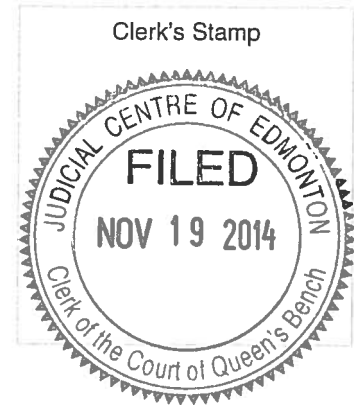


COURT FILE NUMBER 1103 18646  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE EDMONTON



IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, Chapter C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF ARMAC INVESTMENTS LTD. (AB), LAKE EDEN  
PROJECTS INC. (AB), 1204583 ALBERTA INC. (AB) 1317517  
ALBERTA INC. (AB), WESTRIDGE PARK LODGE DEVELOPMENT  
CORP (AB), WESTRIDGE PARK LODGE AND GOLF RESORT LTD.  
(AB), HALF MOON LAKE RESORT LTD. (AB) NO. 50 CORPORATE  
VENTURES LTD. (BC), FISHPATH RESORTS CORPORATION (BC),  
ARMAC INVESTMENT LTD. (BC), OSTROM ESTATES LTD. (BC),  
HAWKEYE MARINE GROUP LTD. (BC), JUBILEE MOUNTAIN  
HOLDINGS LTD. (BC), GIANT MOUNTAIN PROPERTIES LTD. (BC),  
and CHERRY BLOSSOM PARK DEVELOPMENT CORP (BC)

DOCUMENT **APPLICATION BY** ARMAC INVESTMENTS LTD. (AB), LAKE EDEN  
PROJECTS INC. (AB), 1204583 ALBERTA INC. (AB) 1317517  
ALBERTA INC. (AB), WESTRIDGE PARK LODGE DEVELOPMENT  
CORP (AB), 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)

ADDRESS FOR SERVICE AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT TAYLOR LAW OFFICE, Suite 401, 10722 – 103 Avenue, Edmonton,  
Alberta, T5J 5G7, Attention: Conan J. Taylor, Phone (780) 428-7770 Fax  
(780) 428-7775

This application is made against you. You are a respondent. You have the right to state your side of this matter before the master/judge.

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

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

**Remedy claimed or sought:**

1. An order abridging the time required for notice of this application to that actually given, and extending the time for filing the original of this motion to the date upon which it was actually filed and dispensing with the filing of proof of service of this motion and the materials in support thereof.
2. An Order amending paragraph 13 of the Initial Order of the Honourable Mr. Justice D.R.G. Thomas dated December 1, 2011 (the "Initial Order"), as further amended by the subsequent Orders of the Honourable Mr. Justice D.R.G. Thomas dated December 20, 2011, February 15<sup>th</sup>, 2012, May 2<sup>nd</sup> 2012, June 29<sup>th</sup>, 2012, September 28<sup>th</sup>, 2012, December 18<sup>th</sup>, 2012, February 19<sup>th</sup>, 2013, May 17<sup>th</sup>, 2013, July 26<sup>th</sup>, 2013, October 25<sup>th</sup>, December 4<sup>th</sup>, 2013, February 12<sup>th</sup>, 2014, April 1<sup>st</sup>, 2014, April 17<sup>th</sup>, 2014, and the Order of the Honourable Mr. Justice Donald Lee on June 5<sup>th</sup>, 2014, the Order of the Honourable Madam Justice J. Topolniski dated July 18<sup>th</sup> 2014, the Order of the Honourable Madam Justice Joanne B. Veit dated September 22<sup>nd</sup>, 2014, and the Order of the Honourable Mr. Justice R.P. Belzil dated October 21, 2014, extending the "Stay Period" to and including January 16<sup>th</sup>, 2015.
3. An Order amending Article 5.3 of the Second Amended and Restated Plan of Compromise and Arrangement (the "Second Amended Plan") sanctioned by the Sanction Order of the Honourable Madame Justice J. Topolniski dated July 18<sup>th</sup>, 2014 (the "Sanction Order"), per proposed amendments attached hereto as Appendix "A".

**Grounds for making this application:**

4. The Applicants require a further extension of the Stay Period in order to complete certain Condition Precedents in order to achieve Plan Implementation and conclusion of the within CCAA proceedings as contemplated at Articles 5 and 6 of the Second Amended Plan.
5. The amendments to Article 5.3 of the Second Amended Plan are of a minor, immaterial or technical nature and are necessary to give effect to the substance of the Second Amended Plan.
6. Circumstances exist that make the granting of this Order appropriate.
7. The Monitor supports the relief being sought by the Applicants.
8. The Applicants continue to act in good faith and with due diligence.
9. The Applicants believe that none of their creditors will be materially prejudiced by this extension request or the proposed amendments to Article 5.3 of the Second Amended Plan.
10. The Applicants have reasonable excuse for requesting an abridgment of time regarding the serving of the within application and supporting material.

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

11. Affidavit of John Kenneth Purdy dated November 19<sup>th</sup>, 2014, to be filed, together with such further and other material as counsel may advise and this Honourable Court may permit.

12. The Twenty-Eighth Report of the Monitor, to be filed.

**Applicable rules:**

13. As will be advised.

**Applicable Acts and regulations:**

14. *Companies Creditors Arrangement Act*, R.S.C. 1985, Chapter C-36, as amended, and such further acts and/or regulations as may be advised.

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

15. Nil

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

16. Before the Honourable Mr. Justice D.R.G. Thomas on the 24<sup>th</sup> day of November, 2014, at 2:00 in the afternoon.

**WARNING**

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

### 5.3 New Financing

a) The Plan Applicants will arrange new financing to pay the Unaffected Creditor claim, Priority Claims, fund the distribution to the Unsecured Creditors and provide working capital for Holdco, Half Moon Lake and BC Opco. The amount of financing to be sought by the Plan Applicants will be approximately \$4,300,000, as follows:

- (i) \$2,000,000 secured by a first charge on the Half Moon assets (the "**Half Moon Financing**"); and
- (ii) approximately \$2,300,000 (inclusive of principal plus accrued interest and costs) continuation of the existing Interim DIP Financing (the "**BC Opco Financing**").

b) The Half Moon Financing will be committed on or before the date the Plan Sanction Order is granted and will be releasable to the Monitor and utilized to pay the following:

- (i) Professional Fees and claims of the Monitor, counsel for the Monitor and counsel for the Plan Applicants estimated at \$600,000;
- (ii) Unaffected Creditor Claims of 2012, 2013 and 2014 property taxes and the Province of B.C.'s secured claim of arrears of provincial sales taxes (such cumulative property taxes and sales taxes estimated at \$300,000);
- (iii) \$300,000 to fund the Unsecured Creditor Cash Pool;
- (iv) Subject to Article 5.4(b), the Secured Claim of Bank of Montreal estimated at \$75,000 unless alternative arrangements are agreed to between Bank of Montreal, CRA, Axxess and the Plan Applicants;
- (v) Subject to Article 5.4(b), the Priority Claim of CRA of approximately \$110,000 unless alternative arrangements are agreed to between CRA, Axxess and the Plan Applicants;
- (vi) The balance will be allocated towards loan fees, interest reserves and working capital.

c) The BC Opco Financing will be arranged within 170 days of the Plan Sanction Order. If so arranged, the BC Opco Financing shall be as follows:

- (i) Continuation of the existing Interim (DIP) Financing including principal, accrued interest and costs at approximately \$2,300,000.

### 5.3 New Financing

a) The Plan Applicants will arrange new financing to pay the Unaffected Creditor claim, Priority Claims, fund the distribution to the Unsecured Creditors and provide working capital for Holdco, Half Moon Lake and BC Opco. The amount of financing to be sought by the Plan Applicants will be ~~\$4.5 million~~approximately \$4,300,000, as follows:

(i) ~~a minimum of \$1.5 million~~\$2,000,000 secured by a first charge on the Half Moon assets (the "Half Moon Financing"); and

(ii) ~~\$3.0 million secured by a first charge on the BC Opco assets and the BC Saleco assets, as may be required~~approximately \$2,300,000 (inclusive of principal plus accrued interest and costs) continuation of the existing Interim DIP Financing (the "BC Opco Financing").

b) ~~THE~~The Half Moon Financing will be committed on or before the date the Plan Sanction Order is granted and will be releasable to the Monitor and utilized to pay the following:

(i) Professional Fees and claims ~~under the Administration charge of the Monitor, counsel for the Monitor and counsel for the Plan Applicants~~ estimated at ~~\$400,000~~\$600,000;

(ii) Unaffected Creditor Claims ~~for~~of 2012, 2013 and 2014 property taxes and the Province of B.C.'s secured claim, ~~and of~~ arrears of ~~B.C.~~ provincial sales taxes (such cumulative property taxes and sales taxes) estimated at \$300,000;

(iii) \$300,000 to fund the Unsecured Creditor Cash Pool; ~~and~~

(iv) Subject to Article 5.4(b), the Secured Claim of Bank of Montreal estimated at \$75,000 unless alternative arrangements are agreed to between Bank of Montreal, CRA, Axxess and the Plan Applicants;

(iv) The balance of \$500,000 for working capital and an interest reserve-y) Subject to Article 5.4(b), the Priority Claim of CRA of approximately \$110,000 unless alternative arrangements are agreed to between CRA, Axxess and the Plan Applicants;

(vi) The balance will be allocated towards loan fees, interest reserves and working capital.

c) The BC Opco Financing will be arranged within ~~120~~170 days of the Plan Sanction Order ~~and utilized to pay Unaffected Creditor Claims and Priority Claims,~~ If so arranged, the BC Opco Financing shall be as follows:

(i) ~~Existing~~Continuation of the existing Interim (DIP) Financing including principal, accrued interest and costs at ~~\$2,125,000~~;

(ii) The Secured Claim of Bank of Montreal estimated at \$75,000;

(iii) the Priority Claim of CRA of \$110,000; The balance of approximately \$690,000 will fund an interest reserve and loan fees for the BC Opco new financing for 24 months and provide working capital, 2,300,000.