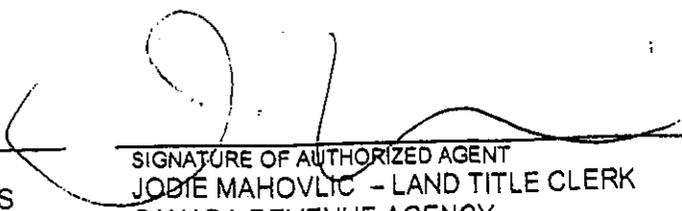
Armac Investments Ltd. (Inc. No. 40671)
1270 - 1130 West Pender Street
Vancouver BC V6E 4V4

LEGAL DESCRIPTION OF LAND:

See Attached Schedule

APPLICATION BY:

L. FITZSIMMONS - COLLECTION OFFICER
SECTION 465-14 - REVENUE COLLECTIONS
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE HIGHWAY
SURREY, BC V3T 5E1
TEL: 604-691-4507, FAX: 604-691-4220


SIGNATURE OF AUTHORIZED AGENT
JODIE MAHOVLIC - LAND TITLE CLERK
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE HIGHWAY
SURREY, BC V3T 5E1
TEL: (604) 691-4479, FAX: (604) 691-4220

-9 AUG 2005 12 23

EX099057

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

COPY

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

NATURE OF INTEREST: (1) FEE-SIMPLE

HEREWITH FEES OF: (2) CHARGE Renewal of Judgment EV94884

\$27.00 (3) CANCELLATION OF CHARGE: _____

AS TO (1) AND (2):
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

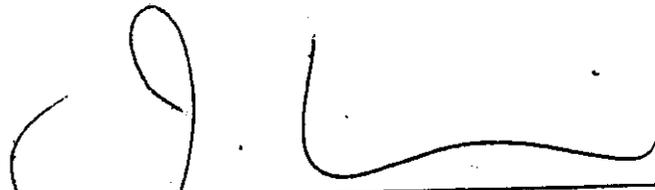
AS TO THE INTEREST OF:

Armac Investments Ltd. (Inc. No. 40671)
1270 - 1130 West Pender Street
Vancouver, BC
V6E 4A4

LEGAL DESCRIPTION OF LAND:

See Schedule "A" Attached

APPLICATION BY:



L. FITZSIMMONS- SECTION 464-12
REVENUE COLLECTIONS - CANADA CUSTOMS
AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER, B.C. V6E 3H8
TEL: (604) 691-4507
FAX: (604) 691-4220

(Signature of agent)
JOBIE MAHOVLIC - CANADA CUSTOMS
AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER B.C. V6E 3H8
TEL: (604) 691-4479
FAX: (604) 691-4411

20 AUG 2003 11 47

EV094884

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

COPY

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

| | | | | |
|---------------------|-----|-------------------------------------|-------------------------|----------|
| NATURE OF INTEREST: | (1) | <input type="checkbox"/> | FEE-SIMPLE | |
| HEREWITH FEES OF: | (2) | <input checked="" type="checkbox"/> | CHARGE | Judgment |
| \$25.00 | (3) | <input type="checkbox"/> | CANCELLATION OF CHARGE: | |

AS TO (1) AND (2):
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

AS TO THE INTEREST OF:

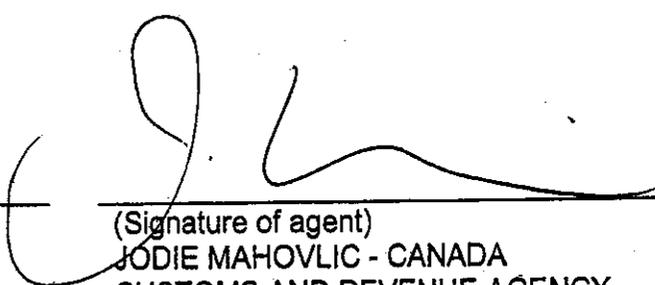
Armac Investments Ltd., (Inc. No. 40671)
1250 West Hastings Street,
Vancouver, BC, V6E 2M4

LEGAL DESCRIPTION OF LAND:

See Attached Schedule "A"

APPLICATION BY:

L. Fitzsimmons – Section 464-12
(Collection Officer – Section)
REVENUE COLLECTIONS - CANADA
CUSTOMS AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER, B.C. V6E 3H8
TEL: (604) 691-4507
FAX: (604) 691-4991


(Signature of agent)
JODIE MAHOVLIC - CANADA
CUSTOMS AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER B.C. V6E 3H8
TEL: (604) 691-4479
FAX: (604) 691-4411

COURT NO. ITA- 7180 -03

FEDERAL COURT

In the matter of the *Income Tax Act*,

- and -

In the matter of an assessment or assessments by the Minister of National Revenue under one or more of the *Income Tax Act, Canada Pension Plan, Employment Insurance Act, the Income Tax Act*,
against:



ARMAC INVESTMENTS LTD.
1250 West Hastings Street,
Vancouver, British Columbia.
V6E 2M4

CERTIFICATE

I certify that on the 1st day of August in the year of Our Lord Two Thousand and Three, a Certificate, that is deemed to be a judgment of this Honourable Court, was registered in this Honourable Court and bears No. ITA- 7180 -03

for Four Hundred Seventy-seven Thousand Four Hundred Sixty-nine Dollars and Eighty-nine Cents (\$477,469.89)

plus interest pursuant to the said Acts, compounded daily, at the rate prescribed under the *Income Tax Act* applicable from time to time, on the sum of \$477,469.89, from the 18th day of July, 2003, to the day of payment, and that no satisfaction of the Certificate or any part thereof appears of record in this Court.

Dated this 1st day of August in the year of Our Lord Two Thousand and Three.

Original signed by
HELENE CLEMENT
Original signé par

T309(E)A-1

Federal Court

Rev. 98-04 | HEREBY CERTIFY that the above document is a true copy of the original issued out of / filed in the Court on the _____

day of 1 August A.D. 2003

Dated this 27 day of July 2009

Minichillo

-9 MAR 2010 10 05

FB334737

Form 17 (Section 151, 152(1), 220) Application

DEBTOR: ARMAC INVESTMENTS LTD
14026-101A AVE
EDMONTON AB T5N 0L2

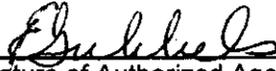
NATURE OF CHARGE: LIEN
LEGAL DESCRIPTION: AGAINST THE INTEREST OF ARMAC INVESTMENTS LTD IN:

SEE SCHEDULE E

A13
10

Full name, address and telephone number of person presenting application:
Elizabeth Gubbels , Agent for HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, Ministry of Finance, Receivables Management Office,
PO Box 9427 Stn Prov Govt, Victoria, B.C., V8W 9V1 250 387-0574 .

Contact Person: Elizabeth Gubbels
Telephone 250 387-0574



Signature of Authorized Agent
File Number: 103597623

PROPERTY TRANSFER TAX ACT LIEN FORM

TAKE NOTICE THAT, pursuant to Section 28 of the Property Transfer Tax Act, HER MAJESTY THE QUEEN IN RIGHT OF BRITISH COLUMBIA claims a lien and charge on the debtor's interest in the property described below, in respect to taxes, costs, and other amounts imposed under the Act. The particulars of the lien and charge claimed are as follows:

- 1. Full name, address and occupation of person liable to pay the tax
ARMAC INVESTMENTS LTD
14026-101A AVE
EDMONTON AB T5N 0L2

ks 3/9/2010 10:05:39 AM 1 1
Charge 1 \$0.00

- 2. Legal description of the land (including parcel identifier number, if any)
AGAINST THE INTEREST OF ARMAC INVESTMENTS LTD IN:

SEE SCHEDULE E

- 3. Amount of lien \$3,397.53

AND I HEREBY CERTIFY that the amount stated above is due and payable to Her Majesty the Queen in Right of the Province of British Columbia and is unpaid as of the date of this claim.

March 5, 2010



Elizabeth Gubbels
Agent for Administrator

LAND TITLE ACT
FORM E

SCHEDULE

FILE NUMBER 103597623

AGAINST THE INTEREST OF ARMAC INVESTMENTS LTD IN:

- 1) PARCEL IDENTIFIER: 003-524-213
LOT 1, SECTION 20, TOWNSHIP 1, BARCLAY DISTRICT, PLAN 20233
- 2) PARCEL IDENTIFIER: 001-018-507
LOT 1, SECTION 18, TOWNSHIP 1, BARCLAY DISTRICT, PLAN 38260,
EXCEPT PART IN PLAN 45043, 46428 AND 47590
- 3) PARCEL IDENTIFIER: 009-278-923
LOT 13, BLOCK 74, DISTRICT LOT 1, ALBERNI DISTRICT, PLAN 197
- 4) PARCEL IDENTIFIER: 009-278-940
LOT 14, BLOCK 74, DISTRICT LOT 1, ALBERNI DISTRICT, PLAN 197
- 5) PARCEL IDENTIFIER: 009-278-966
LOT 15, BLOCK 74, DISTRICT LOT 1, ALBERNI DISTRICT, PLAN 197
- 6) PARCEL IDENTIFIER: 000-286-885
LOT 5, DISTRICT LOT 39, ALBERNI DISTRICT, PLAN 1877
- 7) PARCEL IDENTIFIER: 000-522-538
THAT PART OF LOT 1, ALBERNI DISTRICT, SHOWN OUTLINED IN RED ON
PLAN 721R
- 8) PARCEL IDENTIFIER: 000-522-546
THAT PART OF LOT 1, ALBERNI DISTRICT, SHOWN OUTLINED IN RED ON
PLAN 795R
- 9) PARCEL IDENTIFIER: 000-787-744
LOT 2, SECTION 20, TOWNSHIP 1, BARCLAY DISTRICT, PLAN 23308
EXCEPT THAT PART IN PLAN 45519

- 10) PARCEL IDENTIFIER: 007-175-698
LOT 23, BLOCK 18, DISTRICT LOT 9, ALBERNI DISTRICT, PLAN 1585
- 11) PARCEL IDENTIFIER: 000-287-181
LOT 1, BLOCK 4A, DISTRICT LOT 1, ALBERNI DISTRICT, PLAN 197
- 12) PARCEL IDENTIFIER: 000-287-296
LOT 10, BLOCK 4A, DISTRICT LOT 1, ALBERNI DISTRICT, PLAN 197
- 13) PARCEL IDENTIFIER: 000-287-342
LOT 11, BLOCK 4A, DISTRICT LOT 1, ALBERNI DISTRICT, PLAN 197
- 14) PARCEL IDENTIFIER: 000-287-393
LOT 12, BLOCK 4A, DISTRICT LOT 1, ALBERNI DISTRICT, PLAN 197
- 15) PARCEL IDENTIFIER: 001-160-141
LOT 2, SECTIONS 14 AND 15, RANGE 3, CHEMAINUS DISTRICT, PLAN
31422 EXCEPT PART IN PLAN VIP69038



Elizabeth Gubbels

END OF DOCUMENT

24 NOV 2009 10 04

FB314787

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

RA

| | | | | |
|---------------------|-----|-------------------------------------|-------------------------|----------|
| NATURE OF INTEREST: | (1) | <input type="checkbox"/> | FEE-SIMPLE | |
| HEREWITH FEES OF: | (2) | <input checked="" type="checkbox"/> | CHARGE | Judgment |
| \$30.05 | (3) | <input type="checkbox"/> | CANCELLATION OF CHARGE: | |

AS TO (1) AND (2) :
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

ac 11/24/2009 10:03:29 AM 1 1
Judgement 1 \$30.05

AS TO THE INTEREST OF (Inc. No. 40671):
Armac Investments Ltd.
11617 106 Avenue Northwest
Edmonton, Alberta
T5H 0S1

LEGAL DESCRIPTION OF LAND:
See attached Schedule "A"

APPLICATION BY:

[Handwritten Signature]

B. GORGITZA
SECTION 463-16 WP05 - REVENUE
COLLECTIONS
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE HIGHWAY
SURREY, BC V3T 5E1
TEL: 604-691-4438, FAX: 604-691-4081

[Handwritten Signature]

SIGNATURE OF AUTHORIZED AGENT
JODIE MAHOVLIC - LAND TITLE CLERK
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE HIGHWAY
SURREY, BC V3T 5E1
TEL: (604) 691-4479, FAX: (604) 691-4081

c/o West Coast Title Search Ltd.

10104
NP

LAND TITLE ACT

FORM E

SCHEDULE "A"

Enter the required information in the same order as the information must appear on the freehold transfer form, mortgage form or general document form.

1. **Port Alberni Assessment Area**
PID: 004-090-381
Lot 1, Section 20, Township 1, Barclay District, Plan 16439
2. **Port Alberni Assessment Area**
PID: 017-801-231
Lot 1, Section 20, Township 1, Barclay District, Plan VIP54368
3. **Port Alberni Assessment Area**
PID: 000-977-179
Lot C, Section 20, Township 1, Barclay District, Plan 38547
Except Part in Plan VIP54368
4. **Port Alberni Assessment Area**
PID: 008-691-363
The North East $\frac{1}{4}$ of the North East $\frac{1}{4}$ of Section 17, Township 1,
Barclay District
5. **Port Alberni Assessment Area**
PID: 003-524-213
Lot 1, Section 20, Township 1, Barclay District, Plan 20233
6. **Port Alberni Assessment Area**
PID: 003-706-311
Lot 1, Section 20, Township 1, Barclay District, Plan 19909
7. **Port Alberni Assessment Area**
PID: 008-594-015
Block A of the South West $\frac{1}{4}$ of Section 20, Township 1,
Barclay District, Except Part in Plan 19909
8. **Port Alberni Assessment Area**
PID: 003-291-294
Parcel A (DD E25649) of Lot 1, Section 20, Township 1,
Barclay District, Plan 22579

9. **Port Alberni Assessment Area**
PID: 003-317-641
Block C of the Northwest ¼ of Section 17, Township 1,
Barclay District
10. **City Of Port Alberni**
PID: 009-278-923
Lot 13, Block 74, District Lot 1, Alberni District, Plan 197
11. **City Of Port Alberni**
PID: 009-278-940
Lot 14, Block 74, District Lot 1, Alberni District, Plan 197
12. **City Of Port Alberni**
PID: 009-278-966
Lot 15, Block 74, District Lot 1, Alberni District, Plan 197
13. **Port Alberni Assessment Area**
PID: 000-204-315
Lot 3, Section 19, Barclay District, Plan 36032
14. **Port Alberni Assessment Area**
PID: 000-286-885
Lot 5, District Lot 39, Alberni District, Plan 1877
15. **Port Alberni Assessment Area**
PID: 006-249-540
Lot 1, Section 20, Township 1, Barclay District, Plan 3077
16. **City of Port Alberni**
PID: 000-522-538
That Part of Lot 1, Alberni District, Shown Outlined in Red
On Plan 721R
17. **City of Port Alberni**
PID: 000-522-546
That Part of Lot 1, Alberni District, Shown Outlined In Red
On Plan 795R
18. **Port Alberni Assessment District**
PID: 000-787-744
Lot 2, Section 20, Township 1, Barclay District, Plan 23308
Except That Part of Plan 45519

19. **City of Port Alberni**
PID: 007-175-698
Lot 23, Block 18, District Lot 9, Alberni District, Plan 1585
20. **City of Port Alberni**
PID: 000-287-181
Lot 1, Block 4A, District Lot 1, Alberni District, Plan 197
21. **City of Port Alberni**
PID: 000-287-296
Lot 10, Block 4A, District Lot 1, Alberni District, Plan 197
22. **City of Port Alberni**
PID: 000-287-342
Lot 11, Block 4A, District Lot 1, Alberni District, Plan 197
23. **City of Port Alberni**
PID: 000-287-393
Lot 12, Block 4A, District Lot 1, Alberni District, Plan 197
24. **Municipality of North Cowichan**
PID: 001-160-141
Lot 2, Sections 14 and 15, Range 3, Chemainus District,
Plan 31422 Except Part in Plan VIP69038
25. **As to the 1/2 interest in:**
Port Alberni Assessment Area
PID: 001-018-507
Lot 1, Section 18, Township 1, Barclay District,
Plan 38260 Except Part in Plan 45043, 46428 and 47590
26. **As to the 1/3 interest in:**
Port Alberni Assessment Area
PID: 014-852-985
Lot A, Section 20, Township 1, and District Lot 782,
Barclay District, Plan 49089

e-document ITA-13379-09

| | |
|--------------------------------|--|
| FEDERAL COURT COUR FÉDÉRALE | D É L I V R É & D E P O S É |
| Nov 18, 2009 | |
| Robert Gravelle | |
| Ottawa, ONT | 2 |

Court File No.: ITA-13379-09

FEDERAL COURT

In the matter of the *Income Tax Act*,

- and -

In the matter of an assessment or assessments by the Minister of National Revenue under one or more of the *Income Tax Act, Canada Pension Plan, Employment Insurance Act, the Income Tax Act*,
against:

ARMAC INVESTMENTS LTD.
11617 106 Avenue Northwest,
Edmonton, Alberta.
T5H 0S1



CERTIFICATE

I certify that on the **18th** day of **November** in the year of Our Lord Two Thousand and Nine, a Certificate that is deemed to be a judgment of this Honourable Court, was registered in this Honourable Court,

for **Three Million Two Hundred Eighty-nine Thousand Eight Hundred Seventy-two Dollars and Ninety-two Cents (\$3,289,872.92)**

plus interest pursuant to the said Acts, compounded daily, at the rate prescribed under the *Income Tax Act* applicable from time to time, on the sum of **\$3,289,872.92**, from the **6th** day of **November, 2009**, to the day of payment, and that no satisfaction of the Certificate or any part thereof appears of record in this Court.

Dated this **18th** day of **November** in the year of Our Lord Two Thousand and Nine.

T309(E)A-1
Rev. 98-04
(NS)

Robert Gravelle
Federal Court

ROBERT GRAVELLE
REGISTRY ASSISTANT
ADJOINT AU GREFFE

-2 SEP 2009 10 15

FB295834

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

15

NATURE OF INTEREST: (1) FEE-SIMPLE

HEREWITH FEES OF: (2) CHARGE Judgment

\$30.05 (3) CANCELLATION OF CHARGE: _____

AS TO (1) AND (2) :
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

km 9/2/2009 10:14:28 AM 1 1
Judgement 1 \$30.05

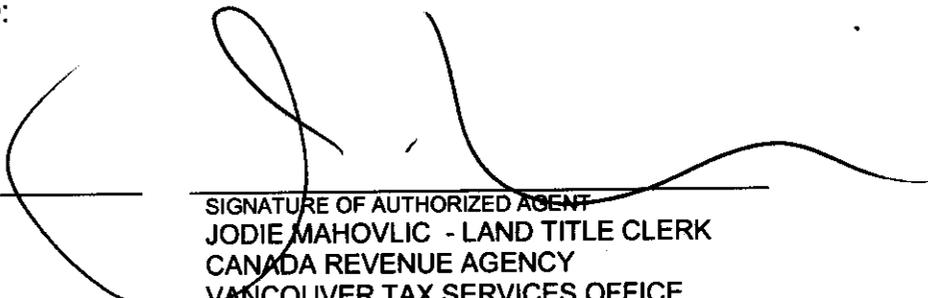
AS TO THE INTEREST IN MORTGAGE EN41304 OF:
John Purdy (sometime known as John Kenneth Purdy), Businessman
11617- 106 Avenue
Edmonton, Alberta
T5H 0S1

LEGAL DESCRIPTION OF LAND:
See attached Schedule

APPLICATION BY:



B. GORGITZA
SECTION 463-16 WP05 - REVENUE
COLLECTIONS
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE HIGHWAY
SURREY, BC V3T 5E1
TEL: 604-691-4438, FAX: 604-691-4081



SIGNATURE OF AUTHORIZED AGENT
JODIE MAHOVLIC - LAND TITLE CLERK
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE HIGHWAY
SURREY, BC V3T 5E1
TEL: (604) 691-4479, FAX: (604) 691-4081

LAND TITLE ACT

SCHEDULE

Enter the required information in the same order as the information must appear on the freehold transfer form, mortgage form or general document form.

- (1) City of Port Alberni
PID: 000-522-538
That Part of Lot 1, Alberni District, shown outlined in red on Plan 721R

- (2) City of Port Alberni
PID: 000-522-546
That Part of Lot 1, Alberni District, shown outlined in red on Plan 795R

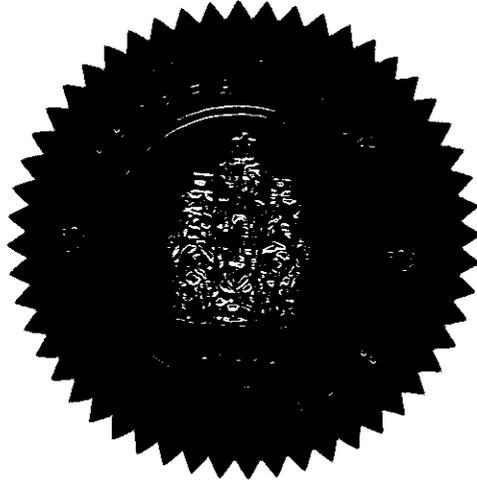
COURT NO. ITA- **5093** -06

FEDERAL COURT

In the matter of the *Income Tax Act*,

- and -

In the matter of an assessment or assessments by the Minister of National Revenue under one or more of the *Income Tax Act, Canada Pension Plan, Employment Insurance Act, the Income Tax Act*,
against:



JOHN PURDY
(sometime known as
JOHN KENNETH PURDY)
c/o Dale Matheson Carr-Hilton
1700-1140 Pender Street West,
Vancouver, British Columbia.
V6E 4G1

CERTIFICATE

I certify that on the **28th** day of **April** in the year of Our Lord Two Thousand and Six, a Certificate, that is deemed to be a judgment of this Honourable Court, was registered in this Honourable Court and bears No. ITA- **5093** -06

for **Two Hundred Fifty-nine Thousand Five Hundred Fifty Dollars and Ninety-four Cents (\$259,550.94)**

plus interest pursuant to the said Acts, compounded daily, at the rate prescribed under the *Income Tax Act* applicable from time to time, on the sum of **\$259,550.94**, from the **25th** day of **April, 2006**, to the day of payment, and that no satisfaction of the Certificate or any part thereof appears of record in this Court.

Dated this **28th** day of **April** in the year of Our Lord Two Thousand and Six.

Federal Court

C. Payette
Senior Registry Officer
Agent principal du greffe

T309(E)A-1
Rev. 98-04

19 AUG 2009 10 09

FB292039

**Land Title Act
Form 17
(Sections 154, 155(1), 241)**

APPLICATION

Note: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality and Improvement, Water and Irrigation Districts.

NATURE OF INTEREST:

(1) FEE SIMPLE

Market Value:
Parcel Identifier No(s):

km 8/19/2009 10:08:38 AM 1
Judgement 1 \$30.05

(2) CHARGE

Parcel Identifier No(s): 000-522-546
000-522-538

Nature of Charge: **Judgment of Mortgage ET37405**
transferred to ET37405

EN41304

(3) CANCELLATION OF
CHARGE

Parcel Identifier No(s): see schedule
Nature and Number of Charge cancelled

HEREWITH FEES OF: \$ _____

As to (1) and (2) ADDRESS of person entitled to be registered as owner, if different than shown in the instrument:

**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

km 8/3/2009 2:52:40 PM 1 1
Defect 1 \$30.05

(For Purposes of litigation, Her Majesty is represented by Attorney General of Canada, Department of Justice, 900 – 840 Howe Street, Vancouver, British Columbia, V6Z 2S9)

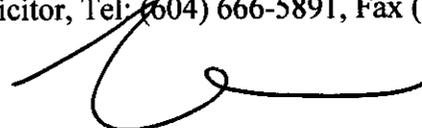
AS TO THE INTEREST OF:

John Kenneth Purdy sometimes known as Jack Purdy
c/o Dale Matheson Carr-Hilton
1700 – 1140 West Pender Street, Vancouver, B.C., V6E 4G1

LEGAL DESCRIPTION(S), if not shown in instrument being submitted with this application: See attached Schedule

FULL NAME, ADDRESS, TELEPHONE NUMBER of person presenting application:

Department of Justice, 900 – 840 Howe Street, Vancouver, British Columbia, V6Z 2S9,
Attention: Christine Matthews, Barrister & Solicitor, Tel: (604) 666-5891, Fax (604) 666-1462



Signature of Solicitor

c/o West Coast Title Search Ltd.
10104
N.P.

LAND TITLE ACT

SCHEDULE

PID NUMBER

1. 000-522-546 City of Port Alberni
That Part of Lot 1, Alberni District, Shown Outlined in Red on
Plan 795R

2. 000-522-538 City of Port Alberni
That Part of Lot 1, Alberni District, Shown Outlined in Red on
Plan 721R

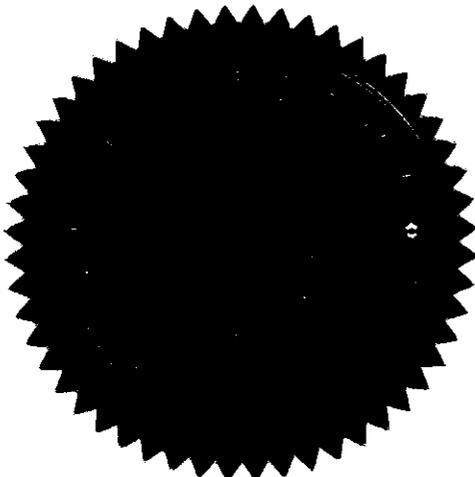
COURT NO. ITA-8089-02

FEDERAL COURT - TRIAL DIVISION

In the matter of the *Income Tax Act*,

- and -

In the matter of an assessment or assessments by the Minister of National Revenue under one or more of the *Income Tax Act, Canada Pension Plan, Employment Insurance Act*,
against:



JOHN KENNETH PURDY
(sometime known as **JACK PURDY**)
c/o Dale Matheson Carr-Hilton,
1700-1140 West Pender Street,
Vancouver, British Columbia.
V6E 4G1

CERTIFICATE

I certify that on the **10th** day of **July** in the year of Our Lord Two Thousand and Two, a Certificate, that is deemed to be a judgment of this Honourable Court, was registered in this Honourable Court and bears No. **ITA-8089-02**

for **Three Million One Hundred Seventy-one Thousand Nine Hundred Forty-seven Dollars and Sixteen Cents (\$3,171,947.16)**

plus interest pursuant to the said Acts, compounded daily, at the rate prescribed under the *Income Tax Act* applicable from time to time, on the sum of **\$3,171,947.16**, from the **28th** day of **June, 2002**, to the day of payment, and that no satisfaction of the Certificate or any part thereof appears of record in this Court.

Dated this **30th** day of **April** in the year of Our Lord Two Thousand and Three.

T309(E)A-1
Rev. 98-04

G. Bellavance
Federal Court of Canada,
Trial Division

G. BELLAVANCE
Processing Clerk
Commis au traitement

10 JUL 2009 10 35

FB281646

**Land Title Act
Form 17
(Sections 154, 155(1), 241)**

gm 7/10/2009 10:34:30 AM 1 1
Judgement 1 \$30.05

APPLICATION

Note: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality and Improvement, Water and Irrigation Districts.

NATURE OF INTEREST:

- (1) FEE SIMPLE Market Value:
Parcel Identifier No(s):
- (2) CHARGE Parcel Identifier No(s): **See attached schedule**
Nature of Charge: Renewal of Judgment FB074761
(see EX099057 and EV094884)
- (3) CANCELLATION OF CHARGE Parcel Identifier No(s):
Nature and Number of Charge cancelled

HEREWITH FEES OF: \$ _____

As to (1) and (2) ADDRESS of person entitled to be registered as owner, if different than shown in the instrument:

**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For Purposes of litigation, Her Majesty is represented by Attorney General of Canada, Department of Justice, 900 – 840 Howe Street, Vancouver, British Columbia, V6Z 2S9)

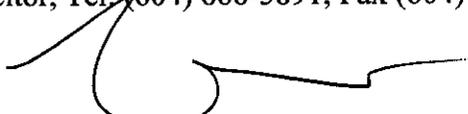
AS TO THE INTEREST OF:

Armac Investments Ltd. (Inc. No. 40671)
1270-1130 West Pender Street
Vancouver, B.C., V6E 4V4

LEGAL DESCRIPTION(S), if not shown in instrument being submitted with this application: See attached Schedule

FULL NAME, ADDRESS, TELEPHONE NUMBER of person presenting application:

Department of Justice, 900 – 840 Howe Street, Vancouver, British Columbia, V6Z 2S9,
Attention: Christine Matthews, Barrister & Solicitor, Tel: (604) 666-5891, Fax (604) 666-1462



Signature of Solicitor

c/o West Coast Title Search Ltd.
10104
N.P.

LAND TITLE ACT**SCHEDULE****PID NUMBER**

1. 004-090-381 Port Alberni Assessment Area
Lot 1, Section 20, Township 1, Barclay District, Plan 16439
2. 017-801-231 Port Alberni Assessment Area
Lot 1, Section 20, Township 1, Barclay District, Plan VIP54368
3. 000-977-179 Port Alberni Assessment Area
Lot C, Section 20, Township 1, Barclay District, Plan 38547
Except Part in Plan VIP 54368
4. 008-691-363 Port Alberni Assessment Area
The North East $\frac{1}{4}$ of the North East $\frac{1}{4}$ of Section 17, Township 1,
Barclay District
5. 003-524-213 Port Alberni Assessment Area
Lot 1, Section 20, Township 1, Barclay District, Plan 20233
6. 003-706-311 Port Alberni Assessment Area
Lot 1, Section 20, Township 1, Barclay District, Plan 19909
7. 008-594-015 Port Alberni Assessment Area
Block A of the South West $\frac{1}{4}$ of Section 20, Township 1, Barclay
District, Except Part in Plan 19909
8. 003-291-294 Port Alberni Assessment Area
Parcel A (DD E25649) of Lot 1, Section 20, Township 1, Barclay
District, Plan 22579
9. 003-317-641 Port Alberni Assessment Area
Block C of the Northwest $\frac{1}{4}$ of Section 17, Township 1, Barclay District
10. 009-278-923 City of Port Alberni
Lot 13, Block 74, District Lot 1, Alberni District, Plan 197
11. 009-278-940 City of Port Alberni
Lot 14, Block 74, District Lot 1, Alberni District, Plan 197
12. 009-278-966 City of Port Alberni
Lot 15, Block 74, District Lot 1, Alberni District, Plan 197

SCHEDULE CONTINUED

13. 000-204-315 Port Alberni Assessment Area
Lot 3, Section 19, Barclay District, Plan 36032
14. 000-286-885 Port Alberni Assessment Area
Lot 5, District Lot 39, Alberni District, Plan 1877
15. 006-249-540 Port Alberni Assessment Area
Lot 1, Section 20, Township 1, Barclay District, Plan 3077
16. 000-522-538 City of Port Alberni
That Part of Lot 1, Alberni District, shown outlined in red
on Plan 721R
17. 000-522-546 City of Port Alberni
That Part of Lot 1, Alberni District, shown outlined in red
on Plan 795R
18. 000-787-744 Port Alberni Assessment Area
Lot 2, Section 20, Township 1, Barclay District, Plan 23308
except that part in Plan 45519
19. 007-175-698 City of Port Alberni
Lot 23, Block 18, District Lot 9, Alberni District, Plan 1585
20. 000-287-181 City of Port Alberni
Lot 1, Block 4A, District Lot 1, Alberni District, Plan 197
21. 000-287-296 City of Port Alberni
Lot 10, Block 4A, District Lot 1, Alberni District, Plan 197
22. 000-287-342 City of Port Alberni
Lot 11, Block 4A, District Lot 1, Alberni District, Plan 197
23. 000-287-393 City of Port Alberni
Lot 12, Block 4A, District Lot 1, Alberni District, Plan 197
24. 001-018-507 As to the 1/2 interest in:
Port Alberni Assessment Area
Lot 1, Section 18, Township 1, Barclay District, Plan 38260
Except Part in Plan 45043, 46428 and 47590
25. 014-852-985 As to the 2/3 interest in:
Port Alberni Assessment Area
Lot A, Section 20, Township 1, and District Lot 782, Barclay District,
Plan 49089

19 JUL 2007 11 47

F8074761

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

COPY

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

NATURE OF INTEREST: (1) FEE-SIMPLE

HEREWITH FEES OF: (2) CHARGE

Renewal of Judgment EX99057
(see EV94884)

\$27.00

(3) CANCELLATION OF CHARGE:

AS TO (1) AND (2):
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

AS TO THE INTEREST OF:

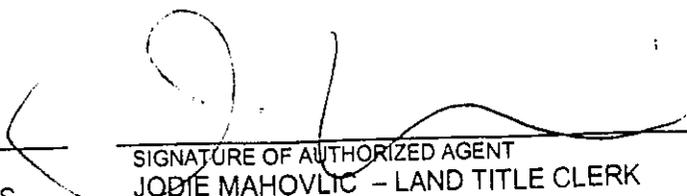
Armac Investments Ltd. (Inc. No. 40671)
1270 - 1130 West Pender Street
Vancouver BC V6E 4V4

LEGAL DESCRIPTION OF LAND:

See Attached Schedule

APPLICATION BY:

L. FITZSIMMONS - COLLECTION OFFICER
SECTION 465-14 - REVENUE COLLECTIONS
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE HIGHWAY
SURREY, BC V3T 5E1
TEL: 604-691-4507, FAX: 604-691-4220


SIGNATURE OF AUTHORIZED AGENT
JODIE MAHOVLIC - LAND TITLE CLERK
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE HIGHWAY
SURREY, BC V3T 5E1
TEL: (604) 691-4479, FAX: (604) 691-4220

LAND TITLE ACT**SCHEDULE****PID NUMBER**

1. 004-090-381 Port Alberni Assessment Area
Lot 1, Section 20, Township 1, Barclay District, Plan 16439
2. 017-801-231 Port Alberni Assessment Area
Lot 1, Section 20, Township 1, Barclay District, Plan VIP54368
3. 000-977-179 Port Alberni Assessment Area
Lot C, Section 20, Township 1, Barclay District, Plan 38547
Except Part in Plan VIP 54368
4. 008-691-363 Port Alberni Assessment Area
The North East $\frac{1}{4}$ of the North East $\frac{1}{4}$ of Section 17, Township 1,
Barclay District
5. 003-524-213 Port Alberni Assessment Area
Lot 1, Section 20, Township 1, Barclay District, Plan 20233
6. 003-706-311 Port Alberni Assessment Area
Lot 1, Section 20, Township 1, Barclay District, Plan 19909
7. 008-594-015 Port Alberni Assessment Area
Block A of the South West $\frac{1}{4}$ of Section 20, Township 1, Barclay
District, Except Part in Plan 19909
8. 003-291-294 Port Alberni Assessment Area
Parcel A (DD E25649) of Lot 1, Section 20, Township 1, Barclay
District, Plan 22579
9. 003-317-641 Port Alberni Assessment Area
Block C of the Northwest $\frac{1}{4}$ of Section 17, Township 1, Barclay District
10. 009-278-923 City of Port Alberni
Lot 13, Block 74, District Lot 1, Alberni District, Plan 197
11. 009-278-940 City of Port Alberni
Lot 14, Block 74, District Lot 1, Alberni District, Plan 197
12. 009-278-966 City of Port Alberni
Lot 15, Block 74, District Lot 1, Alberni District, Plan 197

SCHEDULE CONTINUED

13. 000-204-315 Port Alberni Assessment Area
Lot 3, Section 19, Barclay District, Plan 36032
14. 000-286-885 Port Alberni Assessment Area
Lot 5, District Lot 39, Alberni District, Plan 1877
15. 006-249-540 Port Alberni Assessment Area
Lot 1, Section 20, Township 1, Barclay District, Plan 3077
16. 000-522-538 City of Port Alberni
That Part of Lot 1, Alberni District, shown outlined in red
on Plan 721R
17. 000-522-546 City of Port Alberni
That Part of Lot 1, Alberni District, shown outlined in red
on Plan 795R
18. 000-787-744 Port Alberni Assessment Area
Lot 2, Section 20, Township 1, Barclay District, Plan 23308
except that part in Plan 45519
19. 007-175-698 City of Port Alberni
Lot 23, Block 18, District Lot 9, Alberni District, Plan 1585
20. 000-287-181 City of Port Alberni
Lot 1, Block 4A, District Lot 1, Alberni District, Plan 197
21. 000-287-296 City of Port Alberni
Lot 10, Block 4A, District Lot 1, Alberni District, Plan 197
22. 000-287-342 City of Port Alberni
Lot 11, Block 4A, District Lot 1, Alberni District, Plan 197
23. 000-287-393 City of Port Alberni
Lot 12, Block 4A, District Lot 1, Alberni District, Plan 197
24. 001-018-507 As to the 1/2 interest in:
Port Alberni Assessment Area
Lot 1, Section 18, Township 1, Barclay District, Plan 38260
Except Part in Plan 45043, 46428 and 47590
25. 014-852-985 As to the 2/3 interest in:
Port Alberni Assessment Area
Lot A, Section 20, Township 1, and District Lot 782, Barclay District,
Plan 49089

-9 AUG 2005 12 23

EX099057

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

15

| | | | | |
|---------------------|-----|-------------------------------------|-------------------------|-----------------------------|
| NATURE OF INTEREST: | (1) | <input type="checkbox"/> | FEE-SIMPLE | |
| HEREWITH FEES OF: | (2) | <input checked="" type="checkbox"/> | CHARGE | Renewal of Judgment EV94884 |
| \$27.00 | (3) | <input type="checkbox"/> | CANCELLATION OF CHARGE: | |

AS TO (1) AND (2):
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

AS TO THE INTEREST OF:

01 05/08/09 12:23:42 01 VI
JUDGMENT

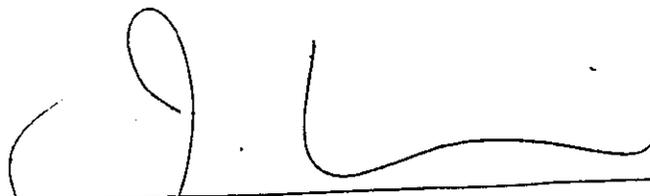
650710
\$27.00

Armac Investments Ltd. (Inc. No. 40671)
1270 - 1130 West Pender Street
Vancouver, BC
V6E 4A4

LEGAL DESCRIPTION OF LAND:

See Schedule "A" Attached

APPLICATION BY:



L. FITZSIMMONS- SECTION 464-12
REVENUE COLLECTIONS - CANADA CUSTOMS
AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER, B.C. V6E 3H8
TEL: (604) 691-4507
FAX: (604) 691-4220

(Signature of agent)
JOBIE MAHOVLIC - CANADA CUSTOMS
AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER B.C. V6E 3H8
TEL: (604) 691-4479
FAX: (604) 691-4411

LAND TITLE ACT

FORM E

SCHEDULE "A"

Enter the required information in the same order as the information must appear on the freehold transfer form, mortgage form or general document form.

1. Port Alberni Assessment Area
PID: 004-090-381
Lot 1, Section 20, Township 1, Barclay District, Plan 16439
2. Port Alberni Assessment Area
PID: 017-801-231
Lot 1, Section 20, Township 1, Barclay District, Plan VIP54368
3. Port Alberni Assessment Area
PID: 000-977-179
Lot C, Section 20, Township 1, Barclay District, Plan 38547
Except Part in Plan VIP54368
4. Port Alberni Assessment Area
PID: 008-691-363
The North East $\frac{1}{4}$ of the North East $\frac{1}{4}$ of Section 17, Township 1,
Barclay District
5. Port Alberni Assessment Area
PID: 003-524-213
Lot 1, Section 20, Township 1, Barclay District, Plan 20233
6. Port Alberni Assessment Area
PID: 003-706-311
Lot 1, Section 20, Township 1, Barclay District, Plan 19909
7. Port Alberni Assessment Area
PID: 008-594-015
Block A of the South West $\frac{1}{4}$ of Section 20, Township 1,
Barclay District, Except Part in Plan 19909
8. Port Alberni Assessment Area
PID: 003-291-294
Parcel A (DD E25649) of Lot 1, Section 20, Township 1,
Barclay District, Plan 22579

9. **Port Alberni Assessment Area**
PID: 003-317-641
Block C of the Northwest ¼ of Section 17, Township 1,
Barclay District
10. **City Of Port Alberni**
PID: 009-278-923
Lot 13, Block 74, District Lot 1, Alberni District, Plan 197
11. **City Of Port Alberni**
PID: 009-278-940
Lot 14, Block 74, District Lot 1, Alberni District, Plan 197
12. **City Of Port Alberni**
PID: 009-278-966
Lot 15, Block 74, District Lot 1, Alberni District, Plan 197
13. **Port Alberni Assessment Area**
PID: 000-204-315
Lot 3, Section 19, Barclay District, Plan 36032
14. **Port Alberni Assessment Area**
PID: 000-286-885
Lot 5, District Lot 39, Alberni District, Plan 1877
15. **Port Alberni Assessment Area**
PID: 006-249-540
Lot 1, Section 20, Township 1, Barclay District, Plan 3077
16. **City of Port Alberni**
PID: 000-522-538
That Part of Lot 1, Alberni District, Shown Outlined in Red
On Plan 721R
17. **City of Port Alberni**
PID: 000-522-546
That Part of Lot 1, Alberni District, Shown Outlined In Red
On Plan 795R
18. **Port Alberni Assessment District**
PID: 000-787-744
Lot 2, Section 20, Township 1, Barclay District, Plan 23308
Except That Part of Plan 45519

19. City of Port Alberni
PID: 007-175-698
Lot 23, Block 18, District Lot 9, Alberni District, Plan 1585
20. City of Port Alberni
PID: 000-287-181
Lot 1, Block 4A, District Lot 1, Alberni District, Plan 197
21. City of Port Alberni
PID: 000-287-296
Lot 10, Block 4A, District Lot 1, Alberni District, Plan 197
22. City of Port Alberni
PID: 000-287-342
Lot 11, Block 4A, District Lot 1, Alberni District, Plan 197
23. City of Port Alberni
PID: 000-287-393
Lot 12, Block 4A, District Lot 1, Alberni District, Plan 197
24. Municipality of North Cowichan
PID: 001-160-141
Lot 2, Sections 14 and 15, Range 3, Chemainus District,
Plan 31422 Except Part in Plan VIP69038
25. As to the 1/2 interest in:
Port Alberni Assessment Area
PID: 001-018-507
Lot 1, Section 18, Township 1, Barclay District,
Plan 38260 Except Part in Plan 45043, 46428 and 47590
26. As to the ^{2/3}~~1/2~~ interest in:
Port Alberni Assessment Area
PID: 014-852-985
Lot A, Section 20, Township 1, and District Lot 782,
Barclay District, Plan 49089

released.

20 AUG 2003 11 47

EV094884

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

COPY

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

| | | | | |
|---------------------|-----|-------------------------------------|-------------------------|----------|
| NATURE OF INTEREST: | (1) | <input type="checkbox"/> | FEE-SIMPLE | |
| HEREWITH FEES OF: | (2) | <input checked="" type="checkbox"/> | CHARGE | Judgment |
| \$25.00 | (3) | <input type="checkbox"/> | CANCELLATION OF CHARGE: | |

AS TO (1) AND (2):
HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

AS TO THE INTEREST OF:

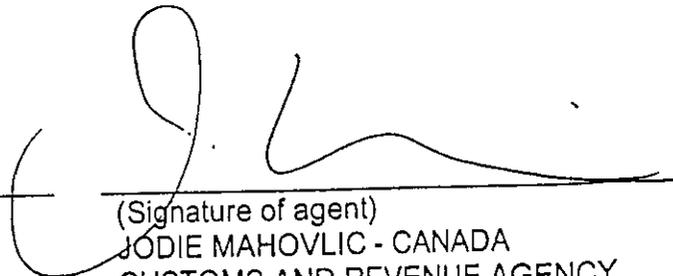
Armac Investments Ltd., (Inc. No. 40671)
1250 West Hastings Street,
Vancouver, BC, V6E 2M4

LEGAL DESCRIPTION OF LAND:

See Attached Schedule "A"

APPLICATION BY:

L. Fitzsimmons - Section 464-12
(Collection Officer - Section)
REVENUE COLLECTIONS - CANADA
CUSTOMS AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER, B.C. V6E 3H8
TEL: (604) 691-4507
FAX: (604) 691-4991


(Signature of agent)
JODIE MAHOVLIC - CANADA
CUSTOMS AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER B.C. V6E 3H8
TEL: (604) 691-4479
FAX: (604) 691-4411

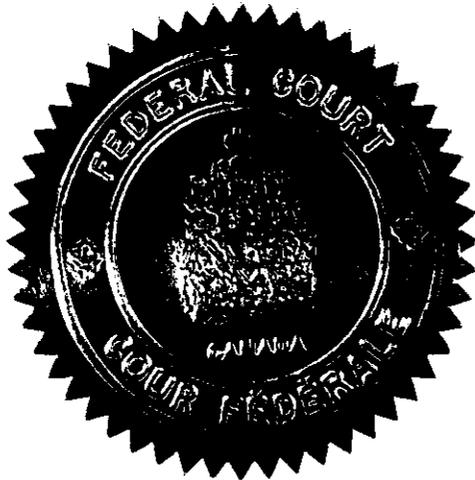
COURT NO. ITA- 7180 -03

FEDERAL COURT

In the matter of the *Income Tax Act*,

- and -

In the matter of an assessment or assessments by the Minister of National Revenue under one or more of the *Income Tax Act, Canada Pension Plan, Employment Insurance Act, the Income Tax Act*,
against:



ARMAC INVESTMENTS LTD.
1250 West Hastings Street,
Vancouver, British Columbia.
V6E 2M4

CERTIFICATE

I certify that on the 1st day of August in the year of Our Lord Two Thousand and Three, a Certificate, that is deemed to be a judgment of this Honourable Court, was registered in this Honourable Court and bears No. ITA- 7180 -03

for Four Hundred Seventy-seven Thousand Four Hundred Sixty-nine Dollars and Eighty-nine Cents (\$477,469.89)

plus interest pursuant to the said Acts, compounded daily, at the rate prescribed under the *Income Tax Act* applicable from time to time, on the sum of \$477,469.89, from the 18th day of July, 2003, to the day of payment, and that no satisfaction of the Certificate or any part thereof appears of record in this Court.

Dated this 1st day of August in the year of Our Lord Two Thousand and Three.

T309(E)A-1
Rev. 98-04

Hélène Clément
Federal Court
Hélène Clément
Processing Clerk
Commis au traitement

COURT NO. ITA- 7180 -03

FEDERAL COURT

In the matter of the *Income Tax Act*,

- and -



In the matter of an assessment or assessments by the Minister of National Revenue under one or more of the *Income Tax Act*, *Canada Pension Plan*, *Employment Insurance Act*, the *Income Tax Act*, against:

ARMAC INVESTMENTS LTD.
1250 West Hastings Street,
Vancouver, British Columbia.
V6E 2M4

CERTIFICATE

I certify that on the 1st day of August in the year of Our Lord Two Thousand and Three, a Certificate, that is deemed to be a judgment of this Honourable Court, was registered in this Honourable Court and bears No. ITA- 7180 -03

for Four Hundred Seventy-seven Thousand Four Hundred Sixty-nine Dollars and Eighty-nine Cents (\$477,469.89)

plus interest pursuant to the said Acts, compounded daily, at the rate prescribed under the *Income Tax Act* applicable from time to time, on the sum of \$477,469.89, from the 18th day of July, 2003, to the day of payment, and that no satisfaction of the Certificate or any part thereof appears of record in this Court.

Dated this 1st day of August in the year of Our Lord Two Thousand and Three.

T309(E)A-1
Rev. 98-04

Federal Court

Hélène Clément
Processing Clerk
Commis au traitement

19 JUL 2007 11 47

FB074761

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

NATURE OF INTEREST: (1) FEE-SIMPLE

HEREWITH FEES OF: (2) CHARGE Renewal of Judgment EX99057 (see EV94884)

\$27.00 (3) CANCELLATION OF CHARGE: _____

15

AS TO (1) AND (2):
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

01 07/07/19 11:49:01 01 VI
JUDGMENT

764664
\$27.00

AS TO THE INTEREST OF:

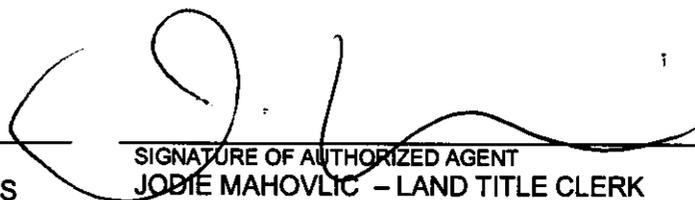
Armac Investments Ltd. (Inc. No. 40671)
1270 – 1130 West Pender Street
Vancouver BC V6E 4V4

LEGAL DESCRIPTION OF LAND:

See Attached Schedule

APPLICATION BY:

L. FITZSIMMONS – COLLECTION OFFICER
SECTION 465-14 - REVENUE COLLECTIONS
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE HIGHWAY
SURREY, BC V3T 5E1
TEL: 604-691-4507, FAX: 604-691-4220


SIGNATURE OF AUTHORIZED AGENT
JODIE MAHOVLIC – LAND TITLE CLERK
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE HIGHWAY
SURREY, BC V3T 5E1
TEL: (604) 691-4479, FAX: (604) 691-4220

LAND TITLE ACT**SCHEDULE****PID NUMBER**

1. **004-090-381** Port Alberni Assessment Area
Lot 1, Section 20, Township 1, Barclay District, Plan 16439
2. **017-801-231** Port Alberni Assessment Area
Lot 1, Section 20, Township 1, Barclay District, Plan VIP54368
3. **000-977-179** Port Alberni Assessment Area
Lot C, Section 20, Township 1, Barclay District, Plan 38547
Except Part in Plan VIP 54368
4. **008-691-363** Port Alberni Assessment Area
The North East $\frac{1}{4}$ of the North East $\frac{1}{4}$ of Section 17, Township 1,
Barclay District
5. **003-524-213** Port Alberni Assessment Area
Lot 1, Section 20, Township 1, Barclay District, Plan 20233
6. **003-706-311** Port Alberni Assessment Area
Lot 1, Section 20, Township 1, Barclay District, Plan 19909
7. **008-594-015** Port Alberni Assessment Area
Block A of the South West $\frac{1}{4}$ of Section 20, Township 1, Barclay
District, Except Part in Plan 19909
8. **003-291-294** Port Alberni Assessment Area
Parcel A (DD E25649) of Lot 1, Section 20, Township 1, Barclay
District, Plan 22579
9. **003-317-641** Port Alberni Assessment Area
Block C of the Northwest $\frac{1}{4}$ of Section 17, Township 1, Barclay District
10. **009-278-923** City of Port Alberni
Lot 13, Block 74, District Lot 1, Alberni District, Plan 197
11. **009-278-940** City of Port Alberni
Lot 14, Block 74, District Lot 1, Alberni District, Plan 197
12. **009-278-966** City of Port Alberni
Lot 15, Block 74, District Lot 1, Alberni District, Plan 197

SCHEDULE CONTINUED

13. 000-204-315 Port Alberni Assessment Area
Lot 3, Section 19, Barclay District, Plan 36032
14. 000-286-885 Port Alberni Assessment Area
Lot 5, District Lot 39, Alberni District, Plan 1877
15. 006-249-540 Port Alberni Assessment Area
Lot 1, Section 20, Township 1, Barclay District, Plan 3077
16. 000-522-538 City of Port Alberni
That Part of Lot 1, Alberni District, shown outlined in red
on Plan 721R
17. 000-522-546 City of Port Alberni
That Part of Lot 1, Alberni District, shown outlined in red
on Plan 795R
18. 000-787-744 Port Alberni Assessment Area
Lot 2, Section 20, Township 1, Barclay District, Plan 23308
except that part in Plan 45519
19. 007-175-698 City of Port Alberni
Lot 23, Block 18, District Lot 9, Alberni District, Plan 1585
20. 000-287-181 City of Port Alberni
Lot 1, Block 4A, District Lot 1, Alberni District, Plan 197
21. 000-287-296 City of Port Alberni
Lot 10, Block 4A, District Lot 1, Alberni District, Plan 197
22. 000-287-342 City of Port Alberni
Lot 11, Block 4A, District Lot 1, Alberni District, Plan 197
23. 000-287-393 City of Port Alberni
Lot 12, Block 4A, District Lot 1, Alberni District, Plan 197
24. 001-018-507 As to the ½ interest in:
Port Alberni Assessment Area
Lot 1, Section 18, Township 1, Barclay District, Plan 38260
Except Part in Plan 45043, 46428 and 47590
25. 014-852-985 As to the 2/3 interest in:
Port Alberni Assessment Area
Lot A, Section 20, Township 1, and District Lot 782, Barclay District,
Plan 49089

-9 AUG 2005 12 23

EX099057

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

15

NATURE OF INTEREST: (1) FEE-SIMPLE
HEREWITH FEES OF: (2) CHARGE Renewal of Judgment EV94884
OF: (3) CANCELLATION OF CHARGE:
\$27.00

AS TO (1) AND (2):
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

AS TO THE INTEREST OF:

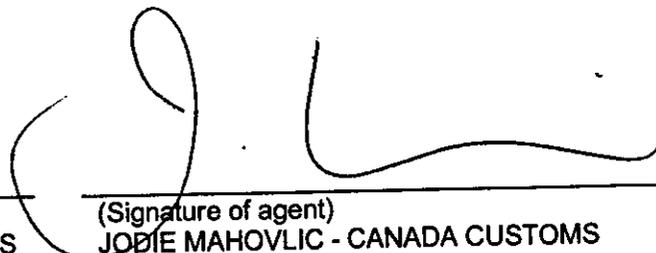
01 05/08/09 12:23:42 01 VI 650710
JUDGMENT \$27.00

Armac Investments Ltd. (Inc. No. 40671)
1270 - 1130 West Pender Street
Vancouver, BC
V6E 4A4

LEGAL DESCRIPTION OF LAND:

See Schedule "A" Attached

APPLICATION BY:



L. FITZSIMMONS- SECTION 464-12
REVENUE COLLECTIONS - CANADA CUSTOMS
AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER, B.C. V6E 3H8
TEL: (604) 691-4507
FAX: (604) 691-4220

(Signature of agent)
JOBIE MAHOVLIC - CANADA CUSTOMS
AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER B.C. V6E 3H8
TEL: (604) 691-4479
FAX: (604) 691-4411

LAND TITLE ACT

FORM E

SCHEDULE "A"

Enter the required information in the same order as the information must appear on the freehold transfer form, mortgage form or general document form.

1. **Port Alberni Assessment Area**
PID: 004-090-381
Lot 1, Section 20, Township 1, Barclay District, Plan 16439
2. **Port Alberni Assessment Area**
PID: 017-801-231
Lot 1, Section 20, Township 1, Barclay District, Plan VIP54368
3. **Port Alberni Assessment Area**
PID: 000-977-179
Lot C, Section 20, Township 1, Barclay District, Plan 38547
Except Part in Plan VIP54368
4. **Port Alberni Assessment Area**
PID: 008-691-363
The North East ¼ of the North East ¼ of Section 17, Township 1,
Barclay District
5. **Port Alberni Assessment Area**
PID: 003-524-213
Lot 1, Section 20, Township 1, Barclay District, Plan 20233
6. **Port Alberni Assessment Area**
PID: 003-706-311
Lot 1, Section 20, Township 1, Barclay District, Plan 19909
7. **Port Alberni Assessment Area**
PID: 008-594-015
Block A of the South West ¼ of Section 20, Township 1,
Barclay District, Except Part in Plan 19909
8. **Port Alberni Assessment Area**
PID: 003-291-294
Parcel A (DD E25649) of Lot 1, Section 20, Township 1,
Barclay District, Plan 22579

9. **Port Alberni Assessment Area**
PID: 003-317-641
Block C of the Northwest ¼ of Section 17, Township 1, Barclay District
10. **City Of Port Alberni**
PID: 009-278-923
Lot 13, Block 74, District Lot 1, Alberni District, Plan 197
11. **City Of Port Alberni**
PID: 009-278-940
Lot 14, Block 74, District Lot 1, Alberni District, Plan 197
12. **City Of Port Alberni**
PID: 009-278-966
Lot 15, Block 74, District Lot 1, Alberni District, Plan 197
13. **Port Alberni Assessment Area**
PID: 000-204-315
Lot 3, Section 19, Barclay District, Plan 36032
14. **Port Alberni Assessment Area**
PID: 000-286-885
Lot 5, District Lot 39, Alberni District, Plan 1877
15. **Port Alberni Assessment Area**
PID: 006-249-540
Lot 1, Section 20, Township 1, Barclay District, Plan 3077
16. **City of Port Alberni**
PID: 000-522-538
That Part of Lot 1, Alberni District, Shown Outlined in Red On Plan 721R
17. **City of Port Alberni**
PID: 000-522-546
That Part of Lot 1, Alberni District, Shown Outlined In Red On Plan 795R
18. **Port Alberni Assessment District**
PID: 000-787-744
Lot 2, Section 20, Township 1, Barclay District, Plan 23308 Except That Part of Plan 45519

19. **City of Port Alberni**
PID: 007-175-698
Lot 23, Block 18, District Lot 9, Alberni District, Plan 1585
20. **City of Port Alberni**
PID: 000-287-181
Lot 1, Block 4A, District Lot 1, Alberni District, Plan 197
21. **City of Port Alberni**
PID: 000-287-296
Lot 10, Block 4A, District Lot 1, Alberni District, Plan 197
22. **City of Port Alberni**
PID: 000-287-342
Lot 11, Block 4A, District Lot 1, Alberni District, Plan 197
23. **City of Port Alberni**
PID: 000-287-393
Lot 12, Block 4A, District Lot 1, Alberni District, Plan 197
24. **Municipality of North Cowichan**
PID: 001-160-141
Lot 2, Sections 14 and 15, Range 3, Chemainus District,
Plan 31422 Except Part in Plan VIP69038
25. **As to the 1/2 interest in:**
Port Alberni Assessment Area
PID: 001-018-507
Lot 1, Section 18, Township 1, Barclay District,
Plan 38260 Except Part in Plan 45043, 46428 and 47590
26. **As to the ^{2/3}~~1/2~~ interest in:**
Port Alberni Assessment Area
PID: 014-852-985
Lot A, Section 20, Township 1, and District Lot 782,
Barclay District, Plan 49089

released.

20 AUG 2003 11 47

EV094884

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

COPY

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

NATURE OF INTEREST: (1) FEE-SIMPLE

HEREWITH FEES OF: (2) CHARGE Judgment

\$25.00 (3) CANCELLATION OF CHARGE:

AS TO (1) AND (2):
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

AS TO THE INTEREST OF:

Armac Investments Ltd., (Inc. No. 40671)
1250 West Hastings Street,
Vancouver, BC, V6E 2M4

LEGAL DESCRIPTION OF LAND:

See Attached Schedule "A"

APPLICATION BY:

L. Fitzsimmons – Section 464-12
(Collection Officer – Section)
REVENUE COLLECTIONS - CANADA
CUSTOMS AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER, B.C. V6E 3H8
TEL: (604) 691-4507
FAX: (604) 691-4991


(Signature of agent)
JODIE MAHOVLIC - CANADA
CUSTOMS AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER B.C. V6E 3H8
TEL: (604) 691-4479
FAX: (604) 691-4411

COURT NO. ITA- 7180 -03

FEDERAL COURT

In the matter of the *Income Tax Act*,

- and -

In the matter of an assessment or assessments by the Minister of National Revenue under one or more of the *Income Tax Act, Canada Pension Plan, Employment Insurance Act, the Income Tax Act*,
against:



ARMAC INVESTMENTS LTD.
1250 West Hastings Street,
Vancouver, British Columbia.
V6E 2M4

CERTIFICATE

I certify that on the 1st day of August in the year of Our Lord Two Thousand and Three, a Certificate, that is deemed to be a judgment of this Honourable Court, was registered in this Honourable Court and bears No. ITA- 7180 -03

for Four Hundred Seventy-seven Thousand Four Hundred Sixty-nine Dollars and Eighty-nine Cents (\$477,469.89)

plus interest pursuant to the said Acts, compounded daily, at the rate prescribed under the *Income Tax Act* applicable from time to time, on the sum of \$477,469.89, from the 18th day of July, 2003, to the day of payment, and that no satisfaction of the Certificate or any part thereof appears of record in this Court.

Dated this 1st day of August in the year of Our Lord Two Thousand and Three.

T309(E)A-1
Rev. 98-04

Federal Court

Hélène Clément
Processing Clerk
Commis au traitement

18 APR 2007 13 12

FB037693

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

| | | | | |
|---------------------|-----|-------------------------------------|-------------------------|---|
| NATURE OF INTEREST: | (1) | <input type="checkbox"/> | FEE-SIMPLE | |
| HEREWITH FEES OF: | (2) | <input checked="" type="checkbox"/> | CHARGE | Renewal of Judgment EX047387 (see EV52158) |
| \$27.00 | (3) | <input type="checkbox"/> | CANCELLATION OF CHARGE: | |

AS TO (1) AND (2):
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

01 07/04/18 13:13:57 01 VI 749884
JUDGMENT \$27.00

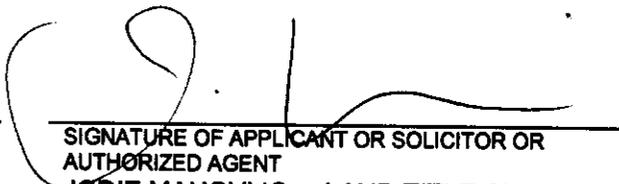
AS TO THE INTEREST IN MORTGAGE EN41304 OF:

John Kenneth Purdy (sometime known as Jack Purdy), Businessman
11617-106 Avenue
Edmonton, Alberta
T5H 0S1

LEGAL DESCRIPTION OF LAND:
See attached Schedule A

APPLICATION BY:

L. FITZSIMMONS
SECTION 464-12 - REVENUE COLLECTIONS
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE HIGHWAY
SURREY, BC V3T 5E1
TEL: (604) 691-4507, FAX: (604) 691-4220


SIGNATURE OF APPLICANT OR SOLICITOR OR
AUTHORIZED AGENT
JODIE MAHOVLIC - LAND TITLE CLERK
CANADA REVENUE AGENCY
VANCOUVER TAX SERVICES OFFICE
C/O 9755 KING GEORGE HIGHWAY
SURREY, BC V3T 5E1
TEL: (604) 691-4479, FAX: (604) 691-4220

**LAND TITLE ACT
FORM E
SCHEDULE A**

Enter the required information in the same order as the information must appear on the freehold transfer form, mortgage form or general document form.

(1)

City of Port Alberni

PID: 000-522-538

That Part of Lot 1, Alberni District, shown outlined in red on Plan 721R

(2)

City of Port Alberni

PID: 000-522-546

That Part of Lot 1, Alberni District, shown outlined in red on Plan 795R

29 APR 2005 12 23

EX047387

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

COPY

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

| | | | | |
|---------------------|-----|-------------------------------------|-------------------------|-----------------------------|
| NATURE OF INTEREST: | (1) | <input type="checkbox"/> | FEE-SIMPLE | |
| HEREWITH FEES OF: | (2) | <input checked="" type="checkbox"/> | CHARGE | Renewal of Judgment EV52158 |
| \$27.00 | (3) | <input type="checkbox"/> | CANCELLATION OF CHARGE: | |

AS TO (1) AND (2):
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

AS TO THE INTEREST IN MORTGAGE EN41304 OF:

John Kenneth Purdy (sometime known as Jack Purdy), Businessman
C/O Dale Matheson Carr-Hilton
1700 - 1140 West Pender Street
Vancouver BC V6E 4G1

LEGAL DESCRIPTION OF LAND:

See attached Schedule A

APPLICATION BY:

L. FITZSIMMONS- SECTION 464-12
REVENUE COLLECTIONS - CANADA CUSTOMS
AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER, B.C. V6E 3H8
TEL: (604) 691-4507
FAX: (604) 691-4220



(Signature of agent)
JODIE MAHOVLIC - CANADA CUSTOMS
AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER B.C. V6E 3H8
TEL: (604) 691-4479
FAX: (604) 691-4411

23 MAY 2003 13 20

EV052158

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

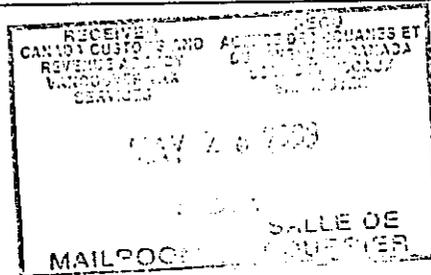
NATURE OF INTEREST: (1) FEE-SIMPLE
HEREWITH FEES OF: (2) CHARGE Judgment
\$25.00 (3) CANCELLATION OF CHARGE: _____

AS TO (1) AND (2) :
HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

AS TO THE INTEREST IN MORTGAGE EN41304 OF:

John Kenneth Purdy (sometime known as
Jack Purdy), Businessman
c/o Dale Matheson Carr-Hilton
1700 - 1140 West Pender Street
Vancouver BC V6E 4G1



LEGAL DESCRIPTION OF LAND:

1. City of Port Alberni
PID: 000-522-538
That Part of Lot 1, Alberni District,
Shown Outlined in Red on Plan 721R

2. City of Port Alberni
PID: 000-522-546
That Part of Lot 1, Alberni District,
Shown Outlined in Red on Plan 795R

APPLICATION BY:

L. Fitzsimmons - 464-12
(Collection Officer - Section)
REVENUE COLLECTIONS - CANADA
CUSTOMS AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER, B.C. V6E 3H8
TEL: (604) 691-4507
FAX: (604) 691-4991

(Signature of agent)
JODIE MAHOVLIC - CANADA
CUSTOMS AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER B.C. V6E 3H8
TEL: (604) 691-4479
FAX: (604) 691-4411

COURT NO. ITA- 8089 -02

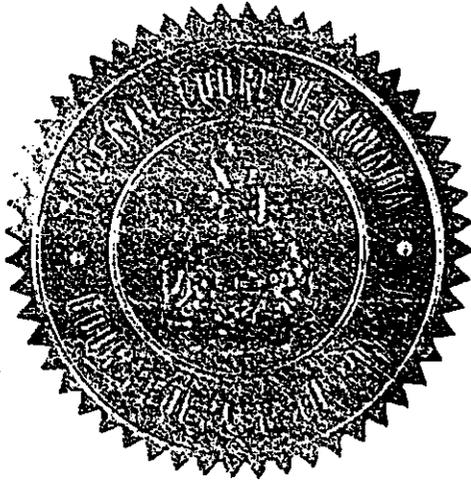
TO THE FEDERAL COURT - TRIAL DIVISION

In the matter of the *Income Tax Act*.

- and -

In the matter of an assessment or assessments by the Minister of National Revenue under one or more of the *Income Tax Act, Canada Pension Plan, Employment Insurance Act*, against:

JOHN KENNETH PURDY
(sometime known as JACK PURDY)
c/o Dale Matheson Carr-Hilton,
1700-1140 West Pender Street,
Vancouver, British Columbia.
V6E 4G1



CERTIFICATE

The undersigned certifies, under section 223 of the *Income Tax Act*, that, in addition to such other amounts as may have been previously certified, the following amount payable by the above named that has not been paid, namely, \$3,171,947.16.

Interest, compounded daily, is payable, at the rate prescribed under the *Income Tax Act* applicable from time to time, on the sum of \$3,171,947.16 from the 28th day of June, 2002, to the day of payment.

This Certificate is executed under the *Income Tax Act*.

Certified at Ottawa, Ontario this 10th day of July, A.D. 2002.

I HEREBY CERTIFY that the above document is a true copy of the original filed of record in the Registry of the Federal Court of Canada the 10th day of July A D 20 02
Date this 3rd day of April 20 03

Director
Accounts Receivable Division
Revenue Collections Directorate
Canada Customs and Revenue Agency

G. BELLAVANCE
Processing Clerk
Commis au traitement

T305B(E)A-1
Rev. 98-04

19 SEP 2006 09 57 FA113294

LAND TITLE ACT
FORM 31

(Section 215(1))

Nature of Interest: Charge – Certificate of Pending Litigation

Herewith fee of: \$27.00

Legal Description: See Schedule A

01 06/09/19 09:57:15 01 VI
PENDING LIT

720236
\$27.00

Parcel Identifier Number: See Schedule A

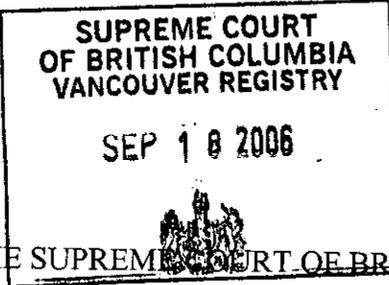
Name and Address of person entitled to register this certificate of pending litigation:

Kim Galavan,
McCarthy Tétrault LLP
P.O. Box 10424, Pacific Centre
Suite 1300, 777 Dunsmuir Street
Vancouver, British Columbia V7Y 1K2

Full name, address, telephone number of person presenting application:

Winton Derby, QC
McCarthy Tétrault LLP
P.O. Box 10424, Pacific Centre
Suite 1300, 777 Dunsmuir Street
Vancouver, British Columbia V7Y 1K2

Signature of Solicitor
DYE & DURHAM



S-065979

NO.
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KIM GALAVAN

PLAINTIFF

AND:

JOHN KENNETH PURDY also known as JACK PURDY
 ARMAC INVESTMENTS LTD.
 FISHPATH RESORTS CORPORATION
 HAWKEYE INDUSTRIES LTD.
 HAWKEYE MARINE GROUP LTD.
 LAKE EDEN PROJECTS INC.
 NO. 50 CORPORATE VENTURES LTD.
 OSTROM ESTATES LTD.
 REGAL CAPITAL COMPANY LLC
 SHEFFIELD HOLDINGS LTD.
 598142 ALBERTA LTD.
 690688 ALBERTA LTD.

DEFENDANTS

CERTIFICATE OF PENDING LITIGATION

I CERTIFY that in a proceeding commenced in this Court a claim is made for an estate or interest inland or a right of action in respect of land is given by an enactment other than the *Land Title Act*. The particulars are set out in the attached copy of the document by which the claim is made.

Given under my hand and the seal of the court at Vancouver, British Columbia,
 this 18th day of September, 2006.



REGISTRAR

SCHEDULE A

1. Registered Owner John Kenneth Purdy:

Barclay District
Parcel Identifier: 018-843-310
Lot 2, Section 19, Township 1, Plan VIP59185

2. Registered Owner Armac Investments Ltd.:

District of North Cowichan

- (a) 3425 River Road, Duncan, BC
Chemainus District
Parcel Identifier: 001-160-141
Lot 2, Sections 14 and 15, Range 3, Plan 31422
EXCEPT PART IN PLAN VIP69038

Bamfield

- (b) 216 Frigate Road, BC
Barclay District
Parcel Identifier: 004-090-381
Lot 1, Section 20, Township 1, Plan 16349
- (c) 452 Seaboard Road, BC
Barclay District
Parcel Identifier: 017-801-231
Lot 1, Section 20, Township 1, Plan VIP54368
- (d) 200 Binnacle Road, BC
Barclay District
Parcel Identifier: 000-977-179
Lot C, Section 20, Township 1, Plan 38547
EXCEPT PART IN PLAN VIP54368
- (e) Binnacle Road, BC
Barclay District
Parcel Identifier: 008-691-363
The North East $\frac{1}{4}$ of the North East $\frac{1}{4}$ Section 17, Township 1

- (f) 420 Pachena Road, BC
Barclay District
Parcel Identifier: 003-524-213
Lot 1, Section 20, Township 1, Plan 20233
- (g) 200 Bamfield Drive, BC and 180 Imperial Eagle Drive, BC
As to an Unidvided $\frac{1}{2}$ Interest in:
Parcel Identifier: 001-018-507
Lot 1, Section 18, Township 1, Barclay District
Plan 38260, Except part in Plan 45043, 46428 and 47590
- (h) 448 Seaboard Road, BC
Barclay District
Parcel Identifier: 003-706-311
Lot 1, Section 20, Township 1, Plan 19909
- (i) 448 Seaboard Road, BC
Barclay District
Parcel Identifier: 008-594-015
Block A of the South West $\frac{1}{4}$ of Section 20, Township 1, Except Part in Plan 19909
- (j) 251 Frigate Road, BC
Barclay District
Parcel Identifier: 003-291-294
Parcel A (DD E25649) of Lot 1, Section 20, Township 1, Plan 22579
- (k) 598 Bamfield Road, BC
Barclay District
Parcel Identifier: 003-317-641
Block C of the Northwest $\frac{1}{4}$ of Section 17, Township 1
- (l) 75 Bamfield Boardwalk, BC/ the Bay Lodge
Barclay District
Parcel Identifier: 000-204-315
Lot 3, Section 19, Plan 36032
- (m) 450/456 Rance Isld, BC
Barclay District
Parcel Identifier: 006-249-540
Lot 1, Section 20, Township 1, Plan 3077

- (n) Grappler Road, BC
Barclay District
Parcel Identifier: 000-787-744
Lot 2, Section 20, Township 1, Plan 23308 Except That Part in Plan 45519
- (o) 311 Bamfield Road, BC and 211 Nuthatch Road, BC
As to an Undivided 2/3 Interest in:
Parcel Identifier: 014-852-985
Lot A, Section 20, Township 1, and District Lot 782, Barclay District, Plan 49089

Port Alberni

- (p) 3203 2nd Avenue, Port Alberni, BC
Alberni District
Parcel Identifier: 009-278-923
Lot 13, Block 74, District Lot 1, Township 1, Plan 197
- (q) 3211 2nd Avenue, Port Alberni, BC
Alberni District
Parcel Identifier: 009-278-940
Lot 14, Block 74, District Lot 1, Plan 197
- (r) 3211 2nd Avenue, Port Alberni, BC
Alberni District
Parcel Identifier: 009-278-966
Lot 15, Block 74, District Lot 1, Plan 197
- (s) 7382 Rincon, Port Alberni, BC/Sproat Rapids Lodge
Alberni District
Parcel Identifier: 000-286-885
Lot 5, District Lot 39, Plan 1877
- (t) 3620 3rd Avenue, Port Alberni, BC
Parcel Identifier: 000-522-538
That Part of Lot 1, Alberni District, Shown Outlined in Red on Plan 721R
- (u) 3620 3rd Avenue, Port Alberni, BC
Parcel Identifier: 000-522-546
That Part of Lot 1, Alberni District, Shown Outlined in Red on Plan 795R
- (v) 5968 River Road, Port Alberni, BC
Alberni District
Parcel Identifier: 007-175-698
Lot 23, Block 18, District Lot 9, Plan 1585

- (w) 4356 Gertrude Street, Port Alberni, BC
Alberni District
Parcel Identifier: 000-287-181
Lot 1, Block 4A, District Lot 1, Plan 197
- (x) 4356 Gertrude Street, Port Alberni, BC
Alberni District
Parcel Identifier: 000-287-296
Lot 10, Block 4A, District Lot 1, Plan 197
- (y) 4356 Gertrude Street, Port Alberni, BC
Alberni District
Parcel Identifier: 000-287-342
Lot 11, Block 4A, District Lot 1, Plan 197
- (z) 4356 Gertrude Street, Port Alberni, BC
Alberni District
Parcel Identifier: 000-287-393
Lot 12, Block 4A, District Lot 1, Plan 197

3. Registered Owner Fishpath Resorts Corporation:

226 Frigate Road, BC/Bamfield Trails Hotel
Barclay District
Parcel Identifier: 000-282-553
Lot 2, Section 20, Township 1,
Plan 34316

4. Hawkeye Industries is the registered owner of the following property in Port Alberni, B.C.:

7379 Rincon Road, Alberni, BC/Jack's River Lodge
Alberni District
Parcel Identifier: 005-705-258
Lot 7, District Lot 39,
Plan 1877

5. Registered Owner Ostrom Estates Ltd.:

200 Bamfield Drive, BC and 180 Imperial Eagle Drive, BC
As to an Undivided $\frac{1}{2}$ Interest in:
Parcel Identifier: 001-018-507
Lot 1, Section 18, Township 1, Barclay District
Plan 38260, Except part in Plan 45043, 46428 and 47590

NO.
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KIM GALAVAN

PLAINTIFF

AND:

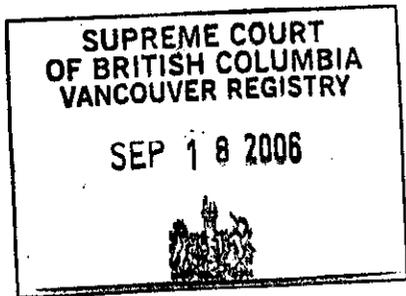
JOHN KENNETH
PURDY also known as
JACK PURDY and others

DEFENDANTS

CERTIFICATE OF PENDING LITIGATION

Winton Derby, QC
McCarthy Tétrault LLP
P.O. Box 10424, Pacific Centre
Suite 1300, 777 Dunsmuir Street
Vancouver, B.C. V7Y 1K2
Phone: (604) 643-7100
Fax: (604) 643-7900

VDO_DOCS #1551468 v. 1



S-065979

NO.
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KIM GALAVAN

PLAINTIFF

AND:

JOHN KENNETH PURDY also known as JACK PURDY
 ARMAC INVESTMENTS LTD.
 FISHPATH RESORTS CORPORATION
 HAWKEYE INDUSTRIES LTD.
 HAWKEYE MARINE GROUP LTD.
 LAKE EDEN PROJECTS INC.
 NO. 50 CORPORATE VENTURES LTD.
 OSTROM ESTATES LTD.
 REGAL CAPITAL COMPANY LLC
 SHEFFIELD HOLDINGS LTD.
 598142 ALBERTA LTD.
 690688 ALBERTA LTD.

DEFENDANTS

WRIT OF SUMMONS

Name and Address of each Plaintiff:

Kim Galavan
 c/o McCarthy Tétrault LLP
 1300 - 777 Dunsmuir Street
 Vancouver, British Columbia V7Y 1K2

Name and Address of each Defendant:

John Kenneth Purdy and other defendants
 c/o Richard M. Goluboff of Goluboff Mazzei
 201-585 16th Street, West Vancouver, British Columbia, V7V 3R8

ELIZABETH THE SECOND, by the Grace of God, of the United Kingdom, Canada and Her
 other Realms and Territories, Queen, Head of the Commonwealth, Defender of the Faith.

To the Defendants: John Kenneth Purdy also known as Jack Purdy and others

TAKE NOTICE that this action has been commenced against you by the Plaintiffs for the claim(s) set out in this writ.

IF YOU INTEND TO DEFEND this action, or if you have a set off or counterclaim that you wish to have taken into account at the trial, YOU MUST:

- (a) GIVE NOTICE of your intention by filing a form entitled "Appearance" in the above registry of this court, at the address shown below, within the Time for Appearance provided for below and YOU MUST ALSO DELIVER a copy of the Appearance to the Plaintiff's address for delivery, which is set out in this writ, and
- (b) if a statement of claim is provided with this writ of summons or is later served on or delivered to you, FILE a Statement of Defence in the above registry of this court within the Time for Defence provided for below and DELIVER a copy of the Statement of Defence to the plaintiff's address for delivery.

YOU OR YOUR SOLICITOR may file the Appearance and the Statement of Defence. You may obtain a form of "Appearance" at the registry.

JUDGMENT MAY BE TAKEN AGAINST YOU IF:

- (b) YOU FAIL to file the Appearance within the Time for Appearance provided for below, or
- (c) YOU FAIL to file the Statement of Defence within the Time for Defence provided for below.

TIME FOR APPEARANCE

If this Writ is served on a person in British Columbia, the time for appearance by that person is 7 days from the service (not including the day of service).

If this Writ is served on a person outside British Columbia, the time for appearance by that person after service, is 21 days in the case of a person residing anywhere within Canada, 28 days in the case of a person residing in the United States of America, and 42 days in the case of a person residing elsewhere.

[or, if the time for appearance has been set by order of the court, within that time.]

TIME FOR DEFENCE

A Statement of Defence must be filed and delivered to the plaintiff within 14 days after the later of:

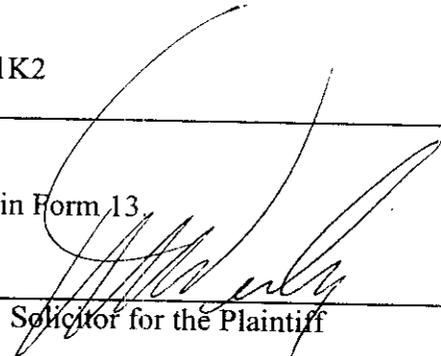
- (a) the time that the Statement of Claim is served on you (whether with this writ of summons or otherwise) or is delivered to you in accordance with the Rules of Court, and
- (b) the end of the Time for Appearance provided for above.

[or, if the time for defence has been set by order of the court, within that time.]

| | |
|-----|--|
| (1) | The address of the registry is: The Law Courts 800 Smithe Street Vancouver, BC V6Z 2E1 |
| (2) | The ADDRESS FOR DELIVERY is: Suite 1300, 777 Dunsmuir Street Vancouver, BC V7Y 1K2 Fax Number for Delivery: (604) 622-5669 |
| (3) | The name and office address of the plaintiff's solicitor is: Winton Derby, Q.C. McCarthy Tétrault LLP Barristers & Solicitors PO Box 10424, Pacific Centre Suite 1300, 777 Dunsmuir Street Vancouver, British Columbia V7Y 1K2 |

The Plaintiffs' claim is set out a Statement of Claim in Form 13.

DATED: September 18, 2006



Solicitor for the Plaintiff

NO.
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KIM GALAVAN

PLAINTIFF

AND:

JOHN KENNETH PURDY also known as JACK PURDY
ARMAC INVESTMENTS LTD.
FISHPATH RESORTS CORPORATION
HAWKEYE INDUSTRIES LTD.
HAWKEYE MARINE GROUP LTD.
LAKE EDEN PROJECTS INC.
NO. 50 CORPORATE VENTURES LTD.
OSTROM ESTATES LTD.
REGAL CAPITAL COMPANY LLC
SHEFFIELD HOLDINGS LTD.
598142 ALBERTA LTD.
690688 ALBERTA LTD.

DEFENDANTS

STATEMENT OF CLAIM

The Parties

1. The Plaintiff is a businesswoman with an address at Suite 1300, 777 Dunsmuir Street, Vancouver, British Columbia, V7Y 1K2.
2. The Defendant John Kenneth Purdy, also known as Jack Purdy, ("Purdy") is a businessman with an address at 201-585 16th Street, West Vancouver, British Columbia, V7V 3R8.
3. The Defendant Purdy owns or controls, or is the beneficial owner and otherwise controls, the following companies:

- (a) Armac Investments Ltd., a company incorporated pursuant to the laws of British Columbia (“Armac”) with an address for delivery at 201-585 16th Street, West Vancouver, British Columbia, V7V 3R8;
- (b) Fishpath Resorts Corporation, a company incorporated pursuant to the laws of British Columbia (“Fishpath”) with an address for delivery at 201-585 16th Street, West Vancouver, British Columbia, V7V 3R8;
- (c) Hawkeye Industries Ltd., a company incorporated pursuant to the laws of British Columbia (“Hawkeye Industries”) with an address for delivery at 201-585 16th Street, West Vancouver, British Columbia, V7V 3R8;
- (d) Hawkeye Marine Group Ltd., a company incorporated pursuant to the laws of British Columbia (“Hawkeye Marine”) with an address for delivery at 201-585 16th Street, West Vancouver, British Columbia, V7V 3R8;
- (e) Lake Eden Projects Inc., a company incorporated pursuant to the laws of Alberta (“Eden Projects”) with an address for delivery at 6312 – 50 Street, N. W., Edmonton, Alberta, T6B 3K4;
- (f) No. 50 Corporate Ventures Ltd., a company incorporated pursuant to the laws of British Columbia (“No. 50”) with an address for delivery at 201-585 16th Street, West Vancouver, British Columbia, V7V 3R8;

- (g) Ostrom Estates Ltd., a company incorporated pursuant to the laws of British Columbia (“Ostrom”) with an address for delivery at 201-585 16th Street, West Vancouver, British Columbia, V7V 3R8;
- (h) Regal Capital Company LLC, a company incorporated pursuant to the laws of Hawaii (“Regal”) with an address for delivery at 4569 Kukui Street, Suite 200, Kapaa, Hawaii, 96746, United States;
- (i) Sheffield Holdings Ltd., a company incorporated pursuant to the laws of Anguilla (“Sheffield”) with an address for delivery at P.O. Box 1000, The Valley, Anguilla, British West Indies c/o Louis Bardfield;
- (j) 598142 Alberta Ltd., a company incorporated pursuant to the laws of Alberta (“598142”) with an address for delivery at #1090 – 10020, 101A Avenue, Edmonton, Alberta, T5J 3G2; and
- (k) 690688 Alberta Ltd., a company incorporated pursuant to the laws of Alberta (“690688”) with an address for delivery at 405, 603-7 Avenue, S.W., Calgary, Alberta,

(“the Purdy Companies”).

4. At all material times described below, the Defendant Purdy was acting as the authorized agent of the Purdy Companies in his dealings with the Plaintiff.

The Plaintiff and the Purdy Group

5. In July 1988 the Plaintiff and the Defendant Purdy met and began a relationship. In or about March 1990 they began co-habiting in a marriage-like relationship in Vancouver, B.C.

6. The Plaintiff and Purdy continued their marriage-like relationship between 1990 and October 1994. During this time, the Plaintiff was employed full time in her career as the Executive Assistant to the President of Yorkton Securities Inc. in Vancouver, B.C.

7. The Plaintiff and Purdy lived separate and apart for a one year period between October 1994 and November 1995. In December 1995, the Plaintiff and Purdy reconciled and resumed their co-habitation.

8. Upon the resumption of the personal relationship between the Plaintiff and Purdy, the Defendant Purdy and the Purdy Companies (Purdy and the Purdy Companies collectively "the Purdy Group") were considering various business ventures and property investments of the Purdy Group whether in the personal name of the Defendant Purdy or the Purdy Companies. In order to develop its business, the Purdy Group required the assistance and services of the Plaintiff, who had the necessary business experience, drive and creativity, and the Plaintiff agreed to assist the Purdy Group on certain terms and agreed not to resume her career in her own right.

9. In or about July 1996, with a view to developing the business of the Purdy Group for the mutual benefit of the Plaintiff and the Purdy Group, the Plaintiff and the Purdy Group entered into an agreement in Vancouver, British Columbia that the Plaintiff would participate

with the Purdy Group in the growth and profits of any business venture or property investment to which the Plaintiff made a contribution on the basis that the Plaintiff was entitled to an equal interest in the equity and profits of such business venture or property investment (the "Agreement").

10. The Agreement contained the following implied terms, *inter alia*:
- (a) forthwith upon the occurrence of such a business venture or property investment, or so soon thereafter as was reasonably possible and at the Plaintiff's option, the Plaintiff would be entitled upon demand to have her interest in the business ventures and property investments recognized by a registerable interest or instrument;
 - (b) until such time as the Plaintiff was provided with her registerable interest or instrument in the business venture or property investment, the Purdy Group would hold 50% of the business ventures and property investments, including all the rights, benefits and privileges thereof, in trust for the Plaintiff;
 - (c) the Plaintiff was entitled to and did have the same access to the books, records and information concerning the business ventures and property investments and the financial affairs of the Purdy Group relating to the business ventures and property investments; and
 - (d) no sale of the business ventures and property investments would be undertaken without arrangement by the Purdy Group being made to secure the payment of the

Plaintiff's interest in the business ventures and property investments in accordance with the Agreement.

11. Further, or alternatively, in the circumstances and by reason of the business relationship between the Plaintiff and Purdy and the Purdy Companies and the trust placed by the Plaintiff in Purdy by reason of their personal relationship, Purdy and the Purdy Companies stood in a fiduciary relationship with and owed fiduciary duties to the Plaintiff in connection with all business ventures and property investments that the Plaintiff contributed to for the mutual benefit of both the Plaintiff and the Purdy Group.

12. The Plaintiff and Purdy also agreed that any property they used for the purposes of their home or as a recreational property would, except as otherwise agreed, be used for their personal purposes and not be sold or encumbered for business purposes, and in respect to such properties all decisions would be made jointly and each would have an equal interest (the "Home Agreement").

13. The Plaintiff relied on the Home Agreement in contributing to the preservation and maintenance of the properties used by the Plaintiff and Purdy as a home residence or for recreational purposes (the "Home Properties"). The Home Properties included the following properties:

- (a) in West Vancouver, B.C.:
 - (i) the Argyle Street Condominium
 - (ii) Esquimalt Avenue Property at 1174 Esquimalt Avenue, and

- (iii) Gulf Place House at 5725 Gulf Place (the "Gulf Place House"),
- (b) in Bamfield, B.C., the Rance Island property at 450/456 Rance Island;
- (c) in Chemainus, B.C., the farm at 9365 Chemainus Road (the "Chemainus Farm");
- (d) In Lantzville, B.C.:
- (iv) NineBark Farms, and
- (v) the house at 7622 Lantzville Road, Lantzville, B.C.;
- (e) in Italy, Il Pozzarello; and
- (b) in Hawaii, the Anahola house.

14. From time to time the Home Properties have been sold, some to the sole benefit of Purdy, and other than the transferring Il Pozzarello to the Plaintiff, the Plaintiff's interest in the Home Properties has not yet been recognized.

15. Between 1996 and 2002, in reliance on the Agreement, the Plaintiff contributed to the business ventures and property investments of the Purdy Group in British Columbia, Hawaii, Anguilla, and Italy, including the following:

- (a) providing services including but not limited to management and marketing services to, and co-ordinating and overseeing renovations for, the Hawkeye

Marine Group which owns or controls the following properties and businesses in Bamfield, B.C.:

- (i) the Bay Lodge,
 - (ii) Bamfield Inn,
 - (iii) Bamfield Trails Hotel,
 - (iv) Hawkeye House,
 - (v) the Hawk's Nest Pub,
 - (vi) Kingfisher Lodge, and
 - (vii) Ostrom's Lodge;
- (b) providing services including but not limited to overseeing the management and financial affairs of the Del Norte Kennels business at Ninebark Farms in Lantzville, B.C.;
- (c) providing services including but not limited to co-ordinating and overseeing renovations and marketing of the following properties in Port Alberni, B.C.
- (i) Courtyard Restaurant and Hotel,
 - (ii) Jack's River Lodge,
 - (iii) Port Alberni Dairy Development,

- (iv) River Road Lodge, and
 - (v) Sproat Rapids Lodge;
- (d) providing services including but not limited to co-ordinating and overseeing the acquisition, renovation, subdivision approval and disposition of property, and managing operations and providing marketing services for, the following properties in Kauai, Hawaii:
- (i) Aliomanu Road Property,
 - (ii) the Hotel Coral Reef,
 - (iii) the Makamaka Road House,
 - (iv) Nuilani Road Property,
 - (i) Kuhio Highway Property, and
 - (ii) the Po'o Road Property;
- (e) providing services including but not limited to co-ordinating and overseeing the renovations to the Mariners Cliffside Beachside Resort and the adjacent Hawthorne Property in Anguilla, which is located in the Caribbean, (collectively, the "Anguilla Properties") as well as overseeing the management and marketing of the Mariners Cliffside Beachside Resort; and

- (f) providing services including but not limited to co-ordinating and overseeing the acquisition, renovation and management of, and providing marketing services for, Il Palazzo Simoncelli in Italy.

16. Properties in British Columbia to which the Plaintiff provided the contributions set out in paragraph 15, and in which she has a beneficial interest under the Agreement and otherwise as set out herein, include the properties with legal descriptions as set out in paragraphs 17, 18, 19, 20 and 21 below (collectively, “the Purdy Group’s British Columbia Properties”).

17. Purdy is the registered owner of the following property in Bamfield, British Columbia:

469 Bamfield Inlet, Bamfield, BC
Barclay District
Parcel Identifier: 018-843-310
Lot 2, Section 19, Township 1, Plan VIP59185

18. Armac is the registered owner of the following properties in British Columbia:

District of North Cowichan

- (a) 3425 River Road, Duncan, BC
Chemainus District
Parcel Identifier: 001-160-141
Lot 2, Sections 14 and 15, Range 3, Plan 31422

Bamfield

- (b) 216 Frigate Road, BC
Barclay District
Parcel Identifier: 004-090-381
Lot 1, Section 20, Township 1, Plan 16349

- (c) 452 Seaboard Road, BC
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Parcel Identifier: 017-801-231
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Lot C, Section 20, Township 1, Plan 38547
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Parcel Identifier: 008-691-363
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Parcel Identifier: 003-291-294
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Barclay District
Parcel Identifier: 003-317-641
Block C of the Northwest ¼ of Section 17, Township 1
- (l) 75 Bamfield Boardwalk, BC/ the Bay Lodge
Barclay District
Parcel Identifier: 000-204-315
Lot 3, Section 19, Plan 36032
- (m) 450/456 Rance Isld, BC
Barclay District
Parcel Identifier: 006-249-540
Lot 1, Section 20, Township 1, Plan 3077
- (n) Grappler Road, BC
Barclay District
Parcel Identifier: 000-787-744
Lot 2, Section 20, Township 1, Plan 23308 Except That Part in Plan 45519
- (o) 311 Bamfield Road, BC and 211 Nuthatch Road, BC
As to an Undivided 2/3 Interest in:
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Lot A, Section 20, Township 1, and District Lot 782, Barclay District, Plan 49089

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- (q) 3211 2nd Avenue, Port Alberni, BC
Alberni District
Parcel Identifier: 009-278-940
Lot 14, Block 74, District Lot 1, Plan 197
- (r) 3211 2nd Avenue, Port Alberni, BC
Alberni District
Parcel Identifier: 009-278-966
Lot 15, Block 74, District Lot 1, Plan 197

- (s) 7382 Rincon, Port Alberni, BC/Sproat Rapids Lodge
Alberni District
Parcel Identifier: 000-286-885
Lot 5, District Lot 39, Plan 1877
- (t) 3620 3rd Avenue, Port Alberni, BC
Parcel Identifier: 000-522-538
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- (u) 3620 3rd Avenue, Port Alberni, BC
Parcel Identifier: 000-522-546
That Part of Lot 1, Alberni District, Shown Outlined in Red on Plan 795R
- (v) 5968 River Road, Port Alberni, BC
Alberni District
Parcel Identifier: 007-175-698
Lot 23, Block 18, District Lot 9, Plan 1585
- (w) 4356 Gertrude Street, Port Alberni, BC
Alberni District
Parcel Identifier: 000-287-181
Lot 1, Block 4A, District Lot 1, Plan 197
- (x) 4356 Gertrude Street, Port Alberni, BC
Alberni District
Parcel Identifier: 000-287-296
Lot 10, Block 4A, District Lot 1, Plan 197
- (y) 4356 Gertrude Street, Port Alberni, BC
Alberni District
Parcel Identifier: 000-287-342
Lot 11, Block 4A, District Lot 1, Plan 197
- (z) 4356 Gertrude Street, Port Alberni, BC
Alberni District
Parcel Identifier: 000-287-393
Lot 12, Block 4A, District Lot 1, Plan 197

19. Fishpath is the registered owner of the following property in Bamfield, British Columbia:

226 Frigate Road, BC/Bamfield Trails Hotel
Barclay District
Parcel Identifier: 000-282-553
Lot 2, Section 20, Township 1,
Plan 34316

20. Hawkeye Industries is the registered owner of the following property in Port Alberni, B.C.:

7379 Rincon Road, Alberni, BC/Jack's River Lodge
Alberni District
Parcel Identifier: 005-705-258
Lot 7, District Lot 39,
Plan 1877

21. Ostrom is the registered owner of the following property in Bamfield, British Columbia:

200 Bamfield Drive, BC and 180 Imperial Eagle Drive, BC
As to an Undivided ½ Interest in:
Parcel Identifier: 001-018-507
Lot 1, Section 18, Township 1, Barclay District
Plan 38260, Except part in Plan 45043, 46428 and 47590

22. In accordance with the terms of the Agreement and the Purdy Group's fiduciary duties to the Plaintiff, the Plaintiff was entitled, *inter alia*, to have her interest in the Purdy Group's British Columbia Properties recognized by a registerable interest or instrument, and until such time, each of the registered owners set out above, being members of the Purdy Group, held and continue to hold 50% of the Purdy Group's British Columbia Properties in trust for the Plaintiff.

23. In the further alternative, by reason of the Plaintiff's contributions to each of the Purdy Group's British Columbia Properties, each of the registered owners set out above, being

members of the Purdy Group, have been unjustly enriched, the Plaintiff has been deprived and the members of the Purdy Group hold the Purdy Group's British Columbia Properties on a constructive trust for the Plaintiff to the extent of her interest therein.

24. In accordance with the terms of the Agreement and the Purdy Group's fiduciary duties to the Plaintiff, the Plaintiff was entitled, *inter alia*, to have her interest in the Purdy Group's Anguilla Properties and Hawaiian properties recognized by a registerable interest or instrument, and until such time, the Purdy Group held and continue to hold 50% of the Purdy Group's Anguilla Properties and 50% of the Purdy Group's Hawaiian properties in trust for the Plaintiff.

25. Further, or in the alternative, in accordance with the terms of the Agreement and the Purdy Group's fiduciary duties to the Plaintiff, the Plaintiff is entitled, *inter alia*, to compensation in respect of her contributions to each of the Purdy Group's business ventures and property investments located in Hawaii and Anguilla.

26. In the alternative, by reason of the Plaintiff's contributions to each of the Purdy Group's business ventures and property investments located in Hawaii and Anguilla, the members of the Purdy Group have been unjustly enriched, the Plaintiff has been deprived and the Plaintiff is entitled to compensation pursuant to the equitable doctrine of unjust enrichment and the equitable doctrine of constructive trust.

27. In the further alternative, by reason of the extensive contributions referred to above to the Purdy Group in respect of all the business ventures and property investments

registered in their name, the Plaintiff is entitled to reasonable compensation for such services pursuant to the doctrine of *quantum meruit*.

Purdy's Indictment and the Plaintiff's Further Contributions

28. By August 2002, the personal relationship between the Plaintiff and Purdy was strained and close to ending. On August 14, 2002 Purdy was arrested at the airport in New York City. Purdy was subsequently transferred to Miami, Florida, indicted on charges of money laundering (the "Indictment") and incarcerated in a prison in Miami facing up to 28 years in jail if convicted.

29. At Purdy's request, the Plaintiff supported Purdy and the Purdy Group during the time he was facing the Indictment, and further contributed to and preserved the business interests of Purdy and the Purdy Group, including but not limited to the following:

- (a) the Plaintiff increased her management of the business interests of Purdy and the Purdy Group. Further to this arrangement, Purdy gave the Plaintiff joint power of attorney over the Purdy Group's affairs (with Purdy's sister Joan Purdy) while Purdy was incarcerated in prison.
- (b) In order to be released from incarceration in prison while the Indictment was dealt with, Purdy required security for bail in the order of US \$5,000,000. In September 2002, the Plaintiff assisted in arranging the bail money by pledging her parents' home; pledging properties to which she had contributed namely the Hotel Coral Reef and the Po'o Road property in Kauai, Hawaii; and seeking funds from

one of Purdy's business partners who pledged certain commercial property in Vancouver, B.C that he owned jointly with Purdy.

- (c) The Plaintiff provided US \$50,000 from her bank account for the initial legal fees.
- (d) After Purdy had been incarcerated in prison for a period of approximately eight weeks, the Plaintiff coordinated arrangements to allow Purdy to continue his incarceration in an apartment in Miami using a "bracelet" form of monitoring for a further period of approximately 14 months until October 2003, with the Plaintiff attending Miami to assist in locating an apartment for this arrangement.
- (e) By reason of the Plaintiff's efforts and contributions in coordinating his release from prison to a form of "house arrest" in the apartment, Purdy was able to resume managing the Purdy Group.
- (f) In October 2002, and while Purdy was incarcerated, the Plaintiff coordinated the sale of the Gulf Place House in West Vancouver used as their home, and in respect of which both the Plaintiff and Purdy were registered owners, for approximately \$1,470,000. After payment of the mortgage, the balance of the proceeds of approximately \$860,000 was provided to Canada Customs and Revenue Agency ("CCRA") on Purdy's behalf and at his request, notwithstanding the Plaintiff's interest in the property, which allowed Purdy and the Purdy Companies to preserve and increase the businesses and properties registered in their name.

30. From and after 2002, the Plaintiff made further contributions to Purdy and the Purdy Companies by agreeing to defer her entitlement arising by reason of the Agreement and her contributions to the properties registered in the names of the Purdy Group, including the following:

- (a) When their marriage-like relationship terminated in November 2002, Purdy requested that the Plaintiff keep the end of their personal relationship confidential as he and his legal counsel were concerned that such news would adversely affect his defence to the Indictment, which the Plaintiff agreed to do.
- (b) By letter dated January 2, 2003, the Plaintiff communicated to the Defendant Purdy, who was still in Miami Florida under "house arrest", requesting that steps be taken to realize her interest in and entitlement in respect of the Agreement in the assets registered in the name of members of the Purdy Group and that steps be taken to realize her interest in and entitlement in respect of the Home Agreement. Purdy requested that the Plaintiff give him more time to deal with the Indictment and assured the Plaintiff that he would recognize his obligations under the Home Agreement as well as his obligations and the obligations of the Purdy Group under the Agreement and treat her fairly upon resolution of his Indictment and his dealings with CCRA. In reliance on Purdy's assurances, the Agreement and the Home Agreement, the Plaintiff agreed to wait until the outcome of Purdy's trials to receive her entitlement owed by Purdy and the Purdy Group.

- (c) In February 2003, Purdy was found not guilty on one charge to the Indictment. Later, by reason of an agreed guilty plea to a lesser charge, Purdy was sentenced to time already served and released from incarceration in October 2003.
- (d) In December 2003, the Plaintiff and Purdy again discussed the division of assets in the name of Purdy and the Purdy Group. Purdy again requested that, before the Plaintiff received her entitlement under the Agreement and the Home Agreement, he be allowed additional time to resolve his dealings with CCRA and to “get back on his feet” in view of the fact that he had been incarcerated for over one year.
- (e) The Plaintiff again agreed to defer receipt of her entitlement under the Agreement and the Home Agreement in light of Purdy’s request and Purdy’s representations that he would treat her fairly and the Plaintiff trusted that he would keep his word.

31. In or about May 2004, as a temporary measure until an overall financial settlement was worked out that recognized the Plaintiff’s entire interest, Purdy agreed to buy the Plaintiff a home in Vancouver. In or about December 2004 Purdy advised the Plaintiff that he would be selling the Chemainus Farm which was being used as a family home by the Plaintiff and Purdy.

32. In January 2005, in furtherance of Purdy’s agreement to purchase a home for the Plaintiff in Vancouver, Purdy and the Plaintiff located a condominium for the Plaintiff on Pennyfarthing Drive in Vancouver (the “Pennyfarthing Condominium”) and Purdy further agreed that he would pay for the substantial renovation the Pennyfarthing Condominium required, the condominium fees and mortgage on the condominium.

33. In or about March 2005, Purdy caused the Pennyfarthing Condominium to be purchased in the Plaintiff's name and Purdy commenced paying the renovation costs, the mortgage payments and condominium fees. At that time, Purdy agreed that he would pay for the Plaintiff's moving costs and storage fees until the Plaintiff moved into the Pennyfarthing Condominium.

34. Purdy caused the Chemainus Farm to be sold in May 2005 for \$2.5 million. Pending the Pennyfarthing Condominium being ready for occupancy after the renovations were complete, the Plaintiff's personal possessions from the Chemainus Farm were placed in storage.

35. Thereafter, however, in breach of his agreement in respect of the Pennyfarthing Condominium, Purdy stopped paying the renovation costs in or about June 2005 and Purdy stopped paying the mortgage and condominium fees on the Pennyfarthing Condominium and the storage fees for the Plaintiff's personal effects from the Chemainus Farm in or about late February, 2006. The Plaintiff was forced to put the renovations on hold when Purdy stopped paying for the renovation costs and as a result the Pennyfarthing Condominium has not been habitable.

36. By reason of Purdy's failure to pay storage fees as agreed, the moving company in possession of the Plaintiff's personal possessions threatened to sell them. When the Plaintiff informed Purdy in or about late February, 2006 that his default of paying the moving company's costs had resulted in a threat to sell the Plaintiff's personal possessions, Purdy swore at the Plaintiff and advised her he was under stress and "it's your problem, you solve it."

37. By early 2006, Purdy advised the Plaintiff that he had resolved the his issues with CCRA and advised her that he had received a payment from CCRA of some \$1,000,000 (the "CCRA Settlement").

38. By reason of the Plaintiff's further contributions to the Purdy Group from 2002 to 2006, including the direct contributions outlined above and the agreement by the Plaintiff at the request of Purdy to defer the receipt of her entitlement under the Agreement and the Home Agreement, Purdy and the Purdy Companies have been further unjustly enriched, the Plaintiff has been deprived and the Plaintiff is entitled to additional compensation pursuant to the equitable doctrine of unjust enrichment and the equitable doctrine of constructive trust.

39. By no later than 2006, Purdy had had sufficient time to "get back on his feet" and was able to deliver on his earlier assurances that he would recognize the Plaintiff's contributions to Purdy and the Purdy Companies.

40. By letter to Purdy dated March 21, 2006, the Plaintiff raised the issue of Purdy's default on payments relating to the Plaintiff's storage fees and the Pennyfarthing Condominium, confirmed to Purdy that it had been over two years that they had been having ongoing discussions regarding payment of her interest in the assets of the Purdy Group, and that given Purdy's receipt of the CCRA Settlement, there was no further need to delay the payment of her interest. The Plaintiff asked for a response by March 31, 2006. Purdy ignored the Plaintiff's request.

The Breaches

41. Purdy and the Purdy Group have breached the Agreement and their fiduciary duties to the Plaintiff.

42. Without limiting the foregoing, the Purdy Group has failed to provide the Plaintiff her proper and due entitlement in the business ventures and property investments registered in the name of the Purdy Group, realized on the investments and properties acquired under the Agreement without accounting to the Plaintiff, caused the Purdy Group to pay profits, bonuses, dividends and management fees to Purdy and others without proportional distributions or payments being made to the Plaintiff reflecting her interest, taken money from disposition of properties in which the Plaintiff had an interest and used those proceeds to acquire an interest and make improvements on other land and property, including that owned by Eden Projects in Alberta. In respect of any disposition of the business venture or property investment made without payment of the Plaintiff's interest, the Plaintiff is entitled to trace those proceeds into any business venture or property investment in respect of which the proceeds were used.

43. As a result of the breach of the Agreement and the Purdy Group's breach of their fiduciary duties to the Plaintiff, the Plaintiff has suffered loss and damage.

44. The Plaintiff is entitled to an accounting from the Purdy Group of all profits and benefits the Purdy Group has received, either directly or indirectly through or whatever, resulting from the breach of the Agreement and the breach of the Purdy Group's fiduciary obligations of the Plaintiff.

45. By reason of the conduct of the Purdy Group set out herein, the affairs of Purdy Group are being conducted, and the power of their directors are being exercised, in a manner oppressive to the Plaintiff, and the Plaintiff seeks relief pursuant to section 200 of the *Company Act*, R.S.B.C. 1996, c. 62.

46. The acts of the Purdy Group set out herein are unfairly prejudicial to the Plaintiff, and the Plaintiff seeks relief pursuant to section 200 of the *Company Act*, R.S.B.C. 1996, c. 62.

47. In addition, Purdy has breached the Home Agreement by failing to provide the Plaintiff her proper and due entitlement to the Home Properties, which has caused the Plaintiff to suffer loss and damage. Without limiting the foregoing, Purdy has taken money from disposition of properties in which the Plaintiff had an interest under the Home Agreement and used those proceeds to acquire an interest and make improvements on other land and property, including that owned by Eden Projects in Alberta. In respect of any disposition of properties to which the Home Agreement applied without payment of the Plaintiff's interest, the Plaintiff is entitled to trace those proceeds into any business venture or property investment in respect of which the proceeds were used.

48. Further, Purdy has breached his obligations in respect of the Pennyfarthing Condominium (the "Pennyfarthing Condominium Agreement") by failing to pay the mortgage, renovation costs and condominium fees on the Pennyfarthing Condominium and his failure to pay the storage fees for the Plaintiff's personal effects from the Chemainus Farm.

Wherefore the Plaintiff claims as follows:

- (a) an order of specific performance of the Agreement;

- (b) an order of specific performance of the Home Agreement;
- (c) an order of specific performance of the Pennyfarthing Condominium Agreement;
- (d) damages for breach of contract;
- (e) damages for breach of fiduciary duty;
- (f) a declaration that the Purdy Group holds in trust for the Plaintiff its interest in the Purdy Group's British Columbia Properties pursuant to the Agreement;
- (g) in the alternative, a declaration that the Purdy Group holds its interest in the Purdy Group's British Columbia Properties on a constructive trust for the Plaintiff;
- (h) a certificate of pending Litigation against the interest of the Defendants in the Purdy Group's British Columbia Properties;
- (i) a declaration that the Purdy Group holds in trust for the Plaintiff its interest in the Purdy Group's Anguilla Properties and Hawaiian properties pursuant to the Agreement;
- (j) in the alternative, a declaration that the Purdy Group holds its interest in the Purdy Group's Anguilla Properties and Hawaiian properties on a constructive trust for the Plaintiff;
- (k) an order that all necessary accounts be taken and made;

- (l) a declaration that the Plaintiff's interest under the Agreement includes any interest of the Purdy Group in any business and/or property arising directly or indirectly as a result of the sale of its interest in any business or property in which the Plaintiff had an interest under the Agreement;
- (m) an order tracing the money the Purdy Group has taken from disposition of properties in which the Plaintiff had an interest to acquire an interest and make improvements on land and property, *inter alia*, owned by Eden Projects in Alberta.
- (n) in the alternative a declaration that the Purdy Group holds their assets on a constructive trust for the Plaintiff to the extent of the Plaintiff's contribution to them;
- (o) in the further alternative, an award based on *quantum meruit*;
- (p) further or alternatively, an order appointing a receiver and receiver-manager of the Purdy Companies;
- (q) further, or alternatively, an order that the Purdy Companies be wound up;
- (r) an order regulating the affairs of the Purdy Companies;
- (s) a declaration that Purdy holds in trust for the Plaintiff his interest in the Home Properties pursuant to the Home Agreement;

- (t) in the alternative, a declaration that Purdy holds his interest in the Home Properties on a constructive trust for the Plaintiff;
- (u) a declaration that the Plaintiff's interest under the Home Agreement includes any interest of Purdy Group in any business and/or property arising directly or indirectly as a result of the sale of his interest in any property in which the Plaintiff had an interest under the Home Agreement;
- (v) an order tracing the money that Purdy has taken from disposition of properties covered by the Home Agreement in which the Plaintiff had an interest;
- (w) in the further alternative, in respect of the Home Agreement, an award based on *quantum meruit*;
- (x) an interim and permanent injunction restraining Purdy and the Purdy Group from encumbering, selling or in any way dealing with the assets in which the Plaintiff claims an interest;
- (y) such further and other relief as to this Court may seem just; and
- (z) costs.

PLACE OF TRIAL: Vancouver, British Columbia

DATED: September 18, 2006



Solicitor for the Plaintiff

FORM 6 (RULE 13(2))

**ENDORSEMENT ON ORIGINATING PROCESS
FOR SERVICE OUTSIDE BRITISH COLUMBIA**

The plaintiff claims the right to serve this writ on the Defendants Jack Purdy, Lake Eden Projects Inc., 598142 Alberta Ltd., 690688 Alberta Ltd., Regal Capital Company LLC and Sheffield Holdings Ltd. outside British Columbia on the ground that:

1. the proceeding is in respect of a breach, committed in British Columbia, of a contract wherever made, even though the breach was preceded or accompanied by a breach, outside of British Columbia, which rendered impossible the performance of the part of the contract that ought to have been performed in British Columbia;
2. a person outside British Columbia is a necessary or proper party to a proceeding properly brought against some other person duly served in British Columbia; and
3. the proceeding is founded upon a contract, or is in respect of a claim for alimony, and the defendant has assets in British Columbia.

THIS WRIT OF SUMMONS AND STATEMENT OF CLAIM is filed by Winton Derby, Q.C., of the firm of McCarthy Tétrault LLP, Barristers and Solicitors, whose place of business and address for service is Suite 1300, 777 Dunsmuir Street, Vancouver, British Columbia, V7Y 1K2, (604) 643-7100.

NO.
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KIM GALAVAN

AND:

JACK PURDY ET AL

PLAINTIFF

DEFENDANT

**WRIT OF SUMMONS AND
STATEMENT OF CLAIM**

Winton Derby, Q.C.
McCarthy Tétrault LLP
PO Box 10424, Pacific Centre
Suite 1300, 777 Dunsmuir Street
Vancouver, BC V7Y 1K2
Phone: (604) 643-7969
Fax: (604) 622-5669

-9 AUG 2005 12 23

EX099057

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

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|---------------------|-----|-------------------------------------|-------------------------|-----------------------------|
| NATURE OF INTEREST: | (1) | <input type="checkbox"/> | FEE-SIMPLE | |
| HEREWITH FEES OF: | (2) | <input checked="" type="checkbox"/> | CHARGE | Renewal of Judgment EV94884 |
| \$27.00 | (3) | <input type="checkbox"/> | CANCELLATION OF CHARGE: | |

AS TO (1) AND (2) :
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

AS TO THE INTEREST OF:

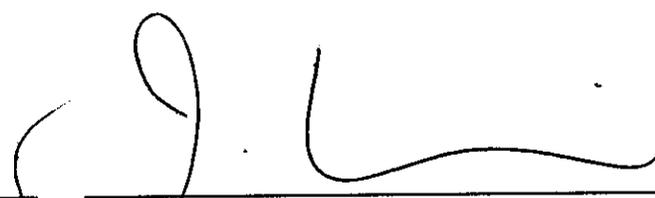
01 05/08/09 12:23:42 01 VI 650710
JUDGMENT \$27.00

Armac Investments Ltd. (Inc. No. 40671)
1270 – 1130 West Pender Street
Vancouver, BC
V6E 4A4

LEGAL DESCRIPTION OF LAND:

See Schedule "A" Attached

APPLICATION BY:



L. FITZSIMMONS- SECTION 464-12
REVENUE COLLECTIONS - CANADA CUSTOMS
AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER, B.C. V6E 3H8
TEL: (604) 691-4507
FAX: (604) 691-4220

(Signature of agent)
JOBIE MAHOVLIC - CANADA CUSTOMS
AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER B.C. V6E 3H8
TEL: (604) 691-4479
FAX: (604) 691-4411

LAND TITLE ACT

FORM E

SCHEDULE "A"

Enter the required information in the same order as the information must appear on the freehold transfer form, mortgage form or general document form.

1. **Port Alberni Assessment Area**
PID: 004-090-381
Lot 1, Section 20, Township 1, Barclay District, Plan 16439
2. **Port Alberni Assessment Area**
PID: 017-801-231
Lot 1, Section 20, Township 1, Barclay District, Plan VIP54368
3. **Port Alberni Assessment Area**
PID: 000-977-179
Lot C, Section 20, Township 1, Barclay District, Plan 38547
Except Part in Plan VIP54368
4. **Port Alberni Assessment Area**
PID: 008-691-363
The North East ¼ of the North East ¼ of Section 17, Township 1,
Barclay District
5. **Port Alberni Assessment Area**
PID: 003-524-213
Lot 1, Section 20, Township 1, Barclay District, Plan 20233
6. **Port Alberni Assessment Area**
PID: 003-706-311
Lot 1, Section 20, Township 1, Barclay District, Plan 19909
7. **Port Alberni Assessment Area**
PID: 008-594-015
Block A of the South West ¼ of Section 20, Township 1,
Barclay District, Except Part in Plan 19909
8. **Port Alberni Assessment Area**
PID: 003-291-294
Parcel A (DD E25649) of Lot 1, Section 20, Township 1,
Barclay District, Plan 22579

- 9. Port Alberni Assessment Area**
PID: 003-317-641
Block C of the Northwest ¼ of Section 17, Township 1,
Barclay District
- 10. City Of Port Alberni**
PID: 009-278-923
Lot 13, Block 74, District Lot 1, Alberni District, Plan 197
- 11. City Of Port Alberni**
PID: 009-278-940
Lot 14, Block 74, District Lot 1, Alberni District, Plan 197
- 12. City Of Port Alberni**
PID: 009-278-966
Lot 15, Block 74, District Lot 1, Alberni District, Plan 197
- 13. Port Alberni Assessment Area**
PID: 000-204-315
Lot 3, Section 19, Barclay District, Plan 36032
- 14. Port Alberni Assessment Area**
PID: 000-286-885
Lot 5, District Lot 39, Alberni District, Plan 1877
- 15. Port Alberni Assessment Area**
PID: 006-249-540
Lot 1, Section 20, Township 1, Barclay District, Plan 3077
- 16. City of Port Alberni**
PID: 000-522-538
That Part of Lot 1, Alberni District, Shown Outlined in Red
On Plan 721R
- 17. City of Port Alberni**
PID: 000-522-546
That Part of Lot 1, Alberni District, Shown Outlined In Red
On Plan 795R
- 18. Port Alberni Assessment District**
PID: 000-787-744
Lot 2, Section 20, Township 1, Barclay District, Plan 23308
Except That Part of Plan 45519

19. **City of Port Alberni**
PID: 007-175-698
Lot 23, Block 18, District Lot 9, Alberni District, Plan 1585
20. **City of Port Alberni**
PID: 000-287-181
Lot 1, Block 4A, District Lot 1, Alberni District, Plan 197
21. **City of Port Alberni**
PID: 000-287-296
Lot 10, Block 4A, District Lot 1, Alberni District, Plan 197
22. **City of Port Alberni**
PID: 000-287-342
Lot 11, Block 4A, District Lot 1, Alberni District, Plan 197
23. **City of Port Alberni**
PID: 000-287-393
Lot 12, Block 4A, District Lot 1, Alberni District, Plan 197
24. **Municipality of North Cowichan**
PID: 001-160-141
Lot 2, Sections 14 and 15, Range 3, Chemainus District,
Plan 31422 Except Part in Plan VIP69038
25. **As to the 1/2 interest in:**
Port Alberni Assessment Area
PID: 001-018-507
Lot 1, Section 18, Township 1, Barclay District,
Plan 38260 Except Part in Plan 45043, 46428 and 47590
26. **As to the ^{2/3}~~1/3~~ interest in:**
Port Alberni Assessment Area
PID: 014-852-985
Lot A, Section 20, Township 1, and District Lot 782,
Barclay District, Plan 49089

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EV094884

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

COPY

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

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|---------------------|-----|-------------------------------------|-------------------------|----------|
| NATURE OF INTEREST: | (1) | <input type="checkbox"/> | FEE-SIMPLE | |
| HEREWITH FEES OF: | (2) | <input checked="" type="checkbox"/> | CHARGE | Judgment |
| \$25.00 | (3) | <input type="checkbox"/> | CANCELLATION OF CHARGE: | |

AS TO (1) AND (2):
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

AS TO THE INTEREST OF:

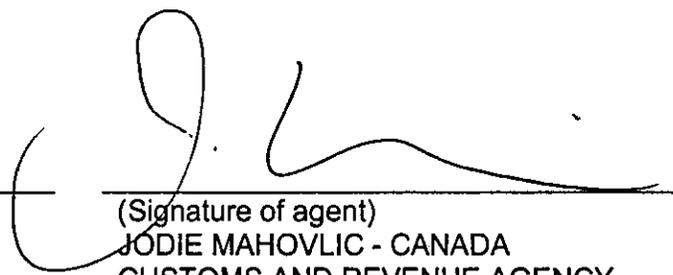
Armac Investments Ltd., (Inc. No. 40671)
1250 West Hastings Street,
Vancouver, BC, V6E 2M4

LEGAL DESCRIPTION OF LAND:

See Attached Schedule "A"

APPLICATION BY:

L. Fitzsimmons – Section 464-12
(Collection Officer – Section)
REVENUE COLLECTIONS - CANADA
CUSTOMS AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER, B.C. V6E 3H8
TEL: (604) 691-4507
FAX: (604) 691-4991



(Signature of agent)
JODIE MAHOVLIC - CANADA
CUSTOMS AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER B.C. V6E 3H8
TEL: (604) 691-4479
FAX: (604) 691-4411

COURT NO. ITA- 7180 -03

FEDERAL COURT

In the matter of the *Income Tax Act*,

- and -

In the matter of an assessment or assessments by the Minister of National Revenue under one or more of the *Income Tax Act, Canada Pension Plan, Employment Insurance Act, the Income Tax Act*,
against:



ARMAC INVESTMENTS LTD.
1250 West Hastings Street,
Vancouver, British Columbia.
V6E 2M4

CERTIFICATE

I certify that on the 1st day of August in the year of Our Lord Two Thousand and Three, a Certificate, that is deemed to be a judgment of this Honourable Court, was registered in this Honourable Court and bears No. ITA- 7180 -03

for Four Hundred Seventy-seven Thousand Four Hundred Sixty-nine Dollars and Eighty-nine Cents (\$477,469.89)

plus interest pursuant to the said Acts, compounded daily, at the rate prescribed under the *Income Tax Act* applicable from time to time, on the sum of \$477,469.89, from the 18th day of July, 2003, to the day of payment, and that no satisfaction of the Certificate or any part thereof appears of record in this Court.

Dated this 1st day of August in the year of Our Lord Two Thousand and Three.

T309(E)A-1
Rev. 98-04

Federal Court

Hélène Clément
Processing Clerk
Commis au traitement

29 APR 2005 12 23

EX047387

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

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| | | | | |
|---------------------|-----|-------------------------------------|-------------------------|-----------------------------|
| NATURE OF INTEREST: | (1) | <input type="checkbox"/> | FEE-SIMPLE | |
| HEREWITH FEES OF: | (2) | <input checked="" type="checkbox"/> | CHARGE | Renewal of Judgment EV52158 |
| \$27.00 | (3) | <input type="checkbox"/> | CANCELLATION OF CHARGE: | |

AS TO (1) AND (2):
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

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JUDGMENT

631015
\$27.00

AS TO THE INTEREST IN MORTGAGE EN41304 OF:

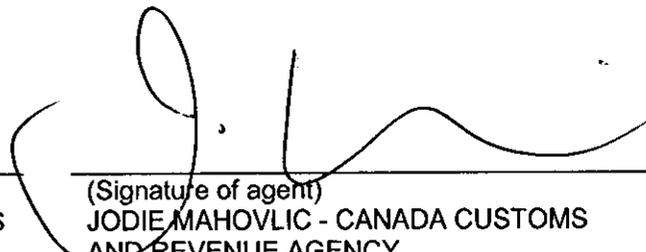
John Kenneth Purdy (sometime known as Jack Purdy), Businessman
C/O Dale Matheson Carr-Hilton
1700 - 1140 West Pender Street
Vancouver BC V6E 4G1

LEGAL DESCRIPTION OF LAND:

See attached Schedule A

APPLICATION BY:

L. FITZSIMMONS- SECTION 464-12
REVENUE COLLECTIONS - CANADA CUSTOMS
AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER, B.C. V6E 3H8
TEL: (604) 691-4507
FAX: (604) 691-4220



(Signature of agent)
JODIE MAHOVLIC - CANADA CUSTOMS
AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER B.C. V6E 3H8
TEL: (604) 691-4479
FAX: (604) 691-4411

LAND TITLE ACT

FORM E

SCHEDULE "A"

Enter the required information in the same order as the information must appear on the freehold transfer form, mortgage form or general document form.

- (1) City of Port Alberni
PID: 000-522-538
That Part of Lot 1, Alberni District,
Shown Outlined in Red on Plan 721R

- (2) City of Port Alberni
PID: 000-522-546
That Part of Lot 1, Alberni District,
Shown Outlined in Red on Plan 795R

23 MAY 2003 13 20

EV052158

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

NATURE OF INTEREST: (1) FEE-SIMPLE

HEREWITH FEES OF: (2) CHARGE Judgment

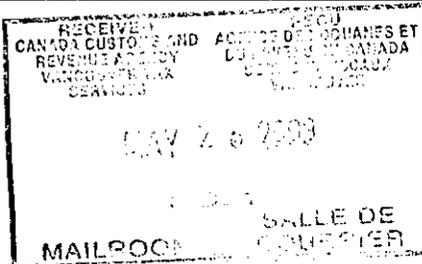
\$25.00 (3) CANCELLATION OF CHARGE:

AS TO (1) AND (2) :
HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

AS TO THE INTEREST IN MORTGAGE EN41304 OF:

John Kenneth Purdy (sometime known as Jack Purdy), Businessman
c/o Dale Matheson Carr-Hilton
1700 - 1140 West Pender Street
Vancouver BC V6E 4G1

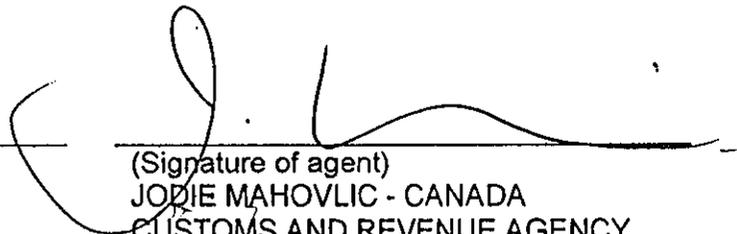


LEGAL DESCRIPTION OF LAND:

- 1. City of Port Alberni
PID: 000-522-538
That Part of Lot 1, Alberni District,
Shown Outlined in Red on Plan 721R
- 2. City of Port Alberni
PID: 000-522-546
That Part of Lot 1, Alberni District,
Shown Outlined in Red on Plan 795R

APPLICATION BY:

L. Fitzsimmons - 464-12
(Collection Officer - Section)
REVENUE COLLECTIONS - CANADA
CUSTOMS AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER, B.C. V6E 3H8
TEL: (604) 691-4507
FAX: (604) 691-4991


(Signature of agent)
JODIE MAHOVLIC - CANADA
CUSTOMS AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER B.C. V6E 3H8
TEL: (604) 691-4479
FAX: (604) 691-4411

COURT NO. ITA- 8089 -02

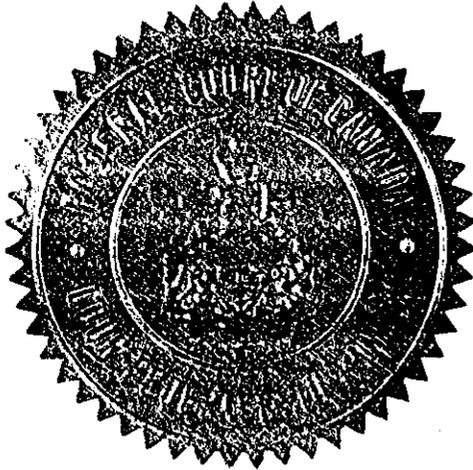
TO THE FEDERAL COURT - TRIAL DIVISION

In the matter of the *Income Tax Act*,

- and -

In the matter of an assessment or assessments by the Minister of National Revenue under one or more of the *Income Tax Act, Canada Pension Plan, Employment Insurance Act*, against:

JOHN KENNETH PURDY
(sometime known as JACK PURDY)
c/o Dale Matheson Carr-Hilton,
1700-1140 West Pender Street,
Vancouver, British Columbia.
V6E 4G1



CERTIFICATE

The undersigned certifies, under section 223 of the *Income Tax Act*, that, in addition to such other amounts as may have been previously certified, the following amount payable by the above named that has not been paid, namely, \$3,171,947.16.

Interest, compounded daily, is payable, at the rate prescribed under the *Income Tax Act* applicable from time to time, on the sum of \$3,171,947.16 from the 28th day of June, 2002, to the day of payment.

This Certificate is executed under the *Income Tax Act*.

Certified at Ottawa, Ontario this 10th day of July, A.D. 2002.

I HEREBY CERTIFY that the above document is a true copy of the original filed of record in the Registry of the Federal Court of Canada the 10th day of July A D 20 02
Date this 3th day of April 20 03

G. BELLAVANCE
Processing Clerk
Commissaire au traitement

Director
Accounts Receivable Division
Revenue Collections Directorate
Canada Customs and Revenue Agency

T305B(E)A-1
Rev. 98-04

20 AUG 2003 11 47

EV094884

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

NATURE OF INTEREST: (1) FEE-SIMPLE
HEREWITH FEES OF: (2) CHARGE Judgment
\$25.00 (3) CANCELLATION OF CHARGE: _____

AS TO (1) AND (2):
**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA**

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

01 03/08/20 11:47:12 01 VI 510329
JUDGMENT \$25.00

AS TO THE INTEREST OF:

Armac Investments Ltd., (Inc. No. 40671)
1250 West Hastings Street,
Vancouver, BC, V6E 2M4

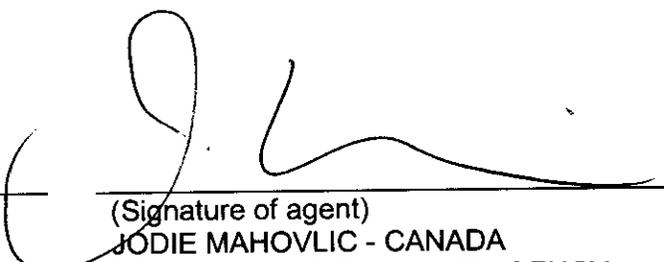
02 03/10/24 13:33:31 02 VI 524282
DEFECT / WITHDR \$25.00

LEGAL DESCRIPTION OF LAND:

See Attached Schedule "A"

APPLICATION BY:

L. Fitzsimmons - Section 464-12
(Collection Officer - Section)
REVENUE COLLECTIONS - CANADA
CUSTOMS AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER, B.C. V6E 3H8
TEL: (604) 691-4507
FAX: (604) 691-4991


(Signature of agent)
JODIE MAHOVLIC - CANADA
CUSTOMS AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER B.C. V6E 3H8
TEL: (604) 691-4479
FAX: (604) 691-4411

“ SCHEDULE A”

| | PID | LEGAL DESCRIPTION |
|-----|------------|---|
| 1. | 004090381 | Port Alberni Assessment Area Lot 1, Section 20, Township 1, Barclay District, Plan 16439 |
| 2. | 017801231 | Port Alberni Assessment Area Lot 1, Section 20, Township 1, Barclay District, Plan VIP54368 |
| 3. | 000977179 | Port Alberni Assessment Area Lot C, Section 20, Township 1, Barclay District, Plan 38547 except part in Plan VIP54368 |
| 4. | 008691363 | Port Alberni Assessment Area The North East ¼ of the North East ¼ of Section 17, Township 1, Barclay District |
| 5. | 003524213 | Port Alberni Assessment Area Lot 1, Section 20, Township 1, Barclay District, Plan 20233 |
| 6. | 003706311 | Port Alberni Assessment Area Lot 1, Section 20, Township 1, Barclay District, Plan 19909 |
| 7. | 008594015 | Port Alberni Assessment Area Block A of the South West ¼ of Section 20, Township 1, Barclay District, except part in Plan 19909 |
| 8. | 003291294 | Port Alberni Assessment Area Parcel A (DD E25649) of Lot 1, Section 20, Township 1, Barclay District, Plan 22579 |
| 9. | 003317641 | Port Alberni Assessment Area Block C of the Northwest ¼ of Section 17, Township 1, Barclay District |
| 10. | 009278923 | City of Port Alberni Lot 13, Block 74, District Lot 1, Alberni District, Plan 197 |
| 11. | 009278940 | City of Port Alberni Lot 14, Block 74, District Lot 1, Alberni District, Plan 197 |
| 12. | 009278966 | City of Port Alberni Lot 15, Block 74, District Lot 1, Alberni District, Plan 197 |

13. 000204315 Port Alberni Assessment Area
Lot 3, Section 19, Barclay District, Plan 36032
14. 000286885 Port Alberni Assessment Area
Lot 5, District Lot 39, Alberni District, Plan 1877
15. 006249540 Port Alberni Assessment Area
Lot 1, Section 20, Township 1, Barclay District, Plan 3077
16. 000522538 City of Port Alberni
That Part of Lot 1, Alberni District, shown outlined in red
on Plan 721R
17. 000522546 City of Port Alberni
That Part of Lot 1, Alberni District, shown outlined in red
on Plan 795R
18. 000787744 Port Alberni Assessment Area
Lot 2, Section 20, Township 1, Barclay District, Plan 23308
except that part in Plan 45519
19. 007175698 City of Port Alberni
Lot 23, Block 18, District Lot 9, Alberni District, Plan 1585
20. 000287181 City of Port Alberni
Lot 1, Block 4A, District Lot 1, Alberni District, Plan 197
21. 000287296 City of Port Alberni
Lot 10, Block 4A, District Lot 1, Alberni District, Plan 197
22. 000287342 City of Port Alberni
Lot 11, Block 4A, District Lot 1, Alberni District, Plan 197
23. 000287393 City of Port Alberni
Lot 12, Block 4A, District Lot 1, Alberni District, Plan 197
24. 001160141 Municipality of North Cowichan
Lot 2, Sections 14 and 15, Range 3, Chemainus District, Plan
31422 except part in Plan VIP69038
25. 001-018-507 As to the 1/2 interest in:
Port Alberni Assessment Area
Lot 1, Section 18, Township 1, Barclay District,
Plan 38260, Except Part in Plan 45043, 46428 and 47590
26. 014-852-985 As to the 2/3 interest in:
Port Alberni Assessment Area
Lot A, Section 20, Township 1, and District Lot 782,
Barclay District, Plan 49089

COURT NO. ITA- 7180 -03

FEDERAL COURT

In the matter of the *Income Tax Act*,

- and -

In the matter of an assessment or assessments by the Minister of National Revenue under one or more of the *Income Tax Act, Canada Pension Plan, Employment Insurance Act, the Income Tax Act*,
against:



ARMAC INVESTMENTS LTD.
1250 West Hastings Street,
Vancouver, British Columbia.
V6E 2M4

CERTIFICATE

I certify that on the 1st day of August in the year of Our Lord Two Thousand and Three, a Certificate, that is deemed to be a judgment of this Honourable Court, was registered in this Honourable Court and bears No. ITA- 7180 -03

for **Four Hundred Seventy-seven Thousand Four Hundred Sixty-nine Dollars and Eighty-nine Cents (\$477,469.89)**

plus interest pursuant to the said Acts, compounded daily, at the rate prescribed under the *Income Tax Act* applicable from time to time, on the sum of **\$477,469.89**, from the 18th day of July, 2003, to the day of payment, and that no satisfaction of the Certificate or any part thereof appears of record in this Court.

Dated this 1st day of August in the year of Our Lord Two Thousand and Three.

T309(E)A-1
Rev. 98-04

Hélène Clément
Federal Court

Hélène Clément
Processing Clerk
Commis au traitement

23 MAY 2003 13 20

EV052158

Above area for LTO use only
LAND TITLE ACT: FORM 17
(Section 151, 152(1); 220)

NOTE: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

NATURE OF INTEREST: (1) FEE-SIMPLE
HEREWITH FEES OF: (2) CHARGE Judgment
\$25.00 (3) CANCELLATION OF CHARGE: _____

AS TO (1) AND (2) :
HER MAJESTY THE QUEEN IN RIGHT OF CANADA
IN THE MATTER OF THE INCOME TAX ACT OF CANADA

(For purposes of litigation, Her Majesty is represented by:
Attorney General of Canada, Department of Justice
900-840 Howe Street, Vancouver, B.C. V6Z 2S9)

02 03/05/23 13:20:04 01 VI 485973
JUDGMENT \$25.00

AS TO THE INTEREST IN MORTGAGE EN41304 OF:

John Kenneth Purdy (sometime known as
Jack Purdy), Businessman
c/o Dale Matheson Carr-Hilton
1700 - 1140 West Pender Street
Vancouver BC V6E 4G1

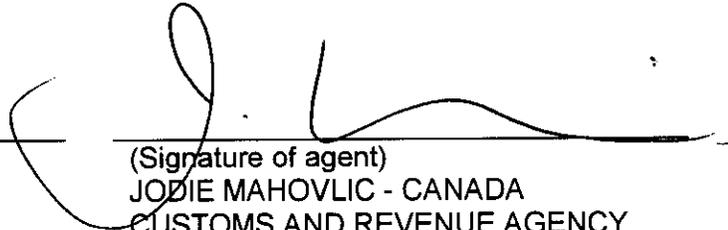
LEGAL DESCRIPTION OF LAND:

1. City of Port Alberni
PID: 000-522-538
That Part of Lot 1, Alberni District,
Shown Outlined in Red on Plan 721R

2. City of Port Alberni
PID: 000-522-546
That Part of Lot 1, Alberni District,
Shown Outlined in Red on Plan 795R

APPLICATION BY:

L. Fitzsimmons - 464-12
(Collection Officer - Section)
REVENUE COLLECTIONS - CANADA
CUSTOMS AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER, B.C. V6E 3H8
TEL: (604) 691-4507
FAX: (604) 691-4991


(Signature of agent)
JODIE MAHOVLIC - CANADA
CUSTOMS AND REVENUE AGENCY
1166 WEST PENDER STREET
VANCOUVER B.C. V6E 3H8
TEL: (604) 691-4479
FAX: (604) 691-4411

COURT NO. ITA- 8089 -02

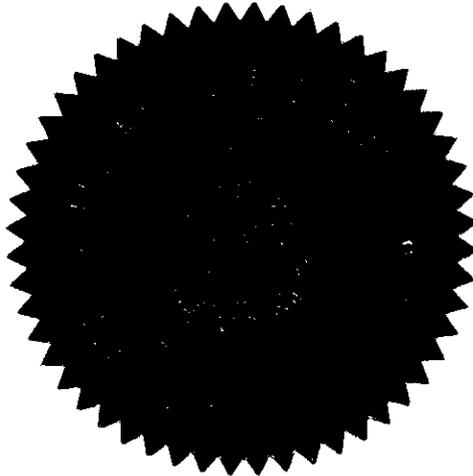
TO THE FEDERAL COURT - TRIAL DIVISION

In the matter of the *Income Tax Act*,

- and -

In the matter of an assessment or assessments by the Minister of National Revenue under one or more of the *Income Tax Act, Canada Pension Plan, Employment Insurance Act*, against:

JOHN KENNETH PURDY
(sometime known as JACK PURDY)
c/o Dale Matheson Carr-Hilton,
1700-1140 West Pender Street,
Vancouver, British Columbia.
V6E 4G1



CERTIFICATE

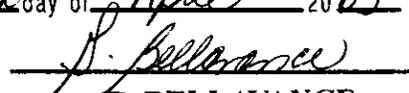
The undersigned certifies, under section 223 of the *Income Tax Act*, that, in addition to such other amounts as may have been previously certified, the following amount payable by the above named that has not been paid, namely, \$3,171,947.16.

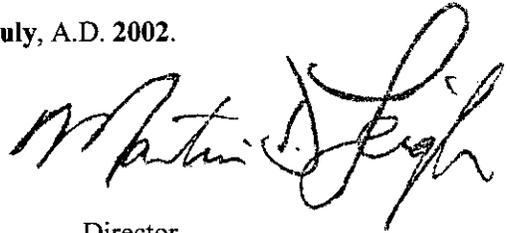
Interest, compounded daily, is payable, at the rate prescribed under the *Income Tax Act* applicable from time to time, on the sum of \$3,171,947.16 from the 28th day of June, 2002, to the day of payment.

This Certificate is executed under the *Income Tax Act*.

Certified at Ottawa, Ontario this 10th day of July, A.D. 2002.

I HEREBY CERTIFY that the above document is a true copy of the original filed of record in the Registry of the Federal Court of Canada the 10th day of July A D 20 02
Dated this 30th day of April 20 03


G. BELLAVANCE
Processing Clerk
Commis au traitement



Director
Accounts Receivable Division
Revenue Collections Directorate
Canada Customs and Revenue Agency

T305B(E)A-1
Rev. 98-04

TO THE FEDERAL COURT - TRIAL DIVISION

In the matter of the *Income Tax Act*,

- and -

In the matter of an assessment or assessments by the
Minister of National Revenue under one or more of
the *Income Tax Act*, *Canada Pension Plan*,
Employment Insurance Act,
against:

JOHN KENNETH PURDY
(sometime known as JACK PURDY)

CERTIFICATE

Filed by
Commissioner of Canada Customs
and Revenue Agency
Room 184
875 Heron Road
Ottawa, Ontario
K1A 1A2

T305B(E)A-2
Rev. 98-04

22 AUG 2002 09 25

ET096390

Land Title Act
Form B
(Section 225)
Province of British Columbia
MORTGAGE - PART 1

~~2 AUG 2002 14 38~~ *jm*

~~BT283797~~ *jm*

(This area for Land Title Office use)

Page 1 of 11

1. Application: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)
C.C.R.A. Tel: (604) 691-4479
1166 West Pender Street
Vancouver BC V6E 3H8
Signature: *Jodie Mahovlic*
JODIE MAHOVLIC

2. Parcel Identifier(s) and Legal Description(s) of the Mortgaged Land:*(PID) (Legal Description)
SEE SCHEDULE

3. Borrower(s) [Mortgagor(s)]: (including postal address(es) and postal code(s))*
ARMAC INVESTMENTS LTD., 5029 Argyle Street, Port Alberni, British Columbia, V9Y 1V5

4. Lendor(s) [Mortgagee(s)]: (including occupation(s), postal address(es) and postal code(s))*
HER MAJESTY THE QUEEN IN RIGHT OF CANADA, as represented by the Minister of National Revenue, 1166 West Pender Street, Vancouver, British Columbia, V6E 3H8

jm
~~14 02/00/02 14:37:50 02 LH 390692~~
~~CHARGE \$55.00~~
01 02/08/22 09:25:25 01 VI 415070
CHARGE \$55.00

5. Payment Provisions:**

| | | | | | |
|--|---|--------------------------------------|---|---|---|
| (a) Principal Amount: \$4,120,117.87 | (b) Interest Rate: 7% | (c) Interest Adjustment Date: N/A | Y | M | D |
| (d) Interest Calculation Period: Compounded Daily | (e) Payment Dates: N/A | (f) First Payment Date: N/A | | | |
| (g) Amount of each periodic payment: N/A | (h) Interest Act (Canada) Statement: The Equivalent rate of interest calculated half yearly not in advance is N/A% per annum | (i) Last Payment Date: N/A | | | |
| (j) Assignment of Rents which the applicant wants registered? YES NO x If YES, page and paragraph number: | (k) Place of payment: Postal address in item 4 | (l) Balance Due Date: On Demand | | | |

MORTGAGE - PART 1

| | |
|---|---|
| 6. Mortgage contains floating charge on land? Yes No x | 7. Mortgage secures a current or running account? Yes No x |
|---|---|

8. Interest Mortgaged:
 Freehold |x|
 Other (specify) | | *

9. Mortgage Terms:
 Part 2 of this mortgage consists of (select one only):
 (a) Prescribed Standard Mortgage Terms | |
 (b) Filed Standard Mortgage Terms | | D.F. Number:
 (c) Express Mortgage Terms |x| (annexed to this Mortgage as Part 2)

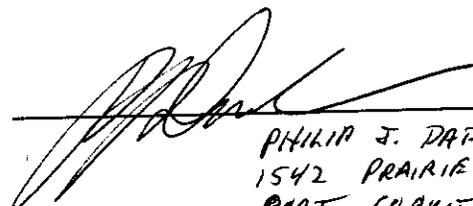
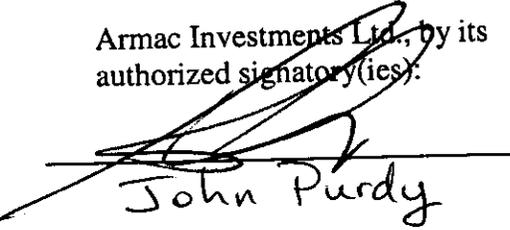
A selection of (a) or (b) includes any additional or modified terms referred to in item 10 or in a schedule annexed to this mortgage

10. Additional or Modified Terms:*
 N/A

11. Prior Encumbrances Permitted by Lender:*

SEE SCHEDULE

12. Execution(s):*
 This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in Item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

| | | | | | | | | |
|--|---|----|---|---|----|---|----|---|
| <p>Officer Signature(s)</p>  <p>PHILIP J. DAWSON 1542 PRAIRIE AVE PORT COQUITLAM B.C. V3B 1T4</p> | <p>Execution Date</p> <table border="1"> <tr> <td>Y</td> <td>M</td> <td>D</td> </tr> <tr> <td>02</td> <td>7</td> <td>11</td> </tr> </table> | Y | M | D | 02 | 7 | 11 | <p>Mortgagor(s) Signature(s)</p> <p>Armac Investments Ltd., by its authorized signatory(ies):</p>  <p>John Purdy</p> |
| Y | M | D | | | | | | |
| 02 | 7 | 11 | | | | | | |

Officer Certification: *Barrister & Solicitor*
 Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act R.S.B.C. 1979, c. 116, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

* If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.
 ** If space insufficient, continue executions on additional page(s) in Form D.

Land Title Act
Form E

Page 3

SCHEDULE

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM.
MORTGAGE FORM OR GENERAL DOCUMENT FORM.

2. Parcel Identifier(s) and Legal Description(s) of the Mortgaged Land:

| (PID) | (Legal Description) |
|--------------|---|
| 000-522-546 | THAT PART OF LOT 1, ALBERNI DISTRICT, SHOWN OUTLINED IN RED ON PLAN 795R |
| 002-849-321 | LOT 1, DISTRICT LOT 152, ALBERNI DISTRICT, PLAN 25006 |
| 002-849-399 | LOT 3, DISTRICT LOT 152, ALBERNI DISTRICT, PLAN 25006 |
| 008-668-612 | PARCEL D (DD 24548N) OF DISTRICT LOT 152, ALBERNI DISTRICT, EXCEPT PART IN PLAN 25006 |

11. Prior Encumbrances Permitted by Lender:

000-522-546 Mortgage EN41304 registered 1999-05-14; Certificate of Pending Litigation ES67933 registered 2001-08-13.

002-849-321 Mortgage EN40809 registered 1999-05-13; Certificate of Pending Litigation ET32501 registered 2002-03-27.

002-849-399 Mortgage EN40809 registered 1999-05-13; Certificate of Pending Litigation ET32501 registered 2002-03-27.

008-668-612 Mortgage EN40809 registered 1999-05-13; Certificate of Pending Litigation ET32501 registered 2002-03-27.

PART 2 - MORTGAGE (EXPRESS TERMS)

4

THIS MORTGAGE BETWEEN:

ARMAC INVESTMENTS LTD., a British Columbia company
having its registered office at 5029 Argyle Street, Port Alberni,
British Columbia, V9Y 1V5

(the "Mortgagor")

AND:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA, as
represented by the Minister of National Revenue, 1166 West
Pender Street, Vancouver, British Columbia, V6E 3H8

("Her Majesty")

WHEREAS:

- A. JOHN PURDY also known as JACK PURDY (hereinafter the "Taxpayer") is indebted to Her Majesty in the amount of \$4,120,117.87 of lawful money of Canada, as of June 4, 2002, in respect of arrears of income tax, interest and penalty for the 1995, 1996, 1997, 1998, 1999 and 2000 taxation years (the "Tax Liability").
- B. The Mortgagor has executed and delivered to Her Majesty a guarantee in the amount of \$4,120,117.87 to guarantee the payment of the Tax Liability, which is still in force and effect.
- C. The Taxpayer is the sole director of the Mortgagor and the Mortgagor desires to provide security for the guarantee and the payment of the Tax Liability.
- D. This mortgage is made in favour of Her Majesty pursuant to an arrangement made by the Minister of National Revenue by virtue of Subsection 220(4) of the *Income Tax Act*.

NOW THEREFORE THIS MORTGAGE WITNESSES that in consideration of the premises and \$2.00, the receipt and sufficiency of which the Mortgagor acknowledges, the parties agree as follows:

1.0 INTERPRETATION

- 1.1 In this mortgage the term:
"default" includes each of the events of default listed in section 7.1;

PART 2 - MORTGAGE (EXPRESS TERMS)

5

"interest" means interest on the principal to be computed from June 5, 2002 to the date of payment, as well after as before default, at the interest rate. For greater certainty, interest includes interest pursuant to federal, provincial and territorial enactments yet to be passed with respect to daily compounding and interest on penalties;

"interest rate" means the annual rate as from time to time prescribed for the purposes of subsection 161(1) of the *Income Tax Act*; the present annual rate being 7%, compounded daily;

"land" means all the Mortgagor's present and future interest in the land described in the mortgage form including every incidental right, benefit and privilege attaching to that land or running with it and all buildings and improvements that are now or later constructed on or made to that land;

"mortgage form" means Form B under the Land Title (Transfer Forms) Regulation and all schedules and addenda to Form B;

"mortgage money" means the principal, interest and any other money owed by the Mortgagor under this mortgage, the payment of which is secured by this mortgage in priority to any subsequent claims against the land;

"permitted encumbrances" means those charges and encumbrances listed as Prior Encumbrances Permitted by Lender in the mortgage form;

"principal" means the Tax Liability and includes all money that is later added to the principal under this mortgage;

"receiver" means a receiver or a receiver manager appointed by Her Majesty under this mortgage;

"taxes" means all taxes, rates and assessments of every kind which are payable by any person in connection with this mortgage, the land or its use and occupation, or arising out of any transaction between the Mortgagor and Her Majesty;

"this mortgage" means the combination of the mortgage form and these mortgage terms.

1.2 In this mortgage:

- (a) the singular shall include the plural and vice versa;
- (b) words in the masculine shall include the feminine and neuter genders, words in the feminine shall include the masculine and neuter genders and words in the neuter shall include the masculine and feminine genders;
- (c) any reference to a party includes its heirs, executors, administrators, successors and assigns;
- (d) the headings are inserted for reference only and in no way affect the interpretation of this mortgage.

1.3 Each person who signs this mortgage as a Mortgagor is jointly and severally liable for all of the Mortgagor's promises and agreements.

1.4 If any part of this mortgage is unenforceable, all other parts will remain in effect and be enforceable against the Mortgagor.

PART 2 - MORTGAGE (EXPRESS TERMS)

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2.0 OPERATION OF THE MORTGAGE

- 2.1 The Mortgagor grants and mortgages the land, including any additional or greater interest in it that the Mortgagor may later acquire, to Her Majesty.
- 2.2 This mortgage shall be a charge on the land, and the Mortgagor releases to Her Majesty all the Mortgagor's claim to the land until the Mortgagor has paid the mortgage money to Her Majesty in accordance with this mortgage and has performed all of the Mortgagor's promises and agreements.
- 2.3 The Mortgagor may continue to remain in possession of the land as long as the Mortgagor performs all of the Mortgagor's promises and agreements.
- 2.4 When the Mortgagor has paid the mortgage money and performed all of the Mortgagor's promises and agreements under this mortgage, Her Majesty will no longer be entitled to enforce any rights under this mortgage and the Mortgagor will be entitled, at the Mortgagor's cost, to obtain a discharge of this mortgage.
- 2.5 This mortgage is collateral security for the payment of the Tax Liability and shall in no way be a substitute for the Tax Liability and shall in no way replace or derogate from any of the rights or methods of collection of the Tax Liability which Her Majesty may have had at law or in equity prior to the acceptance of this mortgage.

3.0 INTEREST

- 3.1 Arrears of both principal and interest shall bear interest at the interest rate, which shall form part of the principal.
- 3.2 Following the date on which any proceedings for sale, foreclosure or otherwise are instituted or notice of sale is given for the enforcement of this mortgage, the interest payable after that date shall be calculated at the rate in effect at the date of institution of the proceedings or of the giving of the notice, as the case may be, notwithstanding anything to the contrary in the proceedings or notice.

4.0 PAYMENT

- 4.1 The Mortgagor promises to pay the mortgage money to Her Majesty on demand in accordance with this mortgage.

5.0 MORTGAGOR'S PROMISES AND COVENANTS

- 5.1 The Mortgagor promises:

PART 2 - MORTGAGE (EXPRESS TERMS)

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- (a) to pay all taxes when they are due;
- (b) to comply with all the terms and conditions of any charge or encumbrance that ranks ahead of this mortgage;
- (c) to keep all buildings and improvements which form part of the land in good condition and to repair them as Her Majesty may require;
- (d) to sign any other document that Her Majesty may require to ensure that payment of the mortgage money is secured by this mortgage or by any other document that the Mortgagor has agreed to give as security;
- (e) not to do anything that has the effect of reducing the value of the land;
- (f) not to tear down, alter or improve any building which forms part of the land without the prior written consent of Her Majesty;
- (g) to pay all of Her Majesty's costs, including legal fees on a solicitor and client basis, to:
 - (i) register this mortgage;
 - (ii) collect the mortgage money;
 - (iii) enforce this mortgage, including efforts to compel the Mortgagor to perform the Mortgagor's promises and agreements;
 - (iv) do anything which the Mortgagor has promised to do but has not done;
 - (v) prepare and give the Mortgagor a discharge of this mortgage when the Mortgagor has paid all the money due under this mortgage and the Mortgagor requests that it be discharged.
- (h) to pay any money which, if not paid, would result in a default under any charge or encumbrance having priority over this mortgage or which might result in the sale of the land if not paid; and
- (i) to pay and cause to be discharged any charges or encumbrances described in subsection 5.2(b) which are not prior encumbrances permitted by Her Majesty under this mortgage.

5.2 The Mortgagor covenants that:

- (a) the Mortgagor owns the land in fee simple and has the right to mortgage the land to Her Majesty;
- (b) the Mortgagor's title to the land is subject only to:
 - (i) the permitted encumbrances; and
 - (ii) any unregistered charges or encumbrances that Her Majesty has agreed to in writing; and
- (c) subject to paragraph (b), the Mortgagor
 - (i) has not given any other charge or encumbrance against the land, and
 - (ii) has no knowledge of any other claim against the land.

PART 2 - MORTGAGE (EXPRESS TERMS)

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6.0 AGREEMENTS BETWEEN THE MORTGAGOR AND HER MAJESTY

- 6.1 If Her Majesty takes possession of the land, Her Majesty shall not be responsible for maintaining and preserving the land and need only account to the Mortgagor for any money actually received in connection with this mortgage and the land.
- 6.2 Her Majesty may spend money to perform any of the Mortgagor's promises and agreements which the Mortgagor has not performed and any money so spent shall form part of the principal, bear interest from the date the money was so spent, and be immediately due and payable to Her Majesty.
- 6.3 If Her Majesty wants to give any notice to the Mortgagor, Her Majesty may send it by registered mail to the Mortgagor's address specified on page one of these terms or Her Majesty may deliver it personally to the Mortgagor during the Mortgagor's lifetime or, after the Mortgagor's death, Her Majesty may leave it with some person on the land, if occupied, or post it on some portion of the land, if unoccupied, or, at Her Majesty's option, Her Majesty may publish it in two consecutive issues of some newspaper published or circulated in the county or district in which the land is situate. The notice shall be sufficient though not addressed to any person by name and notwithstanding that any person to be affected by it may be unborn, unascertained or under disability.
- 6.4 If the Mortgagor wants to give any notice to Her Majesty, the Mortgagor may deliver it personally or send it by registered mail to Her Majesty in care of the Minister of National Revenue at the address specified on page one of these terms. Any notice to be given during a mail disruption must be personally delivered rather than sent by mail.
- 6.5 Any notice sent by registered mail is considered to have been received 3 days after it is mailed.
- 6.6 The Mortgagor is not released from any of the Mortgagor's promises or agreements by selling the land.

7.0 DEFAULT

- 7.1 A default under this mortgage occurs if:
- (a) the Mortgagor fails to pay within 30 days of demand;
 - (b) the Mortgagor breaks any of the Mortgagor's promises or agreements;
 - (c) the Mortgagor becomes bankrupt;
 - (d) the land or any part of it is expropriated;
 - (e) the Mortgagor sells or agrees to sell the land or any part of it or if the Mortgagor leases the land or any part of it without the prior written consent of Her Majesty;
 - (f) Her Majesty exercises Her Majesty's option under section 8.3.

PART 2 - MORTGAGE (EXPRESS TERMS)

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- 7.2 On default, all monies then owing under this mortgage shall become due and payable.
- 7.3 Her Majesty may distrain for arrears of interest.
- 7.4 On default, Her Majesty may do any one or more of the following:
- (a) sue the Mortgagor for the amount of money due;
 - (b) take proceedings and any other legal steps to compel the Mortgagor to keep the Mortgagor's promises and agreements;
 - (c) enter upon and take possession of the land;
 - (d) sell the land and other property by public auction or private sale, or lease the land on terms decided by Her Majesty
 - (i) on 30 days written notice to the Mortgagor if the default has continued for 30 days, or
 - (ii) without notice to the Mortgagor if the default has continued for 60 days or more;
 - (e) apply to the court for an order that the lands be sold on terms approved by the court;
 - (f) apply to the court to foreclose the Mortgagor's interest in the land;
 - (g) appoint a receiver of the land;
 - (h) enter upon and take possession of the land without any permission of anyone and make any arrangements Her Majesty considers necessary to
 - (i) inspect, lease, collect rents or manage the land,
 - (ii) complete the construction or make repairs to any buildings on the land;
 - (i) take whatever action is necessary to take, recover and keep possession of the land.
- 7.5 No purchaser at any sale purporting to be made pursuant to section 7.4, shall be required to ascertain or enquire:
- (a) whether any default under this mortgage has been made or continues;
 - (b) whether notice pursuant to section 7.4 has been given;
 - (c) as to the necessity or expediency of the stipulations subject to which the sale was made; or
 - (d) as to the propriety of the sale or regularity of its proceedings, or shall be affected by notice that:
 - (e) no default was made or continues;
 - (f) no notice was given pursuant to section 7.4;
 - (g) the sale is improper or irregular,
- and notwithstanding any impropriety or irregularity in the sale or notice, and despite any notice to the purchaser, the sale to the purchaser shall be valid, and the remedy, if any, of the Mortgagor, shall be in damages only.
- 7.6 If Her Majesty sells the land by public auction or private sale, Her Majesty will use the amount received from the sale to pay
- (a) any real estate agent's commission,

PART 2 - MORTGAGE (EXPRESS TERMS)

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- (b) all adjustments usually made on the sale of land,
 - (c) all of Her Majesty's expenses and costs described in section 7.8, and
 - (d) the mortgage money and will pay any surplus
 - (e) according to an order of the court if the land is sold by an order of the court, or
 - (f) to the Mortgagor if the land is sold other than by an order of the court.
- 7.7 If the money available to pay the mortgage money after payment of the commission, adjustments and expenses referred to in subsections 7.6(a) to (c) is not sufficient to pay all the mortgage money, the Mortgagor shall pay to Her Majesty on demand the amount of the deficiency.
- 7.8 The Mortgagor will pay to Her Majesty on demand all expenses and costs incurred by Her Majesty in enforcing this mortgage. These expenses and costs include Her Majesty's cost of taking and keeping possession of the land, the cost of the time and services of Her Majesty or Her Majesty's agents for so doing, Her Majesty's legal fees and disbursements on a solicitor-client basis, and all other costs and expenses incurred by Her Majesty to protect Her Majesty's interest under this mortgage. These expenses will be added to the principal, be payable on demand and bear interest until they are fully paid.
- 7.9 If Her Majesty does not exercise any of Her Majesty's rights on the happening of a default or does not ask the Mortgagor to cure it, Her Majesty is not prevented from later compelling the Mortgagor to cure that default or exercising any of those rights in connection with that default or any later default of any kind.
- 8.0 STRATA LOT**
- 8.1 This section does not apply unless the land includes now or in the future a strata lot as defined by the *Condominium Act*.
- 8.2 The Mortgagor further covenants that in the event the lands comprise any strata lot, the Mortgagor:
- (a) shall observe all laws, by-laws, rules and regulations applicable to the strata lot;
 - (b) shall pay all levies and assessments applicable against the strata lot when due;
 - (c) shall permit Her Majesty, in conformity with the provisions of the *Condominium Act*, to exercise the Mortgagor's vote provided that Her Majesty shall not be responsible to the Mortgagor for the consequence of the exercise or the failure to exercise such vote;
 - (d) irrevocably appoints Her Majesty as the Mortgagor's agent for the purpose of obtaining any information relating to the strata lot and, in particular, information relating to levies and assessments applicable to such strata lot, provided Her Majesty shall in no way be responsible to the Mortgagor for any act or omission pursuant to such appointment; and

PART 2 - MORTGAGE (EXPRESS TERMS)

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- (e) shall, upon execution of this mortgage or immediately upon the demand of Her Majesty, execute an instrument, in such form as Her Majesty may present, irrevocably appointing Her Majesty or such other person as Her Majesty may designate as the Mortgagor's proxy to exercise the Mortgagor's vote at all meetings of the owners of the strata corporation of such strata lot.

8.3 If the strata corporation transfers, charges or adds to the common property, or amends its bylaws without the consent of Her Majesty, and if, in Her Majesty's opinion, the value of the land is reduced, the mortgage money shall, at Her Majesty's option, immediately become due and payable to Her Majesty on demand.

9.0 SUBDIVISION

9.1 If the land is subdivided:

- (a) this mortgage will charge each subdivided lot as security for payment of all the mortgage money; and
- (b) Her Majesty is not required to discharge this mortgage as a charge on any of the subdivided lots unless all the mortgage money is paid.

9.2 Her Majesty may agree to discharge any subdivided lot from this mortgage in return for payment of all or a part of the mortgage money. If Her Majesty discharges a subdivided lot, this mortgage will continue to charge the subdivided lot or lots that have not been discharged.

END OF DOCUMENT

99 MAY 14 10 47

EN041304

LAND TITLE ACT
FORM B

RECEIVED VICTORIA
LAND TITLE OFFICE

Section 225
PROVINCE OF BRITISH COLUMBIA

Fee: \$55.00

MORTGAGE - PART 1

Page 1 of 3

4/4

1. APPLICATION: (Name, Address, Phone Number and Signature of Applicant, Applicant's Solicitor or Agent)
Patterson Adams, Barristers and Solicitors (360-2991)
402 - 707 Fort St., Box 1231, Victoria, B.C., V8W 2T6
FILE # 10279.027 DBA/iw


Submitted by Karen Hughes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF THE MORTGAGED LAND:
(PID) (LEGAL DESCRIPTION)
000-522-538 That Part of Lot 1 Alberni District Shown Outlined in Red on Plan 721R
000-522-546 That Part of Lot 1 Alberni District, Shown Outlined in Red on Plan 795R

3. BORROWER(S) [MORTGAGOR(S)]:
ARMAC INVESTMENTS LTD. (Inc. No. 0040671) a company duly incorporated under the laws of the Province of British Columbia, having an address at 1250 West Hastings Street, Vancouver, British Columbia, V6C 2T7

4. LENDER(S) [MORTGAGEE(S)]:
QUADRA PACIFIC PROPERTIES CORP., (Inc. No. 24868) a company duly incorporated under the laws of the Province of British Columbia, having an address at 212 - 1001 Cloverdale Avenue, Victoria, B.C. V8X 4C9

5. PAYMENT PROVISIONS: 02 99/05/14 10:48:28 01 VI 159588
CHARGE \$55.00

| | | | | | |
|---|--|-------------------------------|-----------|---------|---------|
| (a) Principal Amount: \$135,000.00 | (b) Interest Rate: 6.5% per annum | (c) Interest Adjustment Date: | Y 1999 | M 05 | D 14 |
| (d) Interest Calculation Period: semi-annually | (e) Payment Dates: 14 th day of each month | (f) First Payment Date: | 1999 | 06 | 14 |
| (g) Amount of each periodic payment: SEE SCHEDULE | (h) Interest Act (Canada) Statement: The equivalent rate of interest calculated half yearly not in advance is N/A% per annum | (i) Last Payment Date: | 2000 | 11 | 14 |
| (j) Assignment of Rents which the applicant wants registered? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> if YES, page and paragraph number: Page Paragraph | (k) Place of Payment: Postal Address in Item 4 | (l) Balance Due Date: | 2000 | 11 | 14 |

MORTGAGE - PART 1

6. MORTGAGE contains floating charge on land? YES ___ NO X 7. MORTGAGE secures a current or running account? YES ___ NO X

8. INTEREST MORTGAGED:

Freehold X
Other (specify) ___

9. MORTGAGE TERMS:

Part 2 of this mortgage consists of (select one only):

- (a) Prescribed Standard Mortgage Terms X
- (b) Filed Standard Mortgage Terms ___ D.F.
- (c) Express Mortgage Terms ___

A selection of (a) or (b) includes any additional or modified terms referred to in Item 10 or in a schedule annexed to this mortgage

10. ADDITIONAL OR MODIFIED TERMS:
SEE SCHEDULE

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:
Undersurface Rights 242295G in favour of Alberni Land Company Limited and Esquimalt and Nanaimo Railway Company

12. EXECUTION(S): This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in Item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Officer's Signature(s)

Execution Date

Borrower(s) Signature(s)

John W. Bennie Y M D
 99 5 7

JOHN W. BENNIE
BARRISTER & SOLICITOR
5029 ARGYLE STREET
PORT ALBERNI, B.C.
V9Y 1V5

ARMAC INVESTMENTS LTD. by its authorized signatories:

print name: *JACK PARROT, PRES*

print name:

(as to both signatures)

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996 c. 124 to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

LAND TITLE ACT
FORM E
SCHEDULE

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM OR GENERAL DOCUMENT FORM.

5. PAYMENT PROVISIONS:

(g) Amount of each periodic payment

The amount of each periodic payment is the sum of TWO THOUSAND DOLLARS (\$2,000.00), being the sum of \$1,000.00 principal and interest and \$1,000.00 property taxes.

10. ADDITIONAL OR MODIFIED TERMS:

The Principal Amount and interest and other monies secured under this Mortgage shall become due and payable forthwith, at the option of the Mortgagee, in the event of any sale, transfer, assignment or other disposition by the Mortgagor of the Land, without the written consent of the Mortgagee first being had and obtained.

END OF DOCUMENT

ACKNOWLEDGEMENT OF RECEIPT

The Borrower acknowledges receipt from the Lender described below of a true copy of the set of Prescribed Standard Mortgage Terms filed in the Land Title Office in connection with a loan described as follows:

NAME OF LENDER: QUADRA PACIFIC PROPERTIES CORP.

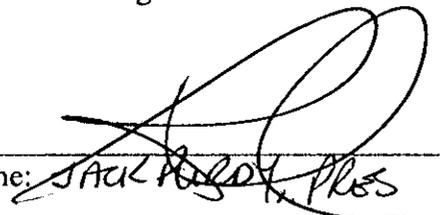
PRINCIPAL AMOUNT: \$135,000.00

PARCEL IDENTIFIER #000-522-538 **That Part of Lot 1 Alberni District Shown**
LEGAL DESCRIPTIONS **Outlined in Red on Plan 721R**
000-522-546 **That Part of Lot 1 Alberni District, Shown**
Outlined in Red on Plan 795R

ACKNOWLEDGED by the Borrower this 7 day of May, 1999.

ARMAC INVESTMENTS LTD.

by its authorized signatories:



print name: JACK ROSS, PRES

print name: