COURT FILE NUMBER	BE03-568045
ESTATE NUMBER	24-1568045
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
APPLICANT	IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c.B-3, AS AMENDED AND IN THE MATTER OF THE PROPOSAL OF JOHN KENNETH PURDY OTHERWISE KNOWN AS JACK PURDY
DOCUMENT	**TENTH REPORT OF ALVAREZ AND MARSAL CANADA INC.** **IN ITS CAPACITY AS PROPOSAL TRUSTEE OF JOHN (JACK) KENNETH PURDY** **MAY 23, 2014**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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INTRODUCTION

1. On December 2, 2011, Mr. John (Jack) Kenneth Purdy ("Purdy") sought protection from his creditors through the filing of a Notice of Intention (the "NOI") to Make a Proposal (the "Proposal"), under section 50.4(1) of the *Bankruptcy and Insolvency Act* ("BIA"), R.S.C. 1985, c.B-3, as amended. The NOI filing was accepted by the Office of the Superintendent of Bankruptcy Canada ("OSB") and protection was obtained from Purdy's creditors on the morning of December 2, 2011 (the "Filing Date"). Alvarez & Marsal Canada Inc. (the "Trustee") was named as Trustee under the NOI.

2. On June 1, 2012, Purdy lodged a Proposal with the Trustee and the Trustee filed the Proposal with the Office of the Superintendent of Bankruptcy.

3. On June 22, 2012, the first meeting of creditors (the "FMOC") was held to amongst other things consider the affairs of the debtor and vote on the proposal. A vote on the Proposal was not conducted at the FMOC and it has since been adjourned by the creditors several times for further investigation into the affairs of Purdy pursuant to s. 52(a) of the BIA. On April 17, 2014 the first meeting of creditors was reconvened (the "April 17th Reconvened Meeting") and a vote on the Second Amended Proposal (defined below) was conducted by the creditors present and/or by proxy at this meeting.

4. The purpose of this tenth report of the Trustee (the "Trustee's Tenth Report") is to provide this Honourable Court and Purdy's Creditors with an update in respect of the:

    a) results of the April 17th Reconvened Meeting;

    b) affairs of Purdy and in particular the status of the CCAA proceedings;

    c) actual cash collections and disbursements of Purdy for the period of May 11, 2013 to May 22, 2014 (the "Reporting Period"); and

d) Trustee's recommendations.

5. Capitalized terms not defined in the Trustee's Tenth Report are as defined in the Trustee's First Report to the Trustee's Ninth Report inclusive, the Proposal, the Amended and Restated Proposal dated October 9, 2012 and the Second Amended Proposal.

6. All references to dollars are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE

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

LIMITATION IN SCOPE OF REVIEW

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

9. This Tenth Report is not and should not be construed or interpreted as an endorsement, comment or recommendation to any creditor, prospective investor, or any person to advance credit and/or goods and services or to continue to provide credit and/or goods and services or to lend monies to Purdy during these proceedings and/or at any other time.

10. The Trustee has not audited or reviewed the assets of Purdy, and with respect to such assets, has relied to a significant degree upon information provided by Purdy.

11. The Trustee is specifically not directed or empowered to take possession of the assets of Purdy or to manage any of the business and affairs of Purdy.

BACKGROUND

12. Purdy is a businessman who has been involved in the Alberta and British Columbia commercial real estate markets for many years. Purdy conducts his real estate development and related activities through a number of entities owned directly and indirectly, legally and beneficially, by Purdy.

13. The majority of Purdy's entities are currently operating under a stay of proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended (the "CCAA") (collectively, these entities are referred to as the "Purdy Companies"), pursuant to an order of the Court of Queen's Bench of Alberta (the "Initial Order"), dated December 1, 2011. Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. was appointed monitor of the Purdy Companies (the "Monitor").

14. Further background on Purdy and the Purdy Companies is contained in the materials filed in support of the application for the Initial Order and extensions of the Initial Order, including various affidavits of Purdy, the Trustee's previous nine reports in these proceedings and the Monitor's twenty-two reports filed in the CCAA proceedings. These documents, together with other information regarding the NOI and proposal of Purdy have been posted by the Trustee on its website at: www.amcanadadocs.com/purdy .

THE APRIL 17TH RECONVENED MEETING

Overview

15. The April 17th Reconvened Meeting occurred at Noon, at the office of Denton Canada LLP ("Dentons"), Suite 2900, 10180-101 Street, Edmonton, Alberta to advise the creditors on the further investigation of the affairs of Purdy and his Proposal (as amended) as directed at the FMOC; to give direction to the Trustee as the creditors may see fit with reference to the administration of the estate; and to vote on the Proposal or seek any further adjournment of the meeting. Minutes of the April 17th Reconvened Meeting are attached as Appendix A to this report. All other previous reconvened creditors meeting minutes can be found on the Trustee's website.

16. Mr. Tim Reid, Senior Vice President of Alvarez & Marsal Canada Inc., acted as Chair of the April 17th Reconvened Meeting. Mr. Reid appointed Mr. Orest Konowalchuk of Alvarez & Marsal Canada Inc., to act as Secretary. Purdy and his counsel were available to answer any creditor questions. At the meeting, a quorum was present and accordingly, the Chair declared the meeting to be properly constituted.

17. At the April 17th Reconvened Meeting, discussions took place between Purdy, the Trustee and the creditors present at the meeting with respect to the second amended and restated proposal of Purdy dated March 10, 2014 (the "Second Amended Proposal"). The Second Amended Proposal included certain changes made by Purdy and presented to the creditors at the March 12th Reconvened Meeting. A copy of the Second Amended Proposal is attached as Appendix B to this report.

18. Purdy's original Proposal presented to his creditors and filed with this Honourable Court on May 30, 2012 (the "Original Proposal") was reported and evaluated by the Trustee in the Trustee's Fifth Report. Since that time, a number of discussions

were held at the reconvened meetings resulting in various revisions to the Original Proposal, which resulted in the Second Amended Proposal.

19. The Second Amended Proposal is consistent with the Original Proposal and is to allow for a restructuring of the affairs of Purdy for the benefit of his creditors. The Trustee is of the view that the Second Amended Proposal will derive a greater benefit from the restructuring being conducted by Purdy and the Purdy Companies, then they would from a forced liquidation of Purdy's assets.

20. The most significant amendments to the Original Proposal are as follows:

a) on or before the Effective Date, Purdy shall incorporate a new corporation ("Holdco") and transfer all of his non exempt assets as listed in Schedule I and Schedule II of the Second Amended Proposal for the sole and exclusive purpose of funding distributions under the Second Amended Proposal and under the CCAA plan of arrangement and/or compromise (the "CCAA Plan"). The shares of Holdco will be held by the Trustee until the CCAA Plan has been approved by this Honourable Court. The rights and priority of all claims of creditors in the CCAA and Proposal proceedings shall be maintained as though the Schedule I and Schedule II assets had not been transferred by Purdy to Holdco until:

i. the CCAA Plan is sanctioned by the Court;

ii. the "Half Moon Financing" as referenced in the CCAA Plan has closed and the funds from such financing are released to the Monitor; and

iii. the occurrence of each of the Certificate Date (the date that the Trustee files the certificate of satisfaction of the conditions precedent to the Second Amended Proposal with the Court) and

the Effective Date (the date that is 30 days following the court sanctioning of the CCAA Plan);

b) upon transferring all of his non exempt assets to Holdco, Purdy will have fulfilled his duties and obligations under the Second Amended Proposal and will receive from the Trustee a certificate of full performance;

c) if the CCAA Plan is not approved by this Honourable Court, Purdy's assets will be liquidated by the Trustee for the general benefit of Purdy's Proposal creditors;

d) if the CCAA Plan receives Court approval and is implemented then the unsecured creditors of Purdy, together with the unsecured creditors of the Purdy Companies, excluding Axcess Capital Partners ("Axcess") and Canada Revenue Agency ("CRA") shall be paid a cash distribution on a pro-rata basis based from a funded unsecured creditor cash pool of $300,000 to be established under the CCAA Plan;

e) if the CCAA Plan receives Court Approval but is not implemented then the Monitor in the CCAA proceedings will liquidate all of the Schedule 1 and Schedule 2 properties and the proceeds therefrom distributed in accordance with the priorities set out in law.

Trustee's analysis of the Second Amended Proposal

21. The Trustee evaluated the fairness and reasonableness of Purdy's Original Proposal as outlined in Trustee's Fifth Report dated May 30, 2011. At that time, there was uncertainty regarding the value of the various assets owned by Purdy (in particular, the value of the shares with respect to his ownership in the Purdy Companies). As a result, the Trustee estimated potential recoveries to Purdy's

unsecured creditors in the range of 51% - 100%, if the Original Proposal was rejected or accepted respectively by Purdy's unsecured creditors.

22. However, with the passage of time and the Purdy Companies and the Monitor now having made efforts to market the Purdy Companies property (the "Property"), the Trustee, through the analysis and evaluation conducted by the Monitor in the CCAA proceedings, determined that the value of the Property (Purdy's most significant assets) did not have the value originally anticipated by Purdy as outlined in the Trustee's Fifth Report. In addition, certain property has been sold and proceeds utilized to fund operations and restructuring costs over the past two years and property such as Purdy's individually owned property (8335 Meshers Road) and certain Purdy Companies properties (Westridge property and Stony Plain Rd Property) have been or are now being foreclosed and there will be little to no equity that will remain from the foreclosure proceedings. As a result of the foregoing, the Trustee is now of the view that the potential recovery for Purdy's unsecured creditors in a forced liquidation in a bankruptcy is minimal and potentially nil.

23. In the CCAA proceedings, the CCAA Plan is considered a "consolidated plan" that incorporates the assets owned by Purdy and the Purdy Companies and combines Purdy's and the Purdy Companies creditors. Since the CCAA proceedings and the NOI proceedings are inextricably linked together and share the same/similar creditors, a "consolidated plan" prepared by the Purdy Companies, with the support of Purdy, was designed to provide the greatest recovery to all unsecured creditors and stakeholders.

24. The Monitor in the CCAA proceedings analyzed the fairness and reasonableness of the CCAA Plan as reported in the twenty-second report of the Monitor (the "22nd Monitor's Report"). It was estimated that the potential range of recovery for the Purdy Companies unsecured creditors in a liquidation scenario was 0% to 16%. A copy of the 22nd Monitor's Report is attached as Appendix C to this report. However, consolidated distributions under the CCAA Plan and Second

Amended Proposal provides for a cash dividend distribution that represents an approximate 28.5% recovery to both the Purdy Companies and Purdy's unsecured creditors (excluding CRA and Axcess unsecured claims). CRA and Axcess will receive promissory notes from the restructured Holdco for their claims.

Conclusion

25. The Trustee agrees with Purdy that there is no viable option available to restructure the affairs of Purdy other than what was proposed by Purdy in the Second Amended Proposal.

26. Axcess and CRA have agreed to not partake in the recovery paid to the unsecured creditors of Purdy from the funds set aside in the Unsecured Creditors Pool. Accordingly, the unsecured creditors of Purdy should receive a greater recovery under the Second Amended Plan than they would if the properties of Purdy were to be liquidated.

27. The Trustee is of the respectful view that the Second Amended Proposal is fair and reasonable and provides the best available return to the various stakeholders of Purdy and that his unsecured creditors, in total, will receive greater recovery than under the alternative (formal liquidation proceedings) after considering the costs associated with such proceedings.

Results of Vote

28. The creditors present at April 17th Reconvened Meeting requested the Trustee to allow for a vote to be conducted on the Second Amended Proposal.

29. A resolution to approve the Second Amended Proposal was passed by the creditors, voting either in person or by way of proxy. A breakdown of the votes is as follows:

Voting Results Second Amended Proposal	By dollar voting		By headcount	
	$	%	#	%
FOR				
In person	8,440,273.39	99.95%	132	99.25%
Proxy - Trustee	4,349.75	0.05%	1	0.75%
Total For	8,444,623.14	100%	133	100.00%
AGAINST				
In person	-	0%	-	0.0%
Proxy - Trustee	-	0%	-	0.0%
Total against	-	0%	-	0.0%
Total Voting	**8,444,623.14**	**100%**	**133**	**100%**

30. On the basis of the foregoing, a majority in number and 66 2/3rd % in value of the creditors present in person or by proxy voted in favour of the Second Amended Proposal.

31. No disputed claims were voted at the April 17th Reconvene Meeting.

INVESTIGATION OF AFFAIRS OF PURDY

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

33. On April 17, 2014, the Trustee obtained verbal confirmation from Purdy that all of his assets that were previously reported on his statement of affairs on December 1, 2011 with the Trustee and office of the superintendent of bankruptcy were still owned and in Purdy's possession (other than the certain assets that were previously sold and reported to this Court as outlined in the Trustee's prior reports).

CCAA Proceedings

34. On April 17, 2014, an order was granted by the Court of Queen's Bench of Alberta in the CCAA proceedings extending the stay of proceedings to June 5, 2014 and to allow certain Applicants (the "Plan Applicants") to hold a creditors' meeting to vote on the CCAA plan of arrangement and or compromise (the "Meeting Procedure and Stay Extension Order").

35. In connection with this application, the Monitor has provided twenty-two reports to the Court regarding, amongst other things, an update on the Purdy Companies' operational and restructuring activities to date. A copy of the Monitor's 22nd Report was filed on April 15, 2014 is also available on the Monitor's website along with being attached as Appendix C to this report.

36. The Trustee is aware that the CCAA creditors meeting (the "Creditors Meeting") took place on May 15, 2014 to allow the affected creditors in the CCAA to vote on the CCAA Plan. As previously mentioned, the CCAA Plan is considered a "consolidated plan" that consolidates the assets of the Plan Applicants and Purdy together and addresses both the Plan Applicant affected creditors and the Purdy affected creditors.

37. The Trustee is advised that the CCAA affected creditors present and/or by proxy at the Creditor's Meeting voted to accept the CCAA Plan. A further update from the Monitor with respect to the Creditors Meeting and the vote on the CCAA Plan will be provided to the Court and the Trustee prior to the Court application to sanction the CCAA Plan. An application to obtain an order sanctioning the CCAA Plan by this Honourable Court is scheduled on June 5, 2014. The Trustee is also seeking an order of the Court to approve the Second Amended Proposal immediately before the CCAA Plan application.

ACTUAL RECEIPTS & DISBURSEMENTS OF PURDY – MAY 11, 2013 TO MAY 22, 2014

38. The Trustee was advised by Purdy that the only receipts collected by Purdy during May 11, 2013 to May 22, 2014 (the "Reporting Period") were from management fees received from the Purdy Companies. The Trustee understands that these receipts were used for personal living expenses of Purdy. The Trustee requested, but has not received from Purdy yet, a copy of his bank statements during the Reporting Period. Purdy has advised that he is making arrangement with his bank to get us these bank statements forthwith.

Professional Fee Retainer

39. Below is a chart outlining the invoices issued by the Trustee to date, estimated fees to complete the NOI proceedings and the total actual and estimated fees during the NOI proceedings:

Professional Fees	Fees incurred	Disbursements incurred	Total Invoices (December 1, 2011 to March 31, 2014)	Estimated Fees to complete the NOI proceedings (April 1, 2014 to June 5, 2014)	Total actual and estimated fees incurred
Trustee's Fees	129,382.50	2,847.45	132,229.95	20,000.00	152,229.95

40. The Trustee professional fees and disbursements for the period of December 1, 2011 to March 31, 2014 have totalled $132,230. Approximately $125,825 of the Trustee's invoices has been paid to date, while one invoice totalling approximately $6,500 remains unpaid. It is also estimated that an additional $20,000 in professional fees and costs has and/or will be incurred for the period of April 1 to June 5, 2014 that relate to the Trustee's preparation of the Trustee's Tenth Report, communication with stakeholders' and creditors over the Reporting Period, attendance at various reconvened meeting of creditors and preparation of creditor meeting minutes, assisting Purdy in updating his Proposal on a couple of

occasions and attendance at court with respect to Purdy seeking court approval of the Second Amended Proposal.

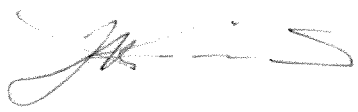
41. It is anticipated these professional fees will be funded from the new financing to be obtained under the CCAA Plan.

RECOMMENDATION

42. The Trustee respectfully recommends that this Honourable Court approve Purdy's motion for the sanctioning of the Second Amended Proposal for the reasons set out in this report and the Fifth Report.

All of which is respectfully submitted this 23th day of May, 2014.

ALVAREZ & MARSAL CANADA INC.,
in its capacity as Trustee under Proposal of
John (Jack) Kenneth Purdy



Tim Reid, CA, CIRP
Senior Vice-President

Orest Konowalchuk, CA, CIRP
Director

APPENDIX A

PROPOSAL	PROVINCE	DISTRICT	JUDICIAL CENTRE
MINUTES OF THE ELEVENTH RECONVENED FIRST MEETING OF CREDITORS	Alberta	#2	Edmonton
	ESTATE NUMBER 24-1568045		
IN THE MATTER OF THE PROPOSAL OF **John (Jack) Kenneth Purdy**	TRUSTEE APPOINTED BY OFFICIAL RECEIVER: Alvarez & Marsal Canada Inc.		
LOCATION OF MEETING: Office of Denton Canada LLP Suite 2900, 10180 – 101 Street, Edmonton, Alberta T5J 3V5	CHAIRMAN OF MEETING: Tim Reid, CA, CIRP SECRETARY: Orest Konowalchuk, CA, CIRP DATE OF MEETING: April 17, 2014		TIME OF MEETING: Noon MST

1. INTRODUCTION

The Chairman introduced himself, the Secretary, Mr. Jack Purdy, counsel to Mr. Purdy and counsel to the Proposal Trustee.

The Chairman explained to the creditors that this meeting was the 11th reconvened meeting from the original first meeting of creditors ("FMOC") that was held back on June 22, 2012. The FMOC was adjourned to October 9, 2012 (the "October 9th Reconvened Meeting) pursuant to s.52(a) of the BIA to enable further appraisal and investigation of the affairs and property of the Mr. Purdy by the Proposal Trustee. The creditors voted to adjourn this meeting and several additional reconvened meetings thereafter to April 17, 2014 at the office of Dentons Canada LLP at Noon MST (the "April 17th Reconvened Meeting").

2. PRESENT

☑ See attached attendance list.

3. QUORUM

The Chairman examined the Proofs of Claim and the meeting was duly convened. The Chairman indicated that Axcess creditor groups, as represented by its proxy holder and counsel Mr. Andrew Macaig, were present and at this meeting (representing 131 creditors with an accepted unsecured

claim value for voting purposes of $5,866,619.57). CRA, as represented by its proxy holder and Counsel, Mr. George Body, was also present for this meeting and was holding an accepted unsecured claim value for voting purposes of $2,573,653. Gordon Wingfield, as represented by its proxy holder, the Trustee, was present at this meeting with an accepted unsecured claim value for voting purposes of $4,349.75.

The April 17th Reconvened Meeting was conducted by conference call and in person at the office at Denton's and Axcess and CRA were represented by its proxy holders on the phone at this meeting.

☑ There was a legally constituted quorum.

4. MEETING CALLED TO ORDER

☑ The Chairman called the meeting to order at Noon MDT.

☑ The Chairman stated that the purpose of the meeting was to: a) advise the creditors on the further investigation of the affairs of the Jack Purdy and his Proposal as directed at the First Meeting of Creditors; b) give direction to the trustee as the creditors may see fit with reference to the administration of the estate; and c) vote on the Proposal or any further adjournment of the meeting.

5. DOCUMENTS TABLED

☑ The Twenty-Second Report of the Monitor filed in the CCAA Proceedings updating Creditors on those proceedings.

☑ Minutes to the April 1st Reconvened Meeting

☑ Meeting Agenda

6. PRESENTATION OF TRUSTEE'S VERBAL REPORT TO CREDITORS

a. The Chairman delivered an overview of the Proposal Proceeding and provided the following specific information to the creditors:
   i. An update on the investigation of the affairs of the Debtor
   ii. An update on the status of the CCAA proceedings
   iii. Discussion on the Second Amended Proposal of Jack Purdy and the CCAA plan of arrangement/compromise (the "CCAA Plan") and the receipt of comments from the creditors of Mr. Purdy on Mr. Purdy's Second Amended Proposal
   iv. Trustee's recommendation to either adjourn the meeting to a later date to address the comments received from the creditors and Mr. Purdy on Mr. Purdy's Second Amended Proposal or to vote on the Second Amended Proposal.

b. The Chairman asked creditors if there were any questions and/or comments relating the Proposal Trustee's recommendation.
   i. Counsel for Purdy indicated there were further modifications to the Second Amended Proposal that relate to revising the "unsecured creditor cash pool" from $500,000 to $300,000 and the exclusion of certain properties/assets listed in the

Schedule I and Schedule II of the Second Amended Proposal. The creditors present at the meeting were in agreement with the proposed changes.

ii. Andrew Macaig, as proxy holder for Axcess, then indicated his desire to vote on the Second Amended Proposal dated March 10, 2014 (as amended on April 17, 2014).

6. PRESENTATION OF THE APRIL 1st RECONVENED MEETING MINUTES

a. The Chairman tabled the April 1st Reconvened Meeting minutes to the creditors present at today's meeting.

b. The Chairman asked the creditors if there were any questions and/or comments relating the April 1st Reconvened Meeting minutes.
   i. No questions/concerns on the April 1st Reconvened Meeting minutes were raised by the creditors.

7. QUESTION PERIOD

No further questions were asked by the creditors present during the question period.

A motion was put forward by Andrew Macaig, as proxy holder for Axcess to vote on the Second Amended Proposal dated March 10, 2014 (as amended on April 17, 2014).

Motion:

"To accept the Second Amended Proposal dated March 10, 2014 (as amended on April 17, 2014) of John (Jack) Kenneth Purdy."

Second: George Body, as proxy holder for the CRA

☑ Motion moved by Axcess – approved unanimously

A second motion was put forward by George Body, as proxy holder for CRA to have the April 17th Reconvened Meeting terminated.

Motion:

"To terminate the April 17th Reconvened Meeting"

Second: Andrew Mcaig, as proxy holder for the Axcess

☑ Motion moved by CRA – approved unanimously

THE MEETING WAS TERMINATED AT 12:45 PM

Orest Konowalchuk, CA, CIRP
Secretary

IN THE MATTER OF THE PROPOSAL OF

~~Eleventh~~ **JOHN (JACK) KENNETH PURDY**

~~[illegible]~~ **RECONVENED FIRST MEETING OF CREDITORS**

Denton Canada LLP, Suite 2900, Manulife Place, 10180 – 101 Street; Edmonton, Alberta

~~**October 25, 2013 at 12:00 pm MST**~~ Apr. 17, 2014 @ Noon MST

~~April 17, 2014 9:00 AM~~

NAME (Please Print)	SIGNATURE	REPRESENTING	TYPE OF CLAIM	AMOUNT OF CLAIM
ANDREW MACIAG (PROXY)		AXCESS CREDITOR	UNSECURED	~~$1,870~~ $1,540.93
ANDREW MACIAG (PROXY)		AXCESS CREDITOR	UNSECURED	$1,385,274.83
ANDREW MACIAG (PROXY)		AXCESS CREDITOR	UNSECURED	$2,307,012.24
ANDREW MACIAG (PROXY)		AXCESS CREDITOR	UNSECURED	$303,791.67
GEORGE BODY (PROXY)		CRA	UNSECURED	$2,573,653.72
~~Ray Lutsky~~		~~COUNSEL FOR Ken Tropical Trust~~	—	—
ORREST KOWALCHUK		PROPOSAL TRUSTEE	—	—
TIM REID	for	PROPOSAL TRUSTEE	—	—
JOHN PURDY		DEBTOR	—	—
CONAN TAYLOR		COUNSEL TO DEBTOR.	—	—
Dean H. Iesman		Counsel for Proposal Trustee	—	—

By Phone

By Phone

By Phone

Alvarez & Marsal Canada Inc.
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Calgary, Alberta T2P 2R9
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In the Matter of the Proposal of
John (Jack) Kenneth Purdy
Agenda of the Reconvened First Meeting of Creditors
Dentons Canada LLP; Suite 2900, Manulife Place, 10180-101 Street; Edmonton, Alberta
the 17th day of April, 2014 at Noon MST
Conference call-in number: 1-866-245-9291; Conference code 5833740052#

1. Introductions

2. Attendance List

3. Call To Order
    a. Quorum

4. Purpose of the Meeting

5. Documents to be tabled

    a. Minutes to the April 1stReconvened Meeting
    b. Twenty-Second Report of the CCAA Monitor

6. Question period for the Creditors

7. Call for resolution to vote on Proposal or for an adjournment of the meeting.

8. Adjournment

APPENDIX B

COURT FILE NUMBER	BE03-568045
ESTATE NUMBER	24-1568045
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
APPLICANT	IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c.B-3, AS AMENDED AND IN THE MATTER OF THE PROPOSAL OF JOHN KENNETH PURDY OTHERWISE KNOWN AS JACK PURDY
DOCUMENT	**SECOND AMENDED AND RESTATED PROPOSAL OF JOHN (JACK) KENNETH PURDY** **March 10, 2014** as amend for 2 items on April 17,

Clerk's Stamp

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

COUNSEL
TAYLOR LAW OFFICE
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Phone: (780) 428-7770
Fax: (780) 428-7775

File: 3005-001

PROPOSAL

RECITALS

A. John (Jack) Kenneth Purdy ("Purdy") is an individual residing in the County of Stratcona, in the Province of Alberta.

B. On December 2, 2011 Purdy filed a Notice of Intention to File a Proposal ("NOI Proceedings"). The NOI Proceedings were extended until June 2, 2012 and no further extensions are available under the Act.

C. The most significant property of Purdy is his 100% ownership of various corporations described in Schedule I ("Purdy Companies").

D. The Purdy Companies are operating in proceedings under the CCAA ("CCAA Proceedings"). Alvarez and Marsal Canada Inc., is the Court appointed Monitor in the CCAA Proceedings. The CCAA Proceedings commenced on December 2, 2011. The stay under the CCAA Proceedings has been extended until April 1, 2014 and it is likely on or before that time the Purdy Companies will file a plan of arrangement and compromise ("Plan") and circulate the Plan to creditors under the CCAA Proceedings.

E. The CCAA Proceedings and the NOI Proceedings are inextricably linked together and any proposal to Purdy's Creditors should consider and include the outcome of the CCAA Proceedings.

F. John (Jack) Kenneth Purdy ("Purdy"), the above-named debtor, submitted a proposal to its creditors dated May 31, 2012 and that proposal was amended on October 9, 2012

G. The Creditors' Meeting to vote on the Proposal has been adjourned several times and will reconvene on February 19, 2014.

H. Purdy hereby submits the following Second Amended and Restated Proposal ('Amended Proposal") to his creditors pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, C. B-3.

NOW THEREFORE Purdy hereby proposes and presents this Amended Proposal under and pursuant to the Act:

PART I

INTERPRETATION

1. In this Amended Proposal:

(a) "**Act**" means the *Bankruptcy and Insolvency Act*, as it may be amended from time to time;

(b) "**Assets**" means all of the right title and interest of Purdy in the Purdy Companies listed in Schedule I and property that Purdy is proposing to transfer for the benefit of the Creditors, as listed in Schedule "II" to this Amended Proposal;

(c) "**Business Day**" means a day, other than a Saturday or Sunday or a day observed as a holiday pursuant to the laws of the Province of Alberta or the federal laws of Canada, on which banks are generally open for business;

(d) "**CCAA Proceedings**" means proceedings taken up by the Purdy Companies under the Companies' Creditors Arrangement Act.

(d) "**Claim**" means any indebtedness, liability, action, cause of action, suit, debt, due, account, bond, covenant, contract, counterclaim, demand, claim, right and obligation of any nature whatsoever of Purdy to any person whether liquidated, unliquidated, fixed, contingent, matured, legal, equitable, secured, unsecured, present, future, known or unknown, and whether by guarantee, surety or otherwise, incurred or arising or relating to the period prior to the Filing Date, or based in whole or in part on facts, contracts or arrangements which occurred or existed prior to the Filing Date, together with any other claims provable in bankruptcy had Purdy become bankrupt on the Filing Date, including without limitation, claims arising from the abandonment of any premises or the repudiation, disclaimer or termination of any lease, license, contract, arrangement or contract of employment prior to the Filing Date, providing that all such claims shall be allowed without allowance for interest after the Filing Date and without allowance for penalties and net of any normal discounts. All Claims must be converted to Canadian Dollars at the Bank of Canada Daily Foreign Exchange Rate at the Filing Date. The U.S. Dollar Daily Foreign Exchange Rate at the Filing Date for the conversion of US Dollars to Canadian Dollars was 1.0183;

(e) "**Claim Value**" means the value of a Creditor's claim against Purdy, as at the Distribution Date: Claim Value shall be determined by deducting from a Creditor's Proven Claim: (i) any amount actually received by the Creditor or anticipated or estimated to be received by the Creditor from any party who is jointly and severally liable with Purdy, including the Purdy Companies, with respect to the claim comprising the Proven Claim, including but not limited to amounts resulting from the realization on assets owned by parties other than Purdy. The Trustee shall notify each Creditor with a Proven Claim of its Claim Value at least 45 days prior to the Distribution Date. If the Creditor objects to the

Trustee's determination of its Claim Value, the Creditor or the Trustee can apply to the Court for a determination of the Creditor's Claim Value;

(f) "**Court**" means the Court of Queen's Bench of Alberta, in Bankruptcy;

(g) "**Creditor**" means any person having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other person acting on behalf or in the name of such person;

(h) "**Creditors' Meeting**" means the special meeting of the Creditors called for the purpose of considering and voting upon the Proposal;

(i) "**Distribution Date**" means the later of the day that is 30 days after the Effective Date, or 30 days after the Plan is implemented in the CCAA proceedings

(j) "**Effective Date**" means the date on which this Amended Proposal is approved by the Court, after being approved by the required majority of Purdy's Creditors;

(k) "**Excluded Assets**" means the assets of Purdy that will be retained by Purdy under this Proposal, as listed in Schedule "C" to this Proposal;

(l) "**Filing Date**" means the date on which Purdy filed his Notice of Intention to make a Proposal under the Act, namely December 2, 2011;

(m) "**Final Order**" means an order of the Court approving this Proposal to be granted pursuant to the provisions of the Act, the appeal period having expired and no appeal having been filed, or any appeal therefrom having been dismissed and such dismissal having become final;

(n) "**Official Receiver**" shall have the meaning ascribed thereto by the Act;

(o) "**Plan**" means the plan of arrangement and compromise filed by the Purdy Companies pursuant to the CCAA proceedings.

(p) "**Preferred Claim**" means that portion of a Proven Claim of a Preferred Creditor which entitles the Preferred Creditor to receive payment in priority to other Creditors as provided in Section 136 of the Act;

(q) "**Preferred Creditor**" means any Creditor entitled to receive payment of all or a portion of its Proven Claim in priority to other Creditors as provided in section 136 of the Act. For voting purposes Preferred Creditors fall into and form part of the class of Unsecured Creditors in respect of their Preferred Claim;

(r) "**Proposal or Amended Proposal**" means this Proposal made pursuant to the Act, as further amended or supplemented from time to time;

(s) "**Proven Claim**" means the Claim of a Creditor approved by the Trustee pursuant to Part 3 as owing to such Creditor by Purdy;

(t) "**Secured Claim**" means that portion of a Proven Claim of a Secured Creditor that is secured by valid security against any asset of Purdy;

(u) "**Secured Creditor**" means any Creditor who has valid security against any asset of Purdy with respect to its Proven Claim;

(v) "**Trustee**" means Alvarez & Marsal Canada Inc., or its duly appointed successor or successors;

(w) "**Unsecured Claim**" means that portion of a Proven Claim that is not a Preferred Claim or a Secured Claim;

(x) "**Unsecured Creditor**" means a Creditor having a Proven Claim other than a Secured Creditor;

(y) "**Unsecured Creditor Cash Pool**" means the ~~$500,000~~ $300,000 cash pool to be established for distribution to unsecured creditors under the Plan; and

(y) "**Voting Letter**" shall mean the voting letter required by subsection 51(1) of the Act to be mailed to each known Creditor prior to the Creditors' Meeting.

Heading

2. The divisions of this Proposal into parts, paragraphs and subparagraphs, and the insertion of headings herein, is for convenience of reference only and is not to affect the construction of interpretation of this Proposal.

Numbers, etc.

3. In this Proposal, where the context requires, a word importing the singular number will include the plural and vice versa and a word or words importing gender will include all genders.

Date for Action

4. In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day.

Time

5. All times expressed herein are in local time in Edmonton, Alberta, Canada, unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time shall be deemed to be 5:00 p.m. local time in Edmonton, Alberta, Canada.

Currency

6. Unless otherwise stated herein, all references to currency in this Proposal are to lawful money of Canada ("Canadian Dollars").

Successors and Assigns

7. This Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, personal representatives, successors and assigns of all persons named or referred to herein including, without limitation, all Creditors.

Accounting Principles

8. Accounting terms not otherwise defined have the meanings assigned to them in accordance with Canadian generally-accepted accounting principles.

Statutory References

9. Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations and amendments made under that status or regulation(s) in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation(s).

PART 2

TREATMENT OF CREDITORS

Purpose of Amended Proposal

10. The purpose of this Amended Proposal is to allow a restructuring of the affairs of Purdy, for the benefit of the Creditors. It is expected that all Creditors will derive a greater benefit from the restructuring being conducted by Purdy and the Purdy Companies, than they would from a forced liquidation of Purdy's Assets and Excluded Assets.

Transfer of Property, Proven Claims and Distributions to Creditors

11. On or before the Effective Date Purdy shall incorporate a new corporation (the "Holdco"):

a. The Holdco shares shall be held in trust by the Trustee and if the Plan is implemented the Holdco shares shall be held in trust as provided for in the Plan;

b. The property in Schedule I and Schedule II shall be transferred to

Holdco for the sole and exclusive purpose of funding distributions under this Proposal or under the Plan. Until such time as the Plan is approved by the Court the right and priority of all Claims of Creditors in the CCAA and Proposal proceedings shall be maintained as though the Schedule I and II assets had not been transferred to Holdco;

c. Purdy, with the consent and approval of the Creditors and Trustee shall appoint directors of Holdco as provided for in the Plan.

12. Purdy is a creditor and the direct or indirect 100% shareholder of the Purdy Companies. The Purdy Companies are restructuring their affairs under the CCAA. Purdy, as a creditor of the Purdy Companies expected to receive distributions from the CCAA Proceedings and utilize those distributions to fund the Proposal to his creditors. If the Plan is approved by the Court and implemented:

a. Purdy shall waive all right to receive any distributions under the Plan;

b. Any Proven Claim in the Proposal shall be included as a Proven Claim under the Plan and paid and compromised in accordance with the Plan;

c. On the Distribution Date, the Trustee shall after paying its proper fees and expenses set out in paragraphs 27 and 28 and subject to paragraph 15 and 26 distribute to Unsecured Creditors their pro rata share of the Unsecured Creditor Cash Pool;

d. The directors of Holdco shall determine the manner in which the Schedule I and Schedule II property shall be realized and distributed as set out in the Plan.

13. If the Plan is not approved by the Court then the Trustee shall:

a. Liquidate the Schedule I and Schedule II property in Holdco for the benefit of Proposal Creditors;

b. Distribute proceeds from the liquidation of Holdco having regard to the Claims of Creditors against the Schedule I and Schedule II property as though the property had not been transferred to Holdco and in accordance with scheme of distribution set out in Section 136 of the BIA.

14. Intentionally Blank

Superintendent's Levy

15. The Superintendent's levy shall be paid to the Superintendent at the same time any distributions to Unsecured Creditors are made under this Amended Proposal.

PART 3

PROCEDURE FOR VALIDATION OF CLAIMS

Allowance or Disallowance of Claims by the Trustee

16. Upon receipt of a completed proof of claim, the Trustee shall examine the proof of claim and shall allow or disallow same, in whole or in part, and shall notify each Creditor whose claim is disallowed in whole or in part of the amount of its Proven Claim, as applicable. The Creditors will have the right to appeal to the Court and obtain a Court determination of the Creditor's Proven Claims, in accordance with the Act. The Proven Claim of a Creditor will be the amount accepted by the Trustee or determined by the Court, as the case may be, all in accordance with the provisions of the Act.

PART 4

MEETING OF CREDITORS

Creditors' Meeting

17. On March 12, 2014, or on the date of any adjournment thereto, Purdy shall hold the Creditors' Meeting for the Creditors to consider and vote upon the Proposal.

Time and Place of Meeting

18. The Creditors' Meeting shall be held at a time and place to be established by the Official Receiver, or the nominee thereof and confirmed in the notice of meeting to be mailed pursuant to the Act. All proofs of claims shall be delivered in accordance with the provisions of the Proposal, the Act and any order which may be issued by the Court in respect of the procedure governing the Creditors' Meeting.

Voting by Creditors

19. Each Creditor shall be entitled to vote to the extent of the amount which is equal to the Creditors' Proven Claim.

Approval by Creditors

20. In order that the Proposal is binding on all of the Creditors of Purdy in accordance with the Act, it must first be accepted by each class of Creditors by a majority in number of the Creditors who actually vote upon the Proposal (in person or by proxy) at the Creditors' Meeting or by a Voting Letter and representing two-thirds in value of the Proven Claims of the Creditors of each class who actually vote upon the Proposal (in person or by proxy) at the Creditors' Meeting or by a Voting Letter.

Inspectors

21. At the Creditors' Meeting, the Creditors may appoint one or more, but nor more than five, inspectors under this Proposal, who will have no personal liability to Purdy or to the Creditors, and whose power shall be limited to:

(a) the power to advise the Trustee in respect of such matters as may be referred to the inspectors by the Trustee;

(b) the power to advise the Trustee concerning any dispute that may arise to the validity or quantum of claims of Creditors under this Proposal, where the Trustee requests such assistance;

(c) the power to determine the manner in which the value in Purdy Holdco shall be realized by the Creditors under this Proposal;

(d) the power to approve on behalf of the Creditors of Purdy any decision of the Trustee relating to any matter not contained in this Proposal which the Trustee may refer to them from time to time, including any extension of time of payment required under this Proposal;

(e) the power to waive any default in the performance of this Proposal. The Trustee shall notify the Inspectors of any default of which the Trustee becomes aware and the Trustee shall hold a meeting of Inspector following such notice for the purpose of obtaining the instructions of the Inspectors with respect to such a default and the steps to be taken.

Decisions of Inspectors

22. Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, revoke or vary the decision, direction or act of the Inspectors and make such other order as it thinks just.

Valuation of Claims

23. The procedure for valuing Claims of Creditors and resolving disputes with respect to such Claims will be as set forth in Part 3 and in the Act. Purdy or the Trustee or both reserve the right to seek the assistance of the Court in determining the Claim Value of any Creditor if required to ascertain the result of any vote on the Proposal or the amount payable or to be distributed to such Creditor under the Proposal, as the case may be.

PART 5

DISTRIBUTIONS

Implementation of Proposal

24. If the Amended Proposal is approved as provided for in Part 4, then the Trustee shall make the Distributions as set out in paragraphs 12 and 13.

Crown Claims

25. Her Majesty in Right of Canada and in Right of Alberta will be paid in full by Purdy, within 6 months after Court approval of this Amended Proposal, of all amounts that were outstanding at the time of filing the notice of intention, and are of a kind that could be subject to demand under:

(a) subsections 224(1.2) of the *Income Tax Act*;

(b) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts; or

(c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum

(i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or

(ii) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.

Preferred Creditors

26. Preferred Claims are to be paid in full in priority to all Proven Claims of Unsecured Creditors.

Payment of Fees and Expenses

27. All proper fees and expenses of the Trustee and reasonable legal and other professional fees of and incidental to the proceedings and transactions arising out of this

Amended Proposal and in connection with the preparation of this Proposal, and in the administration of this Proposal, including advice to Purdy in connection therewith, will be paid in priority to all Claims.

28. The proper fees and expenses of the Trustee and its counsel shall be determined based on the Trustee's standard rate times hours spent, as agreed to with Purdy in the NOI Proceedings.

PART 6

EVENTS OF DEFAULT

29. The following event will constitute an event of default for the purpose of section 63 of the Act and otherwise under this Proposal:

(a) Failure of Purdy to transfer all the Schedule I and II property to Holdco on or before the Effective Date.

PART 7

TRUSTEE

Confirmation of Appointment

30. The Trustee is acting in it capacity as Trustee and not in its personal capacity and no officer, director, employee or agent of the Trustee shall incur any obligations or liabilities in connection with this Proposal or in connection with the business or liabilities of Purdy.

Discharge of Trustee

31. Upon making the distributions contemplated in Part 5, the Amended Proposal shall be fully performed and the Trustee shall be entitled to apply for its discharge as Trustee hereunder. For greater certainty, the Trustee will not be responsible or liable for any obligations of Purdy and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless

such acts have been carried out in bad faith and constitute a willful or wrongful act or default.

Trustee's Report

32. The Trustee shall report to the Creditors and the Court on a 60 day basis, within fifteen days following the end of each 60 day period, during the period between the Effective Date and the Distribution Date.

PART 8

CONDITIONS PRECEDENT

33. The performance of this Amended Proposal by Purdy shall be conditional upon the fulfillment or satisfaction of the following conditions within thirty (30) Business Days following the issuance of the Final Order:

(a) all approvals and consents to the Amended Proposal that may be required have been obtained;

(b) the Final Order has issued and it is efficacious in accordance with paragraph 1(m) of this Proposal; and

(c) no order or decree restraining or enjoining the consummation of the transactions contemplated by this Proposal has been issued.

PART 9

RELEASE

34. Upon the Effective Date, Purdy shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action as of the Filing Date.

35. This release shall have no force or effect if Purdy becomes bankrupt before the terms of the Proposal are performed. After Purdy has performed his obligations to sell and/or transfer the Assets to Purdy Holdco, this release shall become unconditionally and irrevocably effective.

36. Sections 91 to 101 of the Act shall not apply to any dealings by Purdy having taken place during the period prior to or after the Filing Date.

PART 10

MISCELLANEOUS

Consents, Waivers and Agreements

37. On the Effective Date, all Creditors will be deemed to have consented and agreed to all of the provisions of this Proposal in its entirety. For greater certainty, each such Creditor will be deemed to have waived any default by Purdy in any provision, express or implied, in any agreement existing between the Creditor and Purdy that has occurred on or prior to the Filing Date, and to have agreed that, to the extent that there is any conflict between the provisions of any such agreement and the provisions of the Proposal, the provisions of this Proposal take precedence and priority and the provisions of any such agreement are amended accordingly.

Further Actions

38. Purdy and the Creditors will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated hereby.

Performance

39. All obligations of Purdy under this Proposal will commence as of the Effective Date. All obligations of Purdy under this Proposal will be fully performed for the purposes only of section 65.3 of the Act upon Purdy having sold all the Assets and paid the Net Proceeds of such sales to the Trustee provided for herein.

Binding Effect

40. The provisions of this Proposal will be binding on the Creditors and Purdy, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Final Order and it being efficacious in accordance with paragraph 1(m) of this Proposal.

PART 11

ANNULMENT OF PROPOSAL

Annulment

41. If this Amended Proposal is annulled by an order of the Court, all payments on account of Claims made pursuant to the terms of this Amended Proposal will reduce the Claims of Creditors.

PART 12

MODIFICATION

42. Purdy may propose amendments to the Amended Proposal at any time prior to the conclusion of the Creditors' Meeting provided that any such amendment does not reduce the rights and benefits given to the Creditors pursuant to the Amended Proposal before such amendment and that any and all amendments shall be deemed to be a part of and incorporated into the Amended Proposal.

DATED at Edmonton this 11th day of March, 2014.

JOHN (JACK) KENNETH PURDY

SCHEDULE I TO THE PROPOSAL OF PURDY

LISTING OF PURDY GROUP OF COMPANIES

ARMAC INVESTMENTS LTD. (AB)

LAKE EDEN PROJECTS INC. (AB)

[redacted]

HALF MOON LAKE RESORT LTD. (AB)

[redacted]

FISHPATHS RESORTS CORPORATION (BC)

ARMAC INVESTMENT LTD. (BC)

OSTROM ESTATES LTD. (BC)

HAWKEYE MARINE GROUP LTD. (BC)

[redacted]

CHERRY BLOSSOM PARK DEVELOPMENT CORP (BC)

NOTE:

The above corporate names have either an (AB) or (BC) after each of the individual applicant company names. The Trustee notes this was done to indicate in which province the individual applicants are located, and as such, those letters do not form a part of the legal name of the company.

There are two Armac Investments Ltd. entities, one is a British Columbia ("B.C.") Corporation and the other is an Alberta Corporation.

SCHEDULE II

John (Jack) Kenneth Purdy
Listing of Known Personal Assets

	Asset	Ownership	Amount	Description
Securities - Other Privately Owned Companies				
	Rail Find Management Ltd.	50%	$0	Privately held shell company with no assets or operations
	Sheffield Holdings Ltd.	100%	Unknown	100% owner of Sheffield. Head lease in Anguilla, British West Indies. Lease with approx. 70 years on a 8.5 acre piece of ocean front property that now has a derelict resort.
	Regal Capital Corp.	100%	Unknown	25 acres of raw land in Kauai, Hawaii. Land is divided into 7 plots. Distant ocean view lots. 3 are claimed by an investor. There is a lien on all 7 plots.
	Infinity Global Investment Corp.	33%	$0	Privately held shell company with no assets or operations
Remaining Personal Property				
	6 acre ocean front undeveloped raw land - 469 Bamfield Inlet	100%	$500,000	Located: West Coast Vancouver Island, BC
	80 acre, 3 bedroom home and farm out buildings - 8335 Meshers Rd.	100%	$250,000	Located: Port Alberni, West Coast Vancouver Island, BC
	Art, Collectibles, Jewelry, and precious metals	100%	$15,000	Various paintings and jem stones etc.
	Stocks and bonds	100%	Approx. value $50,000	Held at 3 brokerage houses
	[redacted]	[redacted]	[redacted]	[redacted]
	Note receivable	100%	$1,536,574	Receivable from Armac Investments (AB)
	Note receivable	100%	$80,000	Receivable from a construction company
	Antiques	100%	$50,000	Agreement b/w current owner to recover the furniture and antiques
	Furniture	100%	$5,000	Personal furniture
	Recreational Property	100%	$275,000	4 cabins located in Cabarete, Dominican Republic.
	Vehicles	100%	$19,999	1992 Bentley

SCHEDULE III

Excluded assets includes any assets that are pursuant to Part 10 of the Civil Enforcement Act of Alberta.

APPENDIX C

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	**TWENTY-SECOND REPORT OF THE MONITOR** **April 15, 2014**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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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 twenty-second report of the Monitor (the "Twenty-Second Report") is to provide Creditors and the Court with information in respect of the following:

    a) the Plan of Arrangement and Compromise proposed to be filed and circulated to creditors in these proceedings by the Applicants (the "Plan");

    b) the proposed Meeting Procedure Order outlining the process to be followed at the meeting of creditors to vote on the Plan (Appendix A);

    c) the Monitor's analysis of the Plan and Meeting Procedure Order;

    d) the revised cash flow projections (the "Updated Forecast") from March 22, 2014 through June 6, 2014 (the "Forecast Period");

    e) the Purdy Group's request for an extension to the current stay period until and including June 5, 2014; and

    f) the Monitor's recommendations.

4. Capitalized terms not defined in this Twenty-Second Report are as defined in the Initial Order, the First Report to the Twenty-First Report inclusive, the Claims Procedure Order, the Dispute Procedural Order, the Sale Order, the Ocean Front

Property Sale Order, the Proposed Meeting Procedure Order (as defined below) and the Plan.

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 ("BC") 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 Twenty-Second 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 ("Purdy"), either directly or through holding

companies, legally and beneficially. Purdy is operating under the proposal provisions of the BIA and has presented a proposal to his creditors (the "Proposal"). Alvarez and Marsal Canada Inc. is also the Proposal Trustee. The Proposal provides that if the Plan is implemented:

a) all Proven Unsecured Claims in the Proposal will share pro-rata in the distribution of the Unsecured Creditor Pool in the Plan; and

b) Axcess and CRA will receive Promissory Notes for their Claims in the Proposal;

10. Voting on the Proposal has not occurred. The meeting of creditors to consider the Proposal was initially held on June 22, 2012 and this meeting was adjourned to October 9, 2012. The creditors voted to adjourn this meeting and several additional reconvened meetings thereafter to April 17, 2014 at the office of Dentons at 12:00 PM MST.

11. Since inception of the CCAA proceedings in December 2011, the Applicants have been determining and litigating claims, restructuring operations and disposing of none core properties in an effort to provide a feasible plan to its Creditors.

12. Axcess and CRA are the Applicants' and Purdy's major secured and unsecured creditors. Their combined Claims account for approximately 90% of the dollar amount of the Claims against the Applicants and Purdy.

13. Since July 2013, the Applicants have been working closely with Axcess and CRA to incorporate various comments, ideas and conditions into the Plan that they believe would be acceptable by the significant stakeholders and the Applicants. The Monitor is advised that both CRA and Axcess are now in agreement with the Plan being circulated to be voted on by Creditors.

14. 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 Purdy and in the previous twenty-one

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 .

PLAN OF ARRANGEMENT

Overview

15. The Applicants include a number of corporate entities. Some of the entities had no realizable assets or their assets were sold or foreclosed throughout the CCAA proceedings and did not contribute to nor where they core to the ongoing success of the Half Moon and Hawkeye operations, the main business of the Plan Applicants.. Consequently, an arrangement and compromise is only being made by certain of the Applicants. The Applicants included in the plan include:

a) Armac Investments Ltd. (AB);

b) Lake Eden Projects Inc.;

c) Half Moon Lake Resort Ltd.;

d) Fishpath Resorts Corporation;

e) Armac Investments Ltd. (BC);

f) Ostrom Estates Ltd.;

g) Hawkeye Marine Group Ltd.; and

h) Cherry Blossom Park Development Corp

(collectively, referred to as the "Plan Applicants")

16. The remainder of the Applicants are excluded from the Plan and will be administered in separate insolvency proceedings as necessary.

17. The Plan Applicants are proposing an arrangement and compromise to its Creditors in accordance with the Plan. The purpose of the Plan is to effect a compromise of all Affected Claims in to order expedite the recovery of amounts owed to Creditors by the Plan Applicants and reduce the uncertainties, risks, further costs and delays that will otherwise occur to stakeholders in a liquidation. A copy of the Plan is attached to this Twenty-Second Report as Appendix B.

Arrangement and Compromise under the Plan

18. The structure of the Plan is as follows:

a) the Plan is presented to the Creditors by the Plan Applicants on a joint and consolidated basis for the purpose of voting on the Plan and receiving distributions under the Plan. Inter-corporate obligations between each of the Applicants and between the Applicants and Purdy will not be considered nor will they be proven for voting or distribution purposes;

b) the Plan does not affect Unaffected Creditors. All Unaffected Creditors will be paid in full pursuant to their existing arrangements with the Plan Applicants or otherwise as may be agreed with them;

c) the Plan Applicants expect to have available to them cash of at least $1.5 million from the closing of the Half Moon Financing. These funds will be utilized to pay outstanding professional fees and property taxes, fund the Unsecured Creditor Cash Pool of $300,000 to satisfy the Claims of Unsecured Creditors (excluding Axcess and CRA) and provide initial working capital.

d) Axcess and CRA will receive on the Effective Date, a Promissory Note in the total amount of their Proven Claims. The Promissory Notes will be secured by way of a Mortgage Charge over all of the Property of the Plan Applicants as agreed to between them.

e) if the Applicants are successful in arranging the Half Moon Financing and if the Required Majority of Affected Creditors vote to accept the Plan, on the Effective Date, in full satisfaction and discharge for each Proven Unsecured Creditor Claim, each Unsecured Creditor with a Proven Unsecured Claims will receive its Pro Rata Unsecured Claim Amount;

f) Axcess and CRA will not participate in cash distributions from the Unsecured Creditor Cash Pool and will receive a Promissory Note for their Proven Unsecured Claim in accordance with Article 4.2 of the Plan.

g) if the Applicants are not able to arrange the Half Moon Financing, then the Plan shall not be implemented and subject to further order of the Court the property of Half Moon, BC Opco and BC Salesco will be liquidated by Monitor. Proceeds from the liquidation will be paid to CCAA and Proposal creditors in accordance with their priority prior to any Plan being filed; and

h) as soon as reasonably practicable after the Plan Implementation, all Proven Claims of Affected Creditors (including Disputed Claims if they become Proven Claims), will be paid their proportionate share in accordance with the Plan.

Claims of Creditors

19. The Plan provides for the compromise of all Affected Claims of the Creditors in accordance with the provisions of the Plan. Proven Claims of Affected Creditors will be paid in accordance with the Plan. Proven Claims are Claims of an Affected Creditor proven in accordance with the Claims Procedure Order which is not the subject of an unresolved Dispute Notice or which was the subject of a Dispute notice which has been resolved in accordance with the terms of the Claims Procedure Order and this Plan.

20. Disputed Claims are Claims of an Affected Creditor that is subject to a Dispute Notice, which, if allowed in accordance with the Claims Procedure Order, would be an Affected Claim, but which at Plan Implementation Date may not have been finally determined to be a Proven Claim.

Unaffected Claims

21. Unaffected Claims include:

a) Claims of any persons arising on account of any new obligation incurred for goods, services, or materials supplied to, the Company after the date of the Initial Order;

b) Claims of persons, including Creditors, who advance new funds or who supplied goods or services to the Plan Applicants after the date of the Initial Order but only in respect of such new advances or goods or services;

c) Equipment Lessors and Secured Creditors other than the Axcess Claims and the CRA Claims; and

d) Any party benefiting from the Administration Charge.

Classes

22. The Plan contemplates two classes of Creditors for voting on this Plan:

a) the CRA Claims and Axcess Claims class that consist solely of CRA and Axcess for their Secured Claims;

b) the Unsecured Creditor class that consists of the Unsecured Creditors including CRA and Axcess for that portion of the CRA Claims and Axcess Claims that is an Unsecured Claim.

Conditions Precedent to Implementation of the Plan

23. The implementation of the Plan is subject to, among other things, the following conditions precedent:

a) the Approval and Vesting Order and other Orders required under the Plan shall have been served by the Plan Applicants on all of the Creditors and Purdy and no appeal proceedings shall have been commenced by any Creditor or Purdy in respect of any such order prior to the expiry of the Appeal Period for such Order;

b) the Property Transaction approved by the Court in the Approval and Vesting Order shall have closed;

c) the Half Moon Financing shall have closed;

d) the payments to Unaffected Creditors required by Article 5.3 shall have been made or arrangements for payment of the Unaffected Creditors' claims made satisfactory to the Unaffected Creditors and the Plan Applicants;

e) the Plan Applicants shall have taken all necessary corporate actions and proceedings to approve this Plan;

f) the Proposed Stay Extension Order and the Proposed Meeting Procedure Order shall have been granted by the Court and served by the Monitor on all of the Creditors and no appeal proceedings shall have been commenced by any Creditors in respect of any such Orders, prior to the expiry of the appeal periods for such Orders;

g) the Plan shall have been sanctioned by the Court pursuant to the Plan Sanction Order. Any relevant appeal period shall have expired without any appeal proceedings having been taken or any appeal so

take shall have been finally determined in a manner satisfactory to the Plan Applicants by the appropriate appellant tribunal.

h) the proposal of Purdy presented to the Creditors in the Proposal Proceedings shall have been accepted by the Creditors in the Proposal Proceedings, approved by the Court and no appeal proceedings shall have been commenced by any Creditor in respect of any such order prior to the expiry of the appeal period for such Order; and

i) all applicable governmental, regulatory or other similar consents and approvals from the regulatory authorities having jurisdiction over the companies shall have been received and made;

j) The Monitor has filed a certificate with the Court certifying that all conditions precedent have been fulfilled

Plan Implementation

24. Upon the completion of all condition precedents set out in the Plan, the Plan shall be implemented by the Plan Applicants.

MEETING OF CREDITORS

The Meeting Procedure Order

25. The Applicants are now seeking an order to call a creditors meeting (the "Meeting Procedure Order"), which will give the Applicants the authority to circulate the Plan and related Meeting Materials to its Creditors for the purpose of voting on the Plan.

26. The Meeting Procedure Order proposes, *inter alia*:

a) the Creditors' Meeting shall be held on Thursday, May 15, 2014 at 10:00 a.m. (Edmonton time) at the offices of Dentons Canada LLP,

Suite 2900, 10180-101 Street, T5J 3V5, Edmonton, Alberta (or such other date or time as may be extended by this Honourable court)

b) the Monitor shall act as the Chair of the Creditors' Meeting, and shall decide all matters relating to the conduct of the Creditors' Meeting;

c) the Monitor (or its counsel) shall send a notice and other meeting materials, on or before April 30, 2014, to all Affected Creditors with a Proven Claim who are eligible to vote at the Creditors' Meeting (the "Notice to Creditor"), including:

i. the Proposed Meeting Procedure Order

ii. the Notice to Creditors;

iii. the Plan;

iv. a blank form of Proxy and completion instructions; and

v. such further and other materials as the Monitor considers advisable, including the Twenty-Second Report (collectively, the "Meeting Materials", as attached as Appendix C to this report).

d) The Monitor shall publish a notice of the Creditors' Meeting on or before May 3, 2014 in the Edmonton Journal and Victoria Times Colonist;

e) The Monitor shall publish the Notice to Creditor and Meeting Materials on its website; and

f) In the event the Plan is approved by the Required Majority of the Creditors, the Applicants may bring motions to this Court seeking an order sanctioning the Plan (the "Plan Sanction Order").

Attendance and Voting

27. The only persons entitled to attend the Creditors' Meeting are the Chair, representatives of the Monitor, the Affected Creditors holding a Proven Claim (each as defined in the Plan) (including holders of proxies) and the legal counsel of any person entitled to attend. Any other person may be admitted to the Creditors' meeting on invitation of the Chair.

28. A quorum for the Creditors' Meeting shall be one person entitled to vote represented in person or by proxy.

29. Creditors with Unaffected Claims shall not be entitled to vote at the Creditors' Meeting.

30. The only persons entitled to vote at the Creditors' Meeting, in Person or by Proxy, on a resolution to approve the Plan, are Affected Creditors with Proven Claims, which included Creditors with Disputed Claims.

31. The weight provided to a Proven Claim is equal to the value of such Creditors' Proven Claim. The weight provided to a Creditors' Disputed Claim for voting purposes will either be the amount set out in any applicable Notice of Revision or Disallowance or the full amount of such Disputed Claim, as more particularly described in and set out in the Proposed Meeting Procedure Order.

32. Any proxy in respect of the Creditors' Meeting (or any adjournment thereof) shall be provided to the Monitor on or before 5:00 p.m. MDT May 14, 2014 provided that any proxy may also be deposited with the Chair of the Creditors' Meeting prior to the commencement of the Creditors' Meeting.

33. The results of the vote conducted at the proposed Creditors' Meeting are proposed to be binding on all of the Creditors whether or not the Creditor is present in person or by proxy or voting at the Creditors' Meeting.

MONITOR'S ANALYSIS OF THE PLAN

Overview

34. Considerable effort has been made by the Applicants in preparing the Plan in such a manner to address, to the extent possible, the various stakeholder groups' concerns. The Applicants, with the assistance of the Monitor and input from the Applicants main stakeholders (Axcess and CRA), have prepared the Plan in a manner they believe achieves a result, which is a fair and reasonable compromise among the various stakeholders.

35. The Applicants' management has indicated that there are no other viable options available to restructure other than that proposed in the Plan and the only other alternative would be a formal liquidation. In management's estimate, a liquidation scenario would not provide the best recovery to the Affected Creditors, as discuss further below.

36. A condition of the Plan is that the Affected Creditors must approve the Plan by the Required Majority of each class of Affected Creditors. For greater certainty, no class of Creditors shall be bound by the terms of the Plan unless each class of Affected Creditors has agreed to the Plan by the Required Majority. If each class of Affected Creditors does not approve the Plan, the likely scenario would be liquidation proceedings.

37. The Applicants support the Plan and related reorganization as they believe that the Plan provides the Affected Creditors with a greater opportunity to realize on their respective investments and to continue with a new stronger entity (Holdco), in particular, CRA and Axcess, and the Unsecured Creditors will achieve greater recoveries by accepting the Plan versus in a liquidation scenario.

38. The Plan contemplates that the Creditors of the Applicants and Purdy's personal Proposal will be handled on a consolidated basis. The Applicants, with the support of the Monitor, believe that there will be no material prejudice

experienced by any of the Creditors of the Applicants or Purdy's personal proposal from the consolidated Plan.

39. The Applicants believe that the Plan and the related distribution process would provide for not only a better return than in a liquidation scenario, but would also provide the Affected Creditors with the following advantages:

a) In a liquidation scenario, the distributions to creditors would (in the case of bankruptcy) be subject to a statutory levy pursuant to the BIA which is deducted from the distributions and payable to the Superintendent of Bankruptcy. No levy is payable in respect of distributions under the CCAA proceedings;

b) a liquidation scenario would result in increased professional fees and costs as a result of the potential requirement for another claims process and associated administrative costs;

c) the Applicants' general and administrative costs expected to be incurred to complete the Plan and CCAA proceedings would likely be increased in a liquidation proceeding;

d) a bankruptcy or receivership would cause further delay in the timing of distributions to the Affected Creditors; and

e) a bankruptcy or liquidation scenario would fail to realize any value from certain corporate attributes.

Creditor Analysis

40. The Monitor has prepared a liquidation analysis of the recoveries to the various creditor groups under the Plan as detailed in Appendix D to this report. The notes to the liquidation analysis are also included in Appendix D and should be read in conjunction with the liquidation analysis as it describes the assumptions and

analysis used by the Monitor. The liquidation analysis is also summarized in the table below:

Purdy Group of Companies Plan of Arrangement and Purdy Proposal
Consolidated Liquidation Analysis vs. Proposed Plan Distributions

	Liquidation Analysis			Plan Distribution
	Low	High		
Total Proceeds Available	**7,644,375**	**10,192,500**		**1,500,000**
Less: Payments for CCAA priority costs and estimated liquidation costs/operating costs:	(3,482,219)	(3,759,625)		(1,200,000)
Less: Payments to deemed trust and secured creditor claims:	(4,856,760)	(5,437,301)		-
Funds Available for Distribute to Unsecured Creditors	-	**995,574**		**300,000**
Total corporate and Purdy Proposal Unsecured Claims	(6,808,407)	(6,227,866)		(1,053,663)
Unsecured Cash Recovery	**0%**	**16%**		**28.5%**
Unsecured Creditor Cash Recovery				
CRA Corporate claims	-	26,718	2.7%	-
CRA Claim against Purdy	-	204,824	20.6%	-
Axcess guarantee claim in Purdy proceedings	-	595,596	59.8%	-
Other Purdy Proposal creditors	-	1,680	0.2%	3,000
Other CCAA creditors	-	166,757	16.7%	297,000
	-	**995,574**	**100%**	**300,000**

41. The Monitor believes that the Plan addresses the various stakeholders' positions relating to the distribution and recovery to each creditor class by taking into account the following:

a) the Unaffected Creditors will be paid out in full;

b) Axcess and CRA will obtain a Promissory Note in Holdco for their Secured Claims and Unsecured Claims against the Applicants and Purdy personally and will not share in the cash distributions available to the remaining Unsecured Creditors for their Unsecured Claims;

c) the Unsecured Creditors will receive a cash payment of 28.5% of their Unsecured Claims versus a potential recovery range under a liquidation scenario of between 0 – 16%; and

d) Purdy, the sole equity holder, will not have control of Holdco or its property or receive any payments under the Plan. If and when the Promissory Notes (together with interest thereon) issued to Axcess and CRA are paid in full, the shares and control of Holdco will be returned to Purdy.

42. The Applicants did not have a formal tax review completed on the Plan to determine if there would be any significant tax implications as a result of the Plan being sanctioned by the Court, subject to Court approval.

Conclusion

43. The Monitor agrees with the Applicants that there are no other viable options available to restructure the financial affairs of the Applicants other than that proposed in the Plan and that the only other option is formal liquidation.

44. Axcess and CRA will receive full consideration for their Claims in the form of Promissory Notes in Holdco. Axcess and CRA have agreed not to participate in distributions from the Unsecured Creditors Pool being made available to the Unsecured Creditor class. Accordingly, the Unsecured Creditors will receive a greater recovery under the Plan then they would if the property of the Applicants were to be liquidated.

45. Pursuant to s.23(1)(i) of the CCAA, the Monitor is of the opinion that the Plan is fair and reasonable and provides the best available return to the various stakeholders of the Applicants and the Affected Creditors, in total, will receive a greater recovery than under the alternative (formal liquidation proceedings) after considering the costs associated with such proceedings.

UPDATED CASH FLOW FORECAST THROUGH JUNE 6, 2014

46. The Applicants have not provided the Monitor with its updated results on its cash flow actual to forecast for the period of March 22, 2014 to April 11, 2014. The Applicants have advised the Monitor that its actual results are not materially

different than that of the forecast provided in the Twenty-First Report. For purposes of this Forecast Period, the Applicants, with the assistance of the Monitor, have updated the forecast provided in the Twenty-First Report and included an additional 5-weeks to the forecast to June 6, 2014.

47. The Updated Forecast for the Forecast Period based on the most current information available, which the Updated Forecast is attached as Appendix E to the Twenty-Second Report.

48. The Updated Forecast is based on management's assumptions regarding future events. Actual results will vary from the information presented even if management's assumptions to the Updated Forecast occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the results shown in the Updated Forecast will be achieved. The Monitor also expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Twenty-Second Report, or relied upon by it in preparing this Twenty-Second Report.

49. The table below summarizes the Updated Forecast, as prepared by the Applicants with the assistance of the Monitor and is further discussed in the paragraphs below:

Purdy Group Projected Cash Flow Summary		March 22/14 to June 6/14
Receipts	$	40,000
Funds from Monitor's trust account		145,000
Total receipts	$	185,000
Disbursements		55,700
Release of funds to LBVR		-
Restructuring professional fees		135,000
Total disbursements	$	190,700
Net change in Applicant cash	$	(5,700)
Applicant cash balance, opening		8,394
Applicant cash balance, ending		2,694
FUNDS HELD IN TRUST BY MONITOR		
Trust opening Cash	$	148,309
Collection of funds - other		9,200
Release of funds to Applicants		(145,000)
		(135,800)
Trust ending cash	$	12,509
TOTAL AVAILABLE CASH		
Applicant cash balance, ending	$	2,694
Trust ending cash balance		12,509
Less: cash not available per Court Order		-
Less: cash held for LBVR		(12,500)
Cash held for general restructuring		9
Available Cash	$	2,703

50. As summarized above, the Purdy Group is projecting:

a) total cash receipts from Half Moon Lake Resort at approximately $40,000. All Hawkeye Group Property receipts are retained by LBVR

for use in operating and upgrading the Hawkeye Group Properties as previously discussed;

b) funds received from the Monitor's trust account to be used to fund payment of restructuring Professional Fees of $135,000 relating to the outstanding CCAA Professional Fees incurred and outstanding since September 30, 2013 and a partial payment towards Half Moon property taxes of $10,000; and

c) cash disbursements of approximately $55,700 to be used to fund Half Moon operating expenses of approximately $32,500, repayment of funds to the Monitor's trust account of $9,200 and management fees of $14,000; and

51. The above results in a net decrease in cash of the Applicants' cash balance of approximately $5,700 during the Forecast Period. The net decrease in cash from the Applicants' bank account will decrease the Applicants' ending cash position to approximately $2,694. The combination of the ending available cash balance in the Monitor's trust account of approximately $9, results in an overall estimated ending available cash balance of approximately $2,703.

52. Significant assumptions made by the Applicants' management with respect to the Updated Forecast are:

a) LBVR will not require funding to cover operating costs (which includes its management fees) during the next month as LBVR has forecast that it will be self-sustaining during the Forecast Period. LBVR provides a monthly accounting to the Applicants and the Monitor and accordingly, no operating receipts or disbursements for the Hawkeye Group Properties are included separately in the Updated Forecast;

b) Monthly lease fee collections and rental RV receipts (seasonal rentals) from Half Moon Lake is approximately $40,000;

c) operating costs and partial payment of outstanding property taxes relating to Half Moon of approximately $32,500;

d) repayment of funds to the Monitor's trust account of approximately $9,200. The Applicants required certain costs to be paid for its Half Moon operations and due to timing of collections of its Half Moon receipts, the Applicants requested the Monitor to provide funds from its trust account, with the understanding that the Applicants would be required to pay it back to the Monitor's trust account forthwith. The repayment of these funds was scheduled to be collected by the Monitor from the Applicants in Week 123.

e) management fees of approximately $14,000; and

f) restructuring costs for the Monitor, its counsel and the Applicants' counsel of approximately $135,000.

53. Based on the Purdy Group's significant assumptions, the Updated Forecast indicates that the Purdy Group will continue to have sufficient available cash to meet its current operating obligations through the Forecast Period.

THE PURDY GROUP'S REQUEST FOR AN EXTENSION OF THE STAY PERIOD

54. The stay period expires at midnight on April 17, 2014 (the "Stay Period"). The Purdy Group, with the support of its two main creditors Axcess and CRA, is seeking an extension of the Stay Period until and including June 5, 2014 (the "Proposed Stay Extension").

55. In the Monitor's view, an extension to the Proposed Stay Period is necessary for the Applicants to circulate the Plan and hold the Creditors' Meeting.

56. The Monitor is of the view that the Applicants are acting in good faith and with due diligence. The Monitor is also of the respectful view that no creditor should be materially prejudiced by an extension of Stay Period.

RECOMMENDATION

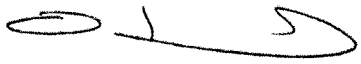
57. The Monitor respectfully recommends that this Honourable Court:

a) approve the Proposed Meeting Procedure Order, which effectively provides that the Applicants be allowed to circulate the Plan and related Meeting Materials to their Creditors for the purposes of allowing the Creditors to vote on the Plan; and

b) approve the Proposed Stay Extension.

All of which is respectfully submitted this 15th day of April, 2014.

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

Clerk's Stamp:

COURT FILE NUMBER	1103 18646
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
	IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ARMAC INVESTMENTS LTD. (AB), LAKE EDEN PROJECTS INC. (AB), 1204583 ALBERTA INC. (AB), 131717 ALBERTA INC. (AB), WESTRIDGE PARK LODGE DEVELOPMENT CORP. (AB) AND WESTRIDGE PARK LODGE AND GOLF RESORT LTD. (AB), HALF MOON LAKE RESORT LTD. (AB), NO 50 CORPORATE VENTURES LTD. (BC), FISHPATHS RESORTS CORPORATION (BC), ARMAC INVESTMENT LTD. (BC), OSTROM ESTATES LTD. (BC), HAWKEYE MARINE GROUP LTD. (BC), JUBILEE MOUNTAIN HOLDINGS LTD. (BC), GIANT MOUNTAIN PROPERTIES LTD. (BC), AND CHERRY BLOSSOM PARK DEVELOPMENT CORP. (BC) (COLLECTIVELY, THE "PURDY GROUP")
DOCUMENT	**ORDER**
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

DATE ON WHICH ORDER WAS PRONOUNCED: Thursday, April 17, 2014

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 the Applicants, 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 "Applicants"); AND UPON having read the Affidavit of John Kenneth Purdy dated April 15, 2014, filed; AND UPON having read the Twenty-Second Report of the Monitor Alvarez & Marsal Canada Inc. (the "Monitor"); AND UPON noting that the Applicants desire to present to certain creditors a Proposed Plan of Arrangement which Plan is consolidated with the proposal proceedings of John Kenneth Purdy otherwise known as Jack Purdy being Court File / Estate Number 24-1568045 (the "Plan), a copy of which is attached as Appendix "B" to the Twenty-Second Report of the Monitor, filed (the "Report"); AND UPON having read and considered the Report and the pleadings and proceedings had and taken herein including, without limitation, the Claims Procedure Order granted by this Honourable Court February 15, 2012 by the Honourable Justice D.R.G. Thomas; AND UPON hearing counsel for the Applicants, as well as counsel for the Monitor and other interested parties, creditors and stakeholders;

IT IS HEREBY ORDERED THAT:

1. Notice of the application for this Order and any material in support is deemed good and sufficient upon all interested persons, the time for service is abridged to the time actually given and all further and other service of the application for this Order and any material in support is dispensed with.

2. Paragraph 13 of the Initial Order dated December 1, 2011, granted in this matter, as further amended by the subsequent Orders of this Honourable Court dated December 20, 2011, February 15, 2012 May 2, 2012, June 29, 2012, September 28, 2012, December 18, 2012, February 19, 2013, May 17, 2013, July 26, 2013, October 25, 2013, December 4, 2013, February 12, 2014 and April 1, 2014 is further amended to extend the "Stay Period" until and including June 5, 2014.

3. The Plan shall be submitted to each Affected Creditor with a Proven Claim of the Applicants (each as defined by the Plan) (each such person being a "Creditor") for consideration and voting pursuant to Sections 4, 5, 5.1 and 6 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c-36 as amended the "CCAA").

4. The Applicants may, at any time, and from time to time, amend, restate, modify and/or supplement the Plan provided that any such amendment, restatement, modification or

supplement is contained in a written document filed with this Honourable Court and communicated to the Creditors and the Monitor in the manner required by this Honourable Court (if so required).

5. Any amendments, restatement, modification or supplement to the Plan may be made by the Applicants with the consent of the Monitor following any Sanction Order provided that they concern a matter which, in the opinion of the Monitor is of an administrative or technical nature required to better give effect to the implementation of the Plan and any Sanction Order or would not be materially adverse to the financial interests of the Creditors.

6. Any amended, restated, modified or supplementary Plan or Plans of arrangement and reorganization or distribution filed with this Honourable Court and if required, approved by this Honourable Court shall, for all purposes be and be deemed to be a part of and incorporated in the Plan.

7. The Notice to Creditors and form of Proxy, each substantially in the form of such documents attached to and forming part of Appendix "C" to the Report and the Rules of the Creditors' Meeting attached to and forming part of Appendix "C" to the Report, are each hereby approved. The Applicants and the Monitor are hereby authorized and directed to make such changes thereto as are reasonably necessary or desirable to conform the content thereof to the terms of the Plan or this Order.

8. The Monitor shall provide each Affected Creditor with a Proven Claim (each as defined in the Plan) notice of a meeting at the offices of Dentons Canada LLP, 2900, 10180 – 101 Street, Edmonton, Alberta T5J 3V5 on May 15, 2014 at 10:00 a.m. (or such other date or time as may be extended by this Honourable Court), for the purpose of voting on the Plan (the "Creditors' Meeting").

9. The notice of the Monitor shall include a copy of:

   (a) this Order;

   (b) the notice to Creditors referenced in paragraph 7 of this Order;

   (c) the form of proxy referenced in paragraph 7 of this Order;

   (d) the Plan; and

   (e) such further and other material as the Monitor considers advisable.

(the documents referenced in subparagraphs (a) – (e) inclusive being referred to herein as the "Meeting Materials").

10. The Meeting Materials shall be sent by the Monitor (or its counsel) on or before April 30, 2014 by email, facsimile or regular pre-paid mail to the last known email address, facsimile number or address of the Affected Creditor with Proven Claim (or alternatively the legal counsel of such person) as set out by any Proof of Claim, Notice of Dispute (or other document provided to the Monitor or its legal counsel by such person or such person's legal counsel in connection with a previously filed Proof of Claim by or on behalf of that person) which Proof of Claim, Notice of Dispute or other document was filed or otherwise previously filed with or provided to the Monitor or its legal counsel.

11. The Monitor shall post on its website electronic copies of the Meeting Materials until the later of its discharge or December 31, 2014.

12. On or before May 3, 2014, the Monitor shall cause a notice to creditors in such form as the Monitor considers advisable to be published in the Edmonton Journal and the Victoria Times.

13. Provision of the Meeting Materials to Creditors in accordance with the terms of this Order shall constitute good and sufficient service, notice and delivery of this Creditors' Meeting Order and the Meeting Materials on all persons who may be entitled to receive notice or be entitled to vote or be present at the Creditors' Meeting or any adjournment thereof and no further or other service need by given or made and no other document or material need be served upon such persons.

14. Any proxy in respect of the Creditors' Meeting (or any adjournment thereof) shall be provided to the Monitor on or before 5:00 p.m. MST May 14, 2014 provided that any proxy may also be deposited with the Chair of the Creditors' Meeting prior to the commencement of the Creditors' Meeting.

15. The Monitor, may in its discretion, waive in writing the time limits imposed on the Creditors for the receipt or deposit of proxies if it considers it advisable to do so.

16. The Creditors' Meeting shall be called, held and conducted and the Plan shall be voted upon and if approved by the Creditors, ratified and given full force and effect in accordance with the provisions of this Order, the Plan, the CCAA and any further Order of this Honourable Court, notwithstanding the provision of any agreement or other instrument to the contrary.

17. An officer of the Monitor, designated by the Monitor shall preside as the Chair (the "Chair") of the Creditors' Meeting and subject to this Order and any further Order of this Honourable Court, shall decide all matters relating to the conduct at the Creditor's Meeting.

18. The Chair shall be entitled to adjourn and further adjourn the Creditors' Meeting or any adjourned Creditors' Meeting provided that any such adjournment or adjournment shall be for a period of not more than 30 days in total and in the event of any such adjournment there shall be no requirement to deliver a notice of adjournment to any person other than announcing the adjournment at the Creditors' Meeting or posting notice at the originally designated time and location of the Creditors' Meeting or adjourned Creditors' Meeting.

19. The only persons entitled to attend the Creditors' Meeting, are the Chair, representatives of the Monitor, Affected Creditors holding a Proven Claim (each as defined in the Plan) (including holders of proxies) and the legal counsel of any person entitled to attend. Any other person may be admitted to the Creditors' Meeting on invitation of the Chair.

20. Creditors shall be entitled to vote in accordance with the Plan and the results of the vote conducted at the Creditors' Meeting shall be binding on all Creditors whether or not the Creditor is present in person or by proxy or voting at the Creditors' Meeting.

21. The Monitor shall provide a report to this Honourable Court no later than May 30, 2014 with respect to:

    (a) the results of the voting at the Creditors' Meeting on the resolutions to approve the Plan; and

    (b) whether the required majority of each of the classes of Creditors as set out in the Plan has approved the Plan.

22. An electronic copy of the Monitor's report regarding the Creditors' Meeting including any amendments and variations thereto shall no later than May 30, 2014 be posted on the website of the Monitor.

23. If the Plan is approved by the required majority of Creditors (as set out in the Plan), the Applicants may bring a motion to this Honourable Court returnable on June 5, 2014 at 2:00 p.m. at the Law Courts, Edmonton, Alberta seeking an Order sanctioning the Plan pursuant to the CCAA (the "CCAA Sanction Application"). A draft Plan Sanction Order

shall be posted on the website of the Monitor at least five days prior to the hearing of the CCAA Sanction Application.

24. Service of this Order by the Monitor to the parties on the service list and by posting a copy of this Order on the website of the Monitor in accordance with the requirements of this Order shall constitute good and sufficient service of this Order, notice of the CCAA Sanction Application on all persons entitled to receive notice of such application and no other form of notice or service need be made and no other materials need be served in respect of the CCAA Sanction Application except that the Applicants shall also serve the service list with any additional materials to be used in support of the CCAA Sanction Application.

25. Any person who wishes to oppose the CCAA Sanction Application shall serve on the service list a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the CCAA Sanction Application at least ten (10) days before the date set for the CCAA Sanction Application or such shorter time as this Honourable Court by order may allow.

26. If the CCAA Sanction Application is adjourned, only those persons who have filed and served their notice of opposition as aforesaid shall be served with notice of the adjourned date.

27. This Honourable Court hereby requests the aid and recognition of any court or any judicial regulatory or administration body in any province of territory of Canada and any judicial, regulatory or administrative tribunal or other court constitute pursuant to the Parliament of Canada or the legislature of any province or territory or any court or any judicial, regulatory or administrative body of any nation or state to act in aide of and to be complementary to this Honourable Court in carrying out the terms of this Order.

28. Service of this Order on any person other than a person on the service list is hereby dispensed with, provided that a copy thereof will be available of the Monitor's website.

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J.C.Q.B.A.

APPENDIX B

Action No. 0903 03603

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE OF EDMONTON

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

AND IN THE MATTER OF THE PLAN OR COMPROMISE OF ARRANGEMENT OF 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 "**Applicants**")

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WHEREAS the Company is subject to an Initial Order made by the Court of Queen's Bench of Alberta (the "**Court**") under the *Companies' Creditor Arrangement Act* dated December 1, 2011 which, among other things, appointed Alvarez & Marsal Canada Inc., as Monitor (the "**Monitor**") of the Company and permitted the Company to present a plan of arrangement or compromise to its creditors;

AND WHEREAS 1204583 Alberta Inc. (AB), 1317517 Alberta Inc. (AB), Westridge Park Lodge Development Corp. (AB), Westridge Park Lodge and Golf Resort Ltd (AB), No. 50 Corporate Ventures Ltd. (BC), Jubilee Mountain Holdings Ltd. (BC), and Giant Mountain Properties Ltd. (BC) (collectively the "**Excluded Applicants**") are insolvent, but are not to be included in the Plan as either they have no assets or there is no benefit to creditors generally of including the Excluded Applicants in the Plan;

AND WHEREAS Armac Investments Ltd. (AB), Half Moon Lake Resort Ltd. (AB) ("Half Moon"), Lake Eden Projects Inc. (AB), Fishpath Resorts Corporation (BC), Armac Investments

Ltd. (BC), Ostrom Estates Ltd. (BC), Hawkeye Marine Group Ltd. (BC), and Cherry Blossom Park Development Corp. (BC) (collectively the "**Plan Applicants**") are insolvent;

AND WHEREAS certain of the Plan Applicants are indebted to Purdy, the sole shareholder of the Plan Applicants;

AND WHEREAS Purdy has commenced Proposal Proceedings and the Monitor is also the Proposal Trustee in the Proposal Proceedings;

AND WHEREAS Axcess as Trustee and Agent for certain Creditors and CRA are the majority Creditors and are prepared to defer their claim and forgo immediate payout of their claim to give effect to this Plan.

AND WHEREAS the Plan Applicants are arranging financing sufficient to recapitalize the Plan Applicants, payout Unaffected Creditors and fund a plan to its Creditors;

AND WHEREAS the Plan, in conjunction with the refinancing, will facilitate the continuation of the business formerly conducted by the Plan Applicants, will achieve significant recoveries to all stakeholders on a compromised basis, and will ensure the continued viability of operating businesses and employment of substantially all of the employees of the Plan Applicants;

NOW THEREFORE the Plan Applicants, hereby propose and present this Plan to CRA, Axcess and Unsecured Creditors (as defined below) under and pursuant to the CCAA.

ARTICLE 1
INTERPRETATION

1.1 Definitions

1.1 In this Plan, unless otherwise stated or unless the context otherwise requires, the following terms shall have the following meanings:

(1) **"Affected Creditors"** means CRA, Axcess and the Unsecured Creditors.

(2) **"Administration Charge"** means the charge granted in favour of, among others, the Monitor, its legal counsel and the Applicants' legal counsel, in the property and assets of the Company pursuant to the Initial Order.

(3) **"Appeal Period"** means the number of days following the date of an Order where a Person may appeal an Order.

(4) **"Applicable Law"** means, with respect to any Person, property, transaction, event or other matter, any law relating or applicable to such Person, property, transaction, event or other matter. Applicable Law also includes, where appropriate, any interpretation of the Law (or any part) by any Person having jurisdiction over it, or charged with its administration or interpretation.

(5) **"Axcess"** means Axcess Capital Partners as trustee and agent for those Creditors described in the Proven Claims of Axcess filed in the CCAA Proceedings and in the Proposal Proceedings.

(6) **"Axcess Claims"** means the Claims of Axcess which for the purposes of this Plan are Secured Claims of Axcess aggregating $1,686,901 and Unsecured Claims of Axcess aggregating $3,769,099, being a total of $5,456,000, plus costs, including legal costs, on a solicitor and client basis, incurred by Axcess in relation to the Axcess Claims.

(7) **"BIA"** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c-B-3, as amended.

(8) **"Business Day"** means any day except Saturday, Sunday or any day on which banks are generally not open for business in Edmonton, Alberta, Canada.

(9) **"Canadian Dollars"** means lawful currency in Canada.

(10) **"CCAA"** means the *Companies Creditors Arrangement Act,* R.S.C. 1985, c. C-36 (as amended).

(11) **"CCAA Proceedings"** means the proceedings of the Company under the CCAA in the Alberta Court, action no. 0903 03603.

(12) **"Charge"** means a valid and enforceable security interest, lien, charge, pledge, encumbrance, mortgage, hypothec, adverse claim, title retention agreement or trust agreement of any nature or kind (but excluding any statutory deemed trust or lien for any taxes or levies), on any assets, property or proceeds of sale of the Company.

(13) **"Claim"** means any right of any Person (other than a claim of another person through an Administration Charge) against the Plan Applicants in connection with any indebtedness, liability or obligation of any kind or nature of the Company, including, without limitation, claims that are secured, unsecured, perfected, unperfected, liquidated, unliquidated, fixed, contingent, matured, unmatured, legal, equitable, present, future, known, unknown, disputed, undisputed or whether by guarantee, by surety, by subrogation or otherwise incurred and whether or not such a right is executory in nature, including without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise, with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future based in whole or in part on facts, or events which exist prior or at the time of the Initial Order, or in the case of Terminated Contracts, on the Contract Termination Date.

(14) **"Claims Bar Date"** means 5:00 PM Mountain Standard time on April 2, 2012.

(15) **"Claims Procedure"** means the procedure established in the Claims Procedure Order.

(16) **"Claims Procedure Order"** means the Order of the Alberta Court establishing the procedures for proving Claims granted on February 15, 2012.

(17) **"Company"** shall mean and include all the Plan Applicants.

(18) **"Contract Termination Date"** means in the case of the contract, contract of employment, lease or real property lease terminated or repudiated by the Company, after the date of the Initial Order, the date of such termination or repudiation.

(19) **"Court"** shall have the meaning ascribed thereto in the preamble.

(20) **"CRA"** means the Canada Revenue Agency.

(21) **"CRA Claims"** means the Claim of CRA, which for the purposes of this Plan is a Priority Claim for $111,146, a Secured Claim for $3,531,690, and an Unsecured Claim for $1,448,421, which aggregates a total Claim of $5,091,257.

(22) **"Creditor"** means any Person having a Claim and may, if the context requires, means a Trustee, Receiver, Receiver and Manager or other Person acting on behalf of such Persons, but a Creditor shall not include an Unaffected Creditor.

(23) **"Creditors' Meeting"** means the Meeting of Creditors called for May 15, 2014, pursuant to the Meeting Procedure Order for the purpose of considering and voting upon this Plan, and includes any adjournment of such meeting.

(24) **"Disputed Claim"** means the Claim of an Affected Creditor that is subject to a Dispute Notice.

(25) **"Dispute Notice"** means a Dispute Notice as such term is defined in the Claims Procedure Order.

(26) **"Effective Date"** means the effective date of the Plan and shall be five (5) Business Days following the satisfaction of the conditions outlined in Article 6.1, unless otherwise agreed upon in writing by the Monitor.

(27) **"Equipment Lessor"** means any Creditor holding a security or title interest in relation to any equipment in the possession of the Plan Applicants as the date of the Initial Order which equipment was sold or lease assigned and assumed by the Purchaser.

(28) **"Excluded Applicants"** means those Applicants excluded from the Plan, as defined in the preamble.

(29) **"Law"** means any law, rule, statute, regulation, order, judgment, decree, treaty or other requirement having the force of law.

(30) **"Meeting Procedure Order"** means the Order of the Alberta Court establishing the procedures for calling and governing the Creditors Meeting granted on April 17, 2014.

(31) **"Monitor"** shall have the meaning ascribed thereto in the preamble.

(32) **"Order"** means any order of the Alberta Court in the CCAA Proceedings.

(33) **"Party"** means a party to this Plan and any reference to a Party includes its successors and permitted assign and **"Parties"** means every Party.

(34) **"Person"** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.

(35) **"Plan"** means this plan of arrangement submitted to Creditors of the Plan Applicants made pursuant to the CCAA.

(36) **"Plan Applicants"** means those Applicants included in the Plan, as defined in the preamble.

(37) **"Plan Implementation Date"** means the date when all conditions set out in Article 6.1 of the Plan shall be implemented and fulfilled by the Plan Applicants.

(38) **"Plan Sanction Order"** means an Order of the Court which, among other things, shall approve and sanction this Plan under the CCAA and shall include provisions as may be necessary or appropriate to give effect to this Plan, or an order of an appellate court of competent jurisdiction reversing any refusal of such approval by the Court.

(39) **"Priority Claims"** means any Claim in respect of statutory payments, including Unremitted Source Deductions, Goods and Services taxes and Provincial Sales Taxes, which rank in priority to the claims of Secured Creditors.

(40) **"Pro Rata Unsecured Claim Amount"** means the pro rata share of the Unsecured Claim in respect of the balance of each Proven Unsecured Claim to the funds available for distribution as outlined in Article 4.1.

(41) **"Proposal"** means the Proposal of Purdy submitted to the Creditors in the Proposal Proceedings.

(42) **"Proposal Proceedings"** means the Proposal of Purdy under the BIA in the Alberta Court Action NO. BK03 11587.

(43) **"Proven Claim"** means a Claim of an Affected Creditor proven in accordance with the Claims Procedure Order which is not the subject of an unresolved Dispute Notice or which was the subject of a Dispute Notice which has been resolved in accordance with the terms of the Claims Procedure Order and this Plan.

(44) **"Proven Secured Claim"** means the amount of a Secured Claim as finally determined in accordance with the provisions of the CCAA, the Claims Procedure Order and this Plan.

(45) **"Proven Unsecured Claim"** means the amount of an Unsecured Claim as finally determined in accordance with the provisions of the CCAA, the Claims Procedure Order and this Plan.

(46) **"Purdy"** means John (Jack) Kenneth Purdy, an individual of the County of Strathcona, in the Province of Alberta named in the Proposal Proceedings.

(47) **"Required Majority"** means in respect of each Class of Creditor, an affirmative vote of two-thirds in value of all Claims of such Class of Creditors voted in accordance with the voting procedures established under the Claims Procedure Order (whether in person or by proxy) and a majority in number of all voting Creditors of such Class of Creditors.

(48) **"Secured Claim"** means the Claim of a Secured Creditor.

(49) **"Secured Creditor"** means any Creditor asserting a Charge.

(50) **"Stay Extension"** means an order granted by the Court of Queen's Bench of Alberta extending the stay of proceedings to a date that coincides with the Plan Sanction Order.

(51) **"Terminated Contract"** means a contract, contract of employment, equipment lease or real property lease that is or has been repudiated by the Company, and/or the Monitor after the date of the Initial Order and prior to the Effective Date, including without restriction, the Claims for severance or other compensatory indemnity in lieu of notice which may exist for employees of the Applicants.

(52) **"Terminated Contract Claim"** means the Claim of a Creditor arising in connection with a Terminated Contract.

(53) **"Unaffected Creditor"** means:

(a) Claims of any persons arising on account of any new obligations incurred for goods, services, or materials supplied to, the Company after the date of the Initial Order;

(b) Claims of persons, including Creditors, who advance new funds or who supplied goods or services to the Plan Applicants after the date of the Initial Order but only in respect of such new advances or goods or services;

(c) Equipment Lessors and Secured Creditors other than the Axcess Claims and the CRA Claims;

(d) Any party benefiting from the Administration Charge.

(54) **"Unsecured Creditors"** means a Creditor not asserting a Charge and includes, without restriction, trade creditors, suppliers and holders of Terminated Contract Claims.

(55) **"Unsecured Claim"** means the Claim of an Unsecured Creditor.

1.2 Interpretation

For Purposes of the Plan:

(1) Any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;

(2) Any reference in the Plan to an existing document or exhibit filed or to be filed means such document or exhibit as it may have been or may be amended, modified, or supplemented;

(3) Unless otherwise specified, all reference in the Plan to Sections, Articles and Schedules are references to Sections, Articles and Schedules of or to the Plan;

(4) The words "herein" and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan;

(5) Captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan;

(6) Where the context requires, a word or words importing the singular shall include the plural and vice versa;

(7) The words "includes" and "including" are not limiting;

(8) The phrase "may not" is prohibitive and not permissive;

(9) The word "or" is not exclusive.

(10) Where a word or term in the preamble to this Plan is capitalized and such word or term is defined or ascribed a meaning in the Plan, the Capitalized word or term in the preamble shall have the meaning so defined or ascribed in the Plan.

1.3 Date for any Action

In the event that any date on which any action is required to be taken under this Plan by any of the parties is not a Business Day, that action shall be required to be taken on the next succeeding day which is a Business Day.

1.4 Time

All times expressed in this Plan are local time Edmonton, Alberta, Canada, unless otherwise stipulated.

1.5 Statutory References

Any reference in this Plan to a statute includes all regulations made thereunder and all amendments to such statute or regulations in force from time to time.

1.6 Successors and Assigns

This Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any person named or referred to in this Plan.

ARTICLE 2
PURPOSE AND EFFECT OF THE PLAN

2.1 Persons Affected

This Plan provides for a restructuring of Claims and interests in respect of the Plan Applicants. This Plan will become effective on the Effective Date and shall be binding on and enure to the benefit of the Plan Applicants and the Affected Creditors.

2.2 Persons not Affected

For great certainty, this Plan does not affect Unaffected Creditors. Nothing in this Plan shall affect the Company's rights and defenses, both legal and equitable, with respect to any Unaffected Claims including, but not limited to, all rights with respect to legal and equitable defenses or entitlements to setoffs or recoupments against such Claims. Nothing in this Plan shall compromise or otherwise affect the liabilities and obligations of any guarantor of the Company's indebtedness.

2.3 Joint Plan for the Plan Applicants and Purdy

This Plan is presented to the Creditors on a joint basis for the purpose of voting on the Plan and receiving distributions under the Plan but not otherwise. Inter-corporate obligations between each of the Applicants and between the Applicants and Purdy will not be considered or proven for voting or distribution purposes.

ARTICLE 3
CLASSIFICATIONS OF CREDITORS, VALUATION OF CLAIMS AND RELATED MATTERS

3.1 Classes of Claims

For the purpose of considering and voting on this Plan, there shall be two classes of Creditors:

a) The CRA and Axcess class, consisting solely of CRA and Axcess for their Secured Claims.

b) The Unsecured Creditor class consisting of the Unsecured Creditors including CRA and Axcess for that portion of the CRA Claim and Axcess Claim that is an Unsecured Claim.

3.2 Affected Claims

The Creditors have proved their Claims in accordance with the Claims Procedure Order, and shall vote in respect of the Plan and receive the rights provided for under and pursuant to this Plan.

3.3 Creditors Meeting

The Creditors' Meetings shall be held in accordance with this Plan, the Meeting Procedure Order, and any further Order. The only Persons entitled to attend a Creditors' Meeting are the Monitor and legal counsel of the Monitor, those Persons, including the holders of the proxies, entitled to vote at the Creditors' Meeting, their legal counsel and advisors and the officers and legal counsel of the Company. Any other Person may be admitted on invitation of the chair of the relevant Creditors' Meeting.

3.4 Approval by Creditors

In order to be approved, the Plan must receive the affirmative vote in the Required Majority.

3.5 Order to Establish Procedure for Valuing Claims

The procedure for valuing Claims and resolving disputes and entitlement to voting is set forth in the Claims Procedure Order. The Monitor reserves the right to seek the assistance of the Court in valuing the Claim of any Unsecured Creditor, if required, or to ascertain the result of any vote on the Plan or the amount payable or to be distributed to any Unsecured Creditor under the Plan.

All Claims must have been received by the Monitor on or before 5:00 PM on the Claims Bar Date as defined herein. If a Claim was not received by that date the Creditor shall be forever barred, stopped and enjoined from asserting a Claim against the Plan Applicants and such Creditor shall not be permitted to vote on the Plan or to receive any distributions under the Plan.

3.6 Claims for Voting Purposes

Each Affected Creditor having a Proven Claim shall be entitled to attend and to vote at the Creditor's Meeting. Each Affected Creditors' who is entitled to vote shall be entitled to that number of votes as is equal to the dollar value of its Proven Claim for voting purposes as determined in accordance with this Article 3 and the provisions of the Claims Procedure Order.

Each Unsecured Creditor with an Unsecured Proven Claim that is to be paid in full, pursuant to the Plan, shall, unless casting a vote against the Plan, be deemed to have voted in favour of the Plan regardless as to whether such Unsecured Creditors' votes or not at the Creditor's Meeting either in person or by way of proxy.

ARTICLE 4
PLAN FOR CRA AND AXCESS AND UNSECURED CREDITORS

4.1 Plan Funding

The Plan Applicants will have available to them, after closing of the Half Moon Financing as herein defined, cash totaling approximately $300,000 (the "**Unsecured Creditor Cash Pool**") and Property with which to fund this Plan after taking into account the Administration Charge and the amount payable for Unaffected Claims and Priority Claims.

4.2 Plan for CRA and Axcess Class

If the required majority of Affected Creditors vote to accept the Plan, Axcess and CRA shall each receive from Holdco (see Article 5.1), on the Effective Date, a Promissory Note in the total amount of their Proven Claims, secured by way of a Mortgage Charge as hereinafter contemplated:

a) $10.0 million will be secured by the personal and real property retained by the Plan Applicants and described in Schedules 1, 2 and 3 attached to the Plan ("**Property**"). The security will be subordinated to the security given in accordance with Half Moon Financing and the BC Opco Financing as the case may be (each as defined in Article 5.3).

b) The terms of the security will be agreed between Axcess and CRA and the Plan Applicants but shall provide that Axcess will have priority over CRA in respect of the Half Moon assets, and CRA will have priority over Axcess in respect of BC Opco (as defined in Article 5.1(b)) and BC Saleco (as defined in Article 5.1(c)) assets. The shares of Half Moon shall be pledged to Axcess, and the shares of BC Opco and BC Saleco shall be pledged to CRA;.

c) The Promissory Notes will be interest bearing for a period of 24 months from the Effective Date at 3.5% per year, calculated yearly, not in advance;

d) The Promissory Notes will be repayable within 24 months of the Effective Date, except as otherwise may be agreed to between Axcess and CRA:

(i) The BC Saleco property shall be sold forthwith and, subject firstly to the Administration Charge and subject secondly to security held by the Interim Financing Lending ("DIP Lender") or the BC Opco Financing, as the case may be, CRA shall receive all proceeds from the sale of assets in BC Saleco and additionally proceeds from the sale of any assets in BC Opco (except as required to repay the BC Opco Financing) until it is paid in full;

(ii) Subject to the Administration Charge, Axcess shall receive all proceeds from the sale of assets in Half Moon (except as required to repay the Half Moon Financing) until it is paid in full;

e) Half Moon and BC Opco may elect to defer repayment of the Promissory Notes to a maximum of 30% of their issued value for a further 24 months, however any amounts so deferred shall bear interest at 5% a year, calculated half-yearly, not in advance, commencing on the second anniversary of the Effective Date.

4.3 Plan for Unsecured Creditor Class

a) If the Applicants are successful in arranging the Half Moon Financing, they will establish the Unsecured Creditor Cash Pool and the following will apply:

(i) If the Required Majority of Affected Creditors vote to accept the Plan, on the Effective Date, in full satisfaction, settlement, release and discharge of and in exchange for each Proven Unsecured Creditor Claim, each Unsecured Creditor with a Proven Unsecured Claim will receive its Pro Rata Unsecured Claim Amount; and

(ii) Axcess and CRA will not participate in cash distributions from the Unsecured Creditor Cash Pool and will receive a Promissory Note for their Proven Unsecured Claim in accordance with Article 4.2.

b) If the Applicants are not able to arrange the Half Moon Financing, then Unsecured Creditors, including the Unsecured Claims of CRA and Axcess, shall receive their pro-rated share of any amounts available for such Claims as determined in Article 5.4.

ARTICLE 5
RESTRUCTURING TRANSACTIONS

5.1 Transfer of Real Property and Personal Property

On or before the Plan Implementation Date:

a) Purdy shall have incorporated a new entity ("**Holdco**") and transfer the shares of Half Moon to Holdco. The real and personal property in Half Moon as detailed in Schedule 1 hereto shall be free and clear of all Claims and Charges except the Administration Charge, the Half Moon Financing and security given pursuant to Article 4.2 and applicable non-financial encumbrances;

b) Holdco shall incorporate a new entity ("**BC Opco**"), and the Plan Applicants shall transfer to BC Opco all the BC Bamfield real and personal property, as set out in Schedule 2 hereto;

c) Holdco shall incorporate a second new entity ("**BC Saleco**"), and the Plan Applicants shall transfer to BC Saleco all the BC non-Bamfield real and personal property, as set out in Schedule 3 hereto;

d) The BC real and personal property of the Applicants will be transferred to BC Opco and BC Saleco free and clear of all Claims and Charges except the Administration Charge, BC Opco Financing and security pursuant to Article 4.2 and applicable non-financial encumbrances;

e) For the purposes of this Plan, property transfer as above set out shall be valued at the book value at the Effective Date or such other amount as agreed between the parties (the "**Property Transaction**"). The transfers shall be undertaken in such manner as may be agreed to between the Plan Applicants and CRA and Axcess, and shall be effected by way of an Approval and Vesting Order in the CCAA Proceedings obtained concurrently with the Plan Sanction Order.

f) The shares of Holdco will be owned by Purdy or his nominee, and pledged to Axcess/CRA as set out at Article 4.2(b) above. An Order of the Alberta Court shall be obtained concurrent with the Plan Sanction Order directing that:

(i) the shares of Holdco be held in trust by the Plan Applicants' counsel, Taylor Law Office, until the Promissory Notes issued to Axcess and CRA are satisfied or the Court directs otherwise. Axcess and CRA shall have the right to nominate one director, and Purdy shall have the right to nominate one director, and there shall be no other directors until the shares are released from trust subject to their consent. The initial directors shall be Conan Taylor (nominated by Purdy) and Bill Buterman (nominated by Axcess/CRA).

(ii) so long as any amount remains owing to Axcess or to CRA, neither Purdy, any nominee of Purdy, or any other shareholder or group of shareholders of Holdco, BC Opco, or BC Saleco may execute any Unanimous Shareholder Agreements, and any Unanimous Shareholder Agreements executed by any shareholders of the aforementioned corporations are null and void ab initio.

(iii) Subject to the prior written consent and approval of Axcess and CRA, Holdco may engage a manager or managers as it determines necessary to manage the business and operations of Half Moon and BC Opco and BC Saleco on terms as will be agreed between the parties.

5.2 Termination of Half Moon Campsite Rental Agreements

a) Armac Investments Ltd. (AB) holds the rights to lease a number of Half Moon recreational lots, including 27 that are pledged as security to Axcess;

b) Subject to the approval of this Plan and security being granted to Axcess as contemplated in Article 4.2(b) above, all of the rights of Armac Investments Ltd. (AB) to lease Half Moon recreational lots will be terminated and the rights will revert to Half Moon. Axcess will release and discharge its security over the 27 lots.

5.3 New Financing

a) The Plan Applicants will arrange new financing to pay the Unaffected Creditor claims, Priority Claims, fund the distributions to 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 a $4.5 million, as follows:

(i) $1.5 million 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 (the "**BC Opco Financing**").

b) The Half Moon Financing will be arranged on or before the Plan Sanction Order and utilized to pay:

i) Professional Fees estimated at $350,000 to $400,000;

ii) Property taxes estimated at $200,000;

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

iv) The balance of $600,000 to $650,000 for working capital and an interest reserve.

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

i) Existing Interim (DIP) Financing including accrued interest at $2,125,000;

ii) Bank of Montreal Secured Claim estimated at $75,000; and

iii) Fund an interest reserve and loan fees for the BC Opco new financing for 24 months, and working capital, estimated at $800,000.

5.4 Sale of Property

a) In the event the Plan Applicants are unable to arrange the Half Moon Financing, then the Plan shall not be implemented and subject to further order of the Court:

i) The property of Half Moon shall be liquidated by the Monitor and the proceeds utilized to pay firstly, the Monitor's fees and disbursements (inclusive of any costs of liquidation), secondly, the Unaffected Claims in accordance with their priority in law and the balance to be paid firstly to the Secured Claim of Axcess, secondly to the Secured Claim of CRA and lastly pro rata to Unsecured Creditor Claims;

ii) The property of BC Opco and BC Saleco shall be liquidated by the Monitor and the proceeds utilized to pay firstly, the Monitor's fees and disbursements (inclusive of any costs of liquidation), secondly, the Unaffected Creditors in accordance with their priority in law, thirdly, the Priority Claim of CRA and the balance paid firstly to the Secured Claim of CRA and lastly pro rata to Unsecured Creditor Claims;

b) In the event the Plan Applicants arrange the Half Moon Financing but are unable to arrange the BC Opco Financing, then the Plan shall be implemented and the BC Opco and BC Saleco property liquidated and the proceeds utilized to pay firstly, the Monitor's fees and disbursements (inclusive of any costs of liquidation), secondly, the Unaffected Creditors in accordance with

their priority in law, thirdly, the Priority Claims of CRA and the balance paid firstly to the Secured Claim of CRA and lastly pro rata to Unsecured Creditor Claims; and

c) The Monitor shall be entitled to effect interim distribution from the proceeds of the sale of any of the properties authorized to be liquidated as outlined in Article 5.4(a) and Article 5.4(b).

5.5 Payment to Priority and Unaffected Creditors

Prior to payments being made to the Unsecured Creditors as contemplated by Article 4.3, each Priority Claim and Unaffected Creditor shall receive, in full satisfaction, settlement, release, discharge of and in exchange for, such Priority Claim or Unaffected Creditor claim, cash from the Plan Applicants, in the amount of the Priority Claim or Unaffected Claim or alternatively arrangements have been made to pay such Priority Claim or Unaffected Claim that is satisfactory to the holder of such Priority Claim or Unaffected claim.

ARTICLE 6
CONDITIONS PRECEDENT AND PLAN IMPLEMENTATION

6.1 Conditions Precedent

The implementation of this Plan will be conditional upon the fulfillment or satisfaction of the following conditions:

a) The Approval and Vesting Order and other Orders required under the Plan shall have been served by the Plan Applicants on all of the Creditors and Purdy and no appeal proceedings shall have been commenced by any Creditor or Purdy in respect of any such Order prior to the expiry of the Appeal Period for such Order;

b) The Property Transaction approved by the Court in the Approval and Vesting Order shall have closed;

c) The Half Moon Financing contemplated by Article 5.3 shall have closed;

d) Payments required by Article 5.3 shall have been made or arrangements for payment of the Unaffected Creditors' claims made satisfactory to the Unaffected Creditors and the Plan Applicants;

e) The Plan Applicants shall have taken all necessary corporate actions and proceedings to approve this Plan to enable the Plan Applicants to execute, deliver and perform their obligations under this Plan and any agreements, indentures, documents and other instruments to be executed or delivered pursuant to, or required to give effect to, the terms of this Plan;

f) All governmental, regulatory or other similar consents and approvals from regulatory authorities having jurisdiction over the companies shall have been received and made;

g) The Plan Sanction Order shall have been granted and the Appeal Period shall have expired without an appeal proceedings having been taken or any appeal so taken shall have been finally determined in a manner satisfactory to the Plan Applicants by the appropriate appellant tribunal;

h) The Stay Extension and Meeting Procedure Order shall have been served by the Monitor on all of the Creditors, and no appeal proceedings shall have been commenced by any Creditor in respect of any such Orders, prior to the expiry of the Appeal Periods for such Orders;

i) The proposal of Purdy presented to the Creditors in the Proposal Proceedings shall have been accepted by the Creditors in the Proposal Proceedings, approved by the Court and no appeal proceedings shall have been commenced by any Creditor in respect of any such Order prior to the expiry of the Appeal Period for such Order; and

j) The Monitor has filed a certificate with the Court certifying that all conditions precedent have been fulfilled.

6.2 Plan Implementation

Upon the completion of all conditions set out in Article 6.1, the Plan shall be implemented by the Plan Applicants.

ARTICLE 7
RELEASES

7.1 Released Parties

On the Effective Date, and after the completion of all steps outlined in this Plan, except as provided below, the Plan Applicants, the Monitor, and the past and present legal counsel, directors, officers, employees, agents, affiliates and associates of each of the foregoing parties (the "**Released Parties**") shall be released and discharged by all Creditors, including holders of Creditor Claims against the Plan Applicants and Excluded Applicants, from any and all Claims in connection with the business and affairs of the Company, whenever and however conducted, or this Plan and the CCAA Proceedings, and any Claim that has been barred or extinguished by the Claims Procedure Order shall be irrevocably released and discharged, provided that this release shall not affect the rights of any Person to pursue any recoveries for a Claim that may be obtained against a guarantor or any other Person that may be otherwise obligated at law for such Claim, although there shall be no further recourse against the Released Parties and all such claims are permanently stayed as against the Released Parties.

ARTICLE 8
PROCEDURES FOR RESOLVING DISTRIBUTION IN RESPECT OF DISPUTED UNSECURED CLAIMS AND DISPUTED SECURED EQUIPMENT FINANCIER CLAIMS

8.1 No Distributions Pending Allowance

Notwithstanding any other provision of the Plan, no payments or distributions shall be made with respect to all or any portion of a Disputed Claim unless and to the extent it has become a Proven Claim.

8.2 Disputed Claims Reserve

On the Effective Date or as soon thereafter as is practicable, the Monitor shall establish the Disputed Claims Reserve Account by holding sufficient funds to settle the amount attributable to Disputed Claims in any manner which the Monitor sees fit.

8.3 Distributions After Disputed Claims Resolved

The Plan Applicants shall provide the Monitor with the funds necessary to make all distributions contemplated by the Plan and the Monitor shall make distributions of cash to each holder of a Disputed Claim which has become a Proven Claim in accordance with the provisions of the Plan. The Monitor shall not be required, however, to make distributions earlier or more frequently than as required under the terms of this Plan.

ARTICLE 9
PROVISIONS GOVERNING DISTRIBUTIONS

9.1 Interest on Creditor Claims

Unless otherwise specifically provided for in this Plan or the Plan Sanction Order, interest shall not accrue or be paid on the Unsecured Creditor Claims after the date of the Initial Order, and no holder of an Unsecured Creditor Claim shall be entitled to interest accruing on or after the date of the Initial Order on any Claim. Interest shall not accrue or be paid upon any Disputed Claim in respect of the period from the date it is filed to the date a final distribution is made thereon if and to the extent that such Disputed Claim becomes a Proven Claim.

9.2 Distributions by the Monitor

The Monitor shall make all cash distributions and distribution of Promissory Notes as required under this Plan once provided with adequate funds and details of the Promissory Notes by the Plan Applicants.

9.3 Withholding and Reporting Requirements

In connection with this Plan and all distributions hereunder, the Plan Applicants shall, to the extent applicable, comply with all tax withholding and reporting requirements imposed by any federal, provincial, local or foreign taxing authority, and all distributions hereunder shall be subject to any such withholding and reporting requirements. The Plan Applicants shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements. Notwithstanding any other provision of the Plan:

(i) CRA and Axcess and each holder of a Proven Unsecured Claim that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations, on account of such distribution;

(ii) no distribution shall be made to or on behalf of such holder pursuant to the Plan unless and until such holder has made arrangements satisfactory to the Plan Applicants for the payment and satisfaction of such tax obligations.

ARTICLE 10
GENERAL

10.1 Binding Effect

On the Effective Date, this Plan will become effective and be binding on and enure to the benefit of the Plan Applicants, all Affected Creditors, the past and present directors or officers of the Plan Applicants and all other Persons named or referred to in, or subject to, this Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns. Each Affected Creditor will be deemed to have consented and agreed to all of the provisions of this Plan, in its entirety.

10.2 Paramountcy

From and after the Effective Date, any conflict between the Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, by-laws of the Plan Applicants, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Applicants as at the Effective Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Plan Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed to consent to all transactions contemplated in this Plan.

10.3 Severability of Plan Provisions

If, prior to the date of the Plan Sanction Order, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, as requested by the Monitor, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alternation or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

10.4 Non-Consummation

If the Plan Sanction Order is not issued, the Plan shall be null and void in all respects,

(i) any settlement or compromise embodied in the Plan including the fixing or limiting to an amount certain any Claim or Class of Creditors, any document or agreement executed pursuant to the Plan shall be deemed null and void, and

(ii) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall:

(a) constitute or be deemed to constitute a waiver or release of any Claims by or against any Company or any other Person;

(b) prejudice in any manner the rights of the Company in any further proceedings involving the Company; or

(c) constitute an admission of any sort by the Company or any other Person.

10.5 Responsibilities of the Monitor

The Monitor is acting solely in its capacity as Monitor in the CCAA Proceedings with respect to the Company and will not be responsible or liable for any obligations of the Company. The Monitor will have the powers granted to it by this Plan, by the CCAA and by any Order in the CCAA Proceedings.

10.6 Different Capacities

Persons who are affected by this Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person in writing or unless its Claims overlap or are otherwise duplicative.

10.7 Further Assurances

Each of the Persons named or referred to in, or subject to, this Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Plan and to give effect to the transactions contemplated herein.

10.8 Governing Law

This Plan will be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

10.9 Notices

Any notice of other communication to be delivered hereunder must be in writing and reference to this Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile addressed to the respective parties as follows:

(a) If to the Monitor:

Alvarez & Marsal Canada Inc. in its capacity as
Court-Appointed Monitor of the Company
Suite 570, 202 – 6th Avenue SW
Calgary, Alberta T2P 2R9
Attention: Mr. Tim Reid
Fax: 403 538 7551

Copy to:
Dentons Canada LLP 2900 Manulife Place, 10180 - 101 Street Edmonton, AB T5J 3V5 Canada
Attention: Ray Rutman
Fax: 780-423-7276

(b) If to the Company:

Taylor Law Services
Suite 401, 10722 – 103 Avenue
Edmonton, AB
Attention: Conan Taylor
Fax: (780) 428-7775

Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 4:30 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any Party may from time to time change its address, under this Article 10.9 by notice to the other Party given in the manner provided hereby.

10.10 Waiver of Defaults

From and after the Effective Date, all Persons shall be deemed to have waived any and all defaults existing or previously committed by the Plan Applicants or caused by the Plan Applicants as of the Effective Date or non-compliance with any covenant, warranty, representation, term, provision or condition or obligation, expressed or implied, in any contract, document, lease or other agreement, written or oral, existing between such person and the Plan Applicants and any and all notices of default and demands for payment shall be deemed to have been rescinded. This section does not affect the rights of any Person to pursue any recoveries for a Claim that may be obtained from a guarantor and any security granted by such guarantor.

10.11 Modification of the Plan

(a) Subject to the consent of the Monitor, the Company reserves the right to file any modification of, amendment or supplement to the Plan by way of a supplementary plan or plans of compromise or arrangement or both filed with the Court at any time or from time to time prior to the Creditors' Meeting, in which case any such supplementary plan or plans of compromise or arrangement or both shall, for all purposes, be and be deemed to be a part of and incorporated into the Plan.

(b) The Company shall give written notice to all Creditors with details of any modifications or amendments not less than six clear days prior to the vote being taken to approve the Plan.

(c) Subject to the consent of the Monitor, the Company may propose an alteration or modification to the Plan at the Creditors' Meeting.

(d) After such Creditors' Meeting (and both prior to and subsequent to the Plan Sanction Order) and subject to the consent of the Monitor, the Company may at any time and from time to time vary, amend, modify or supplement the Plan if the Court determines that such variation, amendment, modification or supplement is of a minor, immaterial or technical nature that would not be materially prejudicial to the interest of any of the Creditors under the Plan or the Plan Sanction Order and is necessary in order to give effect to the substance of the Plan or the Plan Sanction Order.

(e) No application to the Court seeking an order to approve a proposed variance, amendment, modification, or supplement of the Plan shall be made except on at least six clear days prior written notice to Axcess, CRA, and the Unsecured Creditors. All materials, including any affidavits, written submissions, briefs of law, and proposed forms of orders, the Company or Monitor intends to present to the Court or rely upon in support of such application must be filed with the Court and served upon Axcess, CRA, and the Unsecured Creditors at least six clear days in advance of any application.

10.12 Deeming Provisions

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

10.13 Judicial Assistance

The Monitor, the Company, Axcess and CRA are given leave to apply to this Honourable Court for such further and other orders as may be necessary or advisable in order to facilitate or assist in the implementation of the Plan or to seek advice and direction with respect to any element of the Plan or its implementation.

ARTICLE 11
EXECUTION

11.1 Effect on Company

This Plan is executed by the Applicants pursuant to the Initial Order of the Court dated December 1, 2011 and is binding and effective on the Company.

DATED as of the 15th day of April, 2014.

Armac Investments Ltd. (AB)
Per:

Lake Eden Projects Inc.
Per:

1204583 Alberta Inc.
Per:

1317517 Alberta Inc.
Per:

Westridge Park Lodge Development Corp.
Per:

Westridge Park Lodge and Golf Resort Ltd.
Per:

Half Moon Lake Resort Ltd.
Per:

No. 50 corporate Ventures Ltd.
Per:

Fishpath Resorts Corporation
Per:

Armac Investments Ltd. (BC)
Per:

Ostrom Estates Ltd.
Per:

Hawkeye Marine Group Ltd.
Per:

Jubilee Mountain Holdings Ltd.
Per:

Giant Mountain Properties Ltd.
Per:

Cherry Blossom Park Development Corp. (BC)
Per:

SCHEDULE I

	Legal Description	Notes	Registered Owner	Mortgagor, Amount and Date	Other encumbrances
Half Moon Lake Resort 21524 Twp. 520	Title #: 932 396 628 SE-6-52-21-4	139 acres	Half Moon Lake Resort Ltd.	1) Armac Investments Ltd. (AB) - $500,000 (Jan.3/02) 2) Armac investments Ltd. (AB) - $1,600,000 (Aug.4/05)	1) Atco Gas and Pipelines Ltd (Jan.13/81) - utility right of way 2) Judges Order (Jan.16/02); 3) Armac Investments Ltd. (AB) (Nov.25/02) - Builder's lien - $161,570 3) CLP - (May 26/03) 4) Various Caveats - leases (May 29/03 to Nov.7/06) 5) Double D Enterprises Ltd (Jan.7/04) - caveat 6) Brayford Trucking Ltd. (June 2/04) - builder's lien - $21,986 7) Strathcona County (Nov.22/05) - Writ 8) Daniel Theriault (Nov.21/05) - Writ 9) Various Caveats (Nov.23/05 - Nov.7/06) - Caveat 10) Armac Investments Ltd. (May 31/07 - Mar 17/08) - leases 11) Clearquest Media Corp (Aug.27/07) - lease 12) S&D International Group Inc. (June 5/09) - CLP 13) Hora Vamos Ventures Inc. (Oct.13/09) - caveat 14) Worker's Compensation Board (Jan.20/10) - certified statement 15) John & June Kuss (June 8/10) - caveat 16) CRA (Oct.22/10) - writ $99,062 17) CRA (Oct.22/10) - writ $61,805 18) CRA (Oct.22/10) - writ $6,533 19) Alberta Health Services (Nov.9/10) - environmental health hazard notice 20) CRA (Dec.2/10) - writ $196,312 21) AAA Boilers & Hydronics (Feb.1/11) - $1,976 22) Strathcona County (March 15/11) - tax notification 23) Alberta Health Services (May 3/11) - environmental health hazard notice
Onoway	Title#: 112 358 456 Plan 7720103; Block S; Lot 26; (5,2,54,35,SW)	7.71 acres	Armac Investments Ltd. (AB)		1) Midwest Surveys Inc. - (Jan.7/09) - builder's lien - $65,520 2) CLP - June 18, 2009

SCHEDULE II

Property	Legal Description	Notes	Registered Owner	Mortgagor, Amount and Date	Other encumbrances
226 Frigate Road (Bamfield Trails Motel)	Parcel: 000-282-553; Lot 2; Section 20; Twn 1; Plan 34316; Barclay District Roll: 05 770 02890.005	1.4 acres (Trails Motel) + Land	Fishpath Resort Corporation	1) 1225534 Alberta Ltd. (April 3/01)	1) BC Hydro & Power Authority (Jan.17/73) - right of way 2) 1225534 Alberta Ltd. - Assignment of Rent (April 3/01) 3) K.Galavan - CPL - (Sept.19/06) 4) Crown in the Right of BC - Hotel Room Tax Lien (Nov.14/08) 5) Crown in the Right of Canada (Mar.4/09) 6) B.Loewen - CPL (Apr.23/10)
216 Frigate Rd. (LP 3) (Hawkeye House)	Parcel: 004-090-381;Lot 1; Section 20; Twn 1; Plan 16439; Barclay District Roll: 05 770 02890.000	17,400 sq ft.	Armac Investment Ltd. (BC)	1) Sea Breeze Construction Ltd. (Sept.30/94) 2) Crown in the Right of Canada (Aug.22/02)	1) K.Galavan - CPL - (Sept.19/06)
251 Frigate Road (LP 5) (Staff House)	Parcel: 003-291-294; Parcel A of Lot 1; Section 20; Twn 1; Plan 22579; Barclay District Roll: 05 770 02886.050	Salmon Outfitters (0.64 acres)	Armac Investment Ltd. (BC)	1) Montreal Trust company (Nov.12/71) (BC telephone company) 2) No.50 Corporate Ventures ltd. (April 40/06) 3) Crown in the Right of Canada (Aug.22/02)	1) BC Telephone Company (Jan. 30/70) - right of way 2) BC Hydro & Power Authority (Jan.17/73) - right of way 3) Assignment of Rents (April 30/96) 4) K.Galavan - CPL - (Sept.19/06)
452 Seaboard Rd. (The Bay House)	Parcel: 017-801-231; Lot 1; Section 20; Twn 1; Plan VIP54368; Barclay District; Roll: 05 770 02882.310	2.28 acres	Armac Investment Ltd. (BC)	1) Wade Gaylard (May 4/94) 2) No.50 Corporate Ventures Ltd. (Sep.23/94) 3) Crown in the Right of Canada (Aug.22/02)	1) HMQBC - (May 28/92) - covenant 2) K.Galavan - CPL - (Sept.19/06)

SCHEDULE II

Property	Legal Description	Notes	Registered Owner	Mortgagor, Amount and Date	Other encumbrances
200 Binnacle Road (Upper Bayhouse)	Parcel: 000-977--179; Lot C; Section 20; Twn 1; Plan 38547; Barclay District; except part in Plan VIP54368 Roll: 05 770 02882.300	3.01 acres	Armac Investment Ltd. (BC)	1) Crown in the Right of Canada (Aug.22/02)	1) K.Galavan - CPL - (Sept.19/06)
331 Bamfield/221 Nuthatch Rd (Kingfisher Lodge & Marina)	Parcel: 014-852-985; Lot A; Section 20; Twn 1; District Lot 782; Plan 49089; Barclay District Roll: 05 770 02898.000	1 acre	The BC Crown (Armac Investment Ltd. (BC) undivided 2/3 Interest) Dianna Shorter (undivided 1/3 Interest)		1) HMQBC - charge on undersurface rights - (Sept.27/89) 2) Kim Galavan - CPL (Sep.19/06)
75 Bamfield Boardwalk (Bamfield Inn)	Parcel: 000-204-315; Lot 3, Section 19; Barclay District; Plan 36032 Roll:05 0770 02830.005	0.83 acres	Armac Investment Ltd. (BC)	1) Federal Business Development Bank (March 11/91) 2) Crown in the Right of Canada (Aug.22/02)	1) K.Galavan - CPL - (Sept.19/06)
448 Seaboard Rd. (Ostroms Marine)	Parcel: 008 594 015 Block A of SW 1/4 section 20, Twn 1; Barclay District except part in Plan 19909 Roll: 05 770 02879.000	1.72 acres	Armac Investment Ltd. (BC)	1) Montreal Trust Company (Nov.12/71) (BC telephone company) 2) 446208 BC Limited (Sept.27/96) 3) Crown in the Right of Canada (Aug.22/02)	1) BC Telephone Company (March 6/69) - right of way 2) BC Hydro & Power Authority (Jan.17/73) - right of way 3) K.Galavan - CPL - (Sept.19/06)
448 Seaboard Rd. (Ostroms Marine)	Parcel: 003-706-311; Lot 1; Section 20; Twn 1; Plan 19909; Barclay District Roll: 05 770 02879.010	0.28 acres	Armac Investment Ltd. (BC)	1) 446208 BC Limited (Sept.27/96) 2) Crown in the Right of Canada (Aug.22/02)	1) BC Hydro & Power Authority (March 10/78) - right of way 2) K.Galavan - CPL - (Sept.19/06)

SCHEDULE II

Property	Legal Description	Notes	Registered Owner	Mortgagor, Amount and Date	Other encumbrances
420 Pachena Road (The White House)	Parcel: 003-524-213; Lot 1; Section 20; Twn 1; Plan 20233; Barclay District Roll: 05 770 02902.010	H.M.Group Office - 6 Acres 5.85 acres	Armac Investment Ltd. (BC)	1) Crown in the Right of Canada (Aug.22/02)	1) HMQBC - (June 19/75) - covenant 2) Crown in the Right of Canada (Aug.20/03) - judgment 3) K.Galavan - CPL - (Sept.19/06) 4) Crown in Right of BC (March 9/10) - property transfer tax act charge 5) B.Loewen (April 23/10) - judgment
598 Bamfield Rd. MHR.#B14340 (Warehouse & Sawmill)	Parcel: 003-317-641; Block C of NW 1/4 Section 17; Twn 17; Barclay District Roll: 05 770 02769.110	3.82 acres	Armac Investment Ltd. (BC)	1) Crown in the Right of Canada (Aug.22/02)	1) HMQBC - charge on undersurface rights - (Feb.2/86) 2) BC Development Corp - Covenant (Dec.2/86) 3) Kim Galavan - CPL (Sep.19/06)
399 Binnacle Road (Airport)	Parcel: 008-691-363; NE 1/4 of NE 1/4 of Section 17; Twn 1; Barclay District Roll: 05 770 02770.000	40 acres	Armac Investment Ltd. (BC)	1) Crown in the Right of Canada (Aug.22/02)	1) Alberni Clayoquot Regional District (March 30/00) - covenant 2) Kim Galavan - CPL (Sep.19/06)
Grappler Road Bamfield 300- All Bamfield	Parcel: 000-787-744; Lot 2, Plan 23308, Section 20; Twn 1; Barclay District Roll: 05 770 02899.015	Land and Building (5.36 acres)	Armac Investment Ltd. (BC)	1) Crown in the Right of Canada (Aug.22/02)	1) Crown in the Right of BC - undersurface rights 2) Regional District of Alberni-Clayoquote (May 21/96) - covenant 3) Crown of Canada (Aug.20/03) - Judgement 4) K.Galavan - CPL - (Sept.19/06) 5) Crown of BC - Property Transfer Tax charge (March 9/10) 6) Byron Loewen - Judgement (Apr.23/10)

SCHEDULE II

Property	Legal Description	Notes	Registered Owner	Mortgagor, Amount and Date	Other encumbrances
469 Bamfield Inlet (Burlo Island)	Parcel: 018-843-310; Lot 2; Section 19; Township 1; Barclay District; Plan VIP59185 Roll: 05 770 02776.002		John K Purdy	1) Monreal Trust Company (Nov.12/71)	1) BC Telephone Company (October 11/68) - right of way 2) BC Hydro & Power Authority (Jan.17/73) - right of way 3) Her Majesty the Queen in the Right of BC (June 22/94) - covenant 4) Her Majesty the Queen in the Right of BC and Regional District of Alberni-Clayquot (June 22/94) - covenant
450 Rance Island (Ranco Island)	Parcel: 006-249-540; Lot 1; Section 20; Twn 1; Plan 3047; Barclay District Roll: 05 770 02881.000	6.8 acres land 640sq.ft. building	Armac Investment Ltd. (BC)	1) Crown in the Right of Canada (Aug.22/02)	1) BC Hydro & Power Authority (Feb.4/75) - right of way 2) K.Galavan - CPL - (Sept.19/06)

SCHEDULE III

Property	Legal Description	Notes	Registered Owner	Mortgagor, Amount and Date	Other encumbrances
7382 Rincon Rd (Sprout Lodge)	Parcel: 000-286-885; Lot 5; District Lot 39; Alberni District; Plan 1877 Roll: 05 770 00722.500	9.7 acres	Armac Investment Ltd. (BC)	1) CRA, $4,120,117.87, August 22/02 (judgement against Armac security);	1) Esquimalt and Nanaimo Railway Company - registered owner charge; 2) Crown of Canada - Judgement (Aug.20/03); 3) Kim Galavan - CPL (Sep.19/06) 4) Crown of BC - property tax transfer (Mar.9/10)
5968 River Rd. Port Alberni (Somass Lodge)	Parcel: 007-175-698; Lot 23; block 18, District Lot 9; Plan 1585; Alberni District	50 x 109 ft	Armac Investments Ltd (BC)	1) Bank of Montreal (Dec.31/07); 2) Crown in the Right of Canada (Aug.22/02)	1) BC Hydro & Power Authority (Jan.14/82) - right of way 2) Her Majesty the Queen in the Right of Canada (Aug.3/03) 3) Kim Galavan - CPL - (Sept.19/06) 4) Crown of BC - property tax transfer act charge (March 9/03) 5) Byron Loewen - Judgement (April 23/10) 6) BMO - CLP (March 24/11)
4356 Gertrude St. Port Alberni (Auto Court & Motel)	Parcel: 000-287-296; 000-287-342; 000-287-393 Lot 10; Block 4A, District Lot 1, Alberni District, Plan 197	33,484 sq.ft	Armac Investments Ltd (BC)	1) Evergreen Savings Credit Union (Dec.1/99);	1) Alberni Land Company Limited and Esquimalt and Nanaimo Railway Company; 2) Evergreen Savings Credit Union - assignment of rent (Dec.1/99) 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)
5611 Culverton Rd.	Parcel; 003 851 168 Lot 1; Sec.8, Range 6, Sahtlam District; Plan 12309 Duncan Rural Roll: 03 765 03588.055	18.37 acres land Utility blg- 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

SCHEDULE III

Property	Legal Description	Notes	Registered Owner	Mortgagor, Amount and Date	Other encumbrances
3425 River Road, Chemainus	Parcel: 001-160-141; Plan 31422; Lot 2; Sections 14 & 15; Range 3; Chemainus district Roll: 16472-000	7.51 acres 1,223 sq.ft bldg	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 - bulider's lien (Nov.24/09) 7) Crown of BC - property tax charge (Mar.9/10) 8) B.Loewen - Judgement (July 13/10)
8335 Meshers Road	Parcel: 008-428-565; The South 1/2 of District Lot 51; Alberni District Roll: 05 770 00885.000	80 acres land 1360 sq ft building	John K Purdy	1) Ladysmith & District Credit Union (June 20, 2000) 2) Armac Investments Ltd (June 30, 2000)	1) Esquimalt and Nanaimo Railway Company - registered owner charge; 2) Her Majesty the Queen in the Right of Canada (May 30/02); 3) The Crown in the Right of Canada - judgement (Aug.19/09) (against Armac 2nd mortgage) 4) Ladysmith Credit Union - CPL (July 26, 2011)

APPENDIX C

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	**INSTRUCTIONS TO CREDITORS**

Clerk's Stamp

_____, 2014

TO: CREDITORS OF ARMAC INVESTMENTS LTD. (AB), LAKE EDEN PROJECTS INC. (AB), HALF MOON LAKE RESORT LTD. (AB), FISHPATHS RESORTS CORPORATION (BC), ARMAC INVESTMENT LTD. (BC), OSTROM ESTATES LTD. (BC), HAWKEYE MARINE GROUP LTD. (BC), AND CHERRY BLOSSOM PARK DEVELOPMENT CORP. (BC) (collectively, the "Plan Applicants")

Re: Meeting of the Creditors of the Plan Applicants to consider and vote on a resolution to approve the Plan Applicants Plan of Arrangement pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "Plan")

We enclose in this package the following documents for your review and consideration:

1. the Notice to Creditors;
2. the Meeting Procedure Order;
3. the Plan proposed by the Plan Applicants;
4. the Monitor's Twenty Second Report regarding the Plan; and
5. a blank Instrument of Proxy and completion instructions.

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan

The purpose of these materials is to provide you with the documents required to facilitate the determination and settlement of your Affected Claims, and to enable you to consider the Plan and vote to accept or reject the Plan at the Meeting of Creditors to be held on Thursday, May 15, 2014 at 10:00 a.m. (Edmonton time) at the offices of Dentons Canada LLP, Suite 2900, 10180-101 Street, Edmonton, Alberta, T5J 3V5 (or such other date or time as may be extended by this Honourable court) (the "**Creditors' Meeting**").

PROXY

If a Creditor wishes to vote at the Creditors' Meeting and is not an individual or is an individual who will not be attending the Creditors' Meeting in person, please complete the enclosed instrument of Proxy and provide it to the Monitor or by sending it to the Monitor by facsimile transmission or by email, at the fax number and email address noted below, so that it is received by the Monitor no later than 5:00p.m. (MST) on May 14, 2014. You are required to provide the instrument of Proxy to the Monitor by this deadline or to the Chair prior to the commencement of the Creditors' Meeting if you wish to appoint a proxy to cast your vote at the Creditors' Meeting. However, your failure to vote at the Creditors' Meeting will not affect any right you have to receive any distribution that may be made to Affected Creditors under the Plan.

FURTHER INFORMATION

If you have any questions regarding the process or any of the enclosed forms, please contact Alvarez & Marsal Canada Inc. at the following address:

Alvarez & Marsal Canada Inc.
Bow Valley Square I
Suite 570, 202-6th Avenue SW
Calgary, Alberta T2P 2R9
Attention: Jill Strueby
Phone: (403) 538-7522
Fax: (403) 538-7551
Email: jstrueby@alvarezandmarsal.com

You can view copies of the documents relating to this process on the following website: www.amcanadadocs.com/purdy

		Clerk's Stamp
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	**INSTRUMENT OF PROXY** **April 15, 2014**	

MEETING OF CERTAIN CREDITORS OF ARMAC INVESTMENTS LTD. (AB), LAKE EDEN PROJECTS INC. (AB), HALF MOON LAKE RESORT LTD. (AB), FISHPATHS RESORTS CORPORATION (BC), ARMAC INVESTMENT LTD. (BC), OSTROM ESTATES LTD. (BC), HAWKEYE MARINE GROUP LTD. (BC), AND CHERRY BLOSSOM PARK DEVELOPMENT CORP. (BC) (collectively, the "Plan Applicants") to be held pursuant to an Order of the Alberta Court of Queen's Bench (the "**Court**") in connection with a Plan of Arrangement proposed by Plan Applicants under the *Companies' Creditors Arrangement Act* (Canada) (the "**Plan**") on May 15, 2014 at 10:00 a.m. (MST) in the offices of:

Dentons Canada LLP
Suite 2900, 10180-101 Street
Edmonton, Alberta T5J 3V5

And at any adjournment thereof.

Before completing this instrument of Proxy, please read carefully the instructions accompanying this instrument of Proxy for information respecting the proper completion and return of this instrument of Proxy.

THIS INSTRUMENT PROXY MUST BE COMPLETED AND SIGNED BY THE CREDITOR AND PROVIDED TO THE MONITOR, ALVAREZ & MARSAL CANADA INC., BY 5:00 P.M. (MST) ON MAY 14, 2014 PRIOR TO THE MEETING OR WITH THE CHAIR PRIOR TO THE COMMENCEMENT OF THE MEETING OR ANY ADJOURNMENT THEREOF IF ANY PERSON ON SUCH CREDITOR'S BEHALF IS TO ATTEND THE MEETING AND VOTE ON THE PLAN OR IF SUCH CREDITOR WISHES TO APPOINT AN OFFICER OF THE MONITOR TO ACT AS SUCH INSTRUMENT OF PROXY.

THE UNDERSIGNED CREDITOR hereby revokes all proxies previously given and nominates, constitutes and appoints _____ or, if no person is named, Tim Reid of Alvarez & Marsal Canada Inc. in its capacity as Monitor, or such other representative of the Monitor as the Monitor may designate, as nominee of the Undersigned Creditor, with full power of substitution, to attend on behalf of and act for the undersigned Creditor at the Meeting of Creditors of The Purdy Group to be held in connection with the Plan and at any and all adjournments thereof, and to vote the amount of the undersigned Creditor's Affected Claims for voting purposes as determined pursuant to the Creditors' Meeting Order, the Claims Process, the Plan, the CCAA and any further order of the Court as follows:

A. (mark one only):

- ☐ VOTE FOR approval of the Plan; or
- ☐ VOTE AGAINST approval of the Plan

-and-

B. vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Creditor with respect to any amendments or variations to the Plan and to any other matters that may come before the Creditors' Meeting of the Plan Applicants or any adjournment thereof.

DATED this_ day of _____, 2014.

_____
Print Name of Creditor

_____
Signature of Creditor. If the Creditor is a corporation, signature of an authorized signing officer of the Corporation.

_____
Title of the authorized signing officer of the corporation, if applicable.

_____
Email address and phone number of the Creditor

_____
Mailing address of the Creditor

INSTRUCTIONS FOR COMPLETION OF PROXY

1. Each Creditor who has a right to vote at the Creditors' Meeting has the right to appoint a person (who need not be an Creditor) to attend, act and vote for and on behalf of such Creditor and such right may be exercised by inserting in the space provided the name of the person to be appointed. **If no name has been inserted in the space provided, the Creditor will be deemed to have appointed Tim Reid of the Monitor (or such other representative of the Monitor as the Monitor may designate) as the Creditor's proxy holder.**

2. **If an officer of Alvarez & Marsal Canada Inc. is appointed or is deemed to be appointed as proxy holder and the Creditor fails to indicate on this ordinary creditors' proxy a vote for or against approval of the Plan, this instrument of proxy will be voted FOR approval of the Plan.**

3. If this instrument of proxy is not dated in the space provided, it will be deemed to be dated on the date it is received by the Monitor.

4. This instrument of proxy must be signed by the Creditor or by the Creditor's attorney duly authorized in writing or, if the Creditor is a corporation, by a duly authorized officer or attorney of the corporation with an indication of the title of such officer or attorney.

5. Valid proxies bearing or deemed to bear a later date will revoke this ordinary creditors' proxy. If more than one valid proxy for the same Creditor and bearing or deemed to bear the same date are received with conflicting instructions, such proxies will be treated as disputed proxies and will not be counted.

6. This instrument of proxy should be sent to the Monitor by delivery, facsimile or email at the address set out below so that it is received by the Monitor no later than 5:00 p.m. (MST) on May 14, 2013.

Alvarez & Marsal Canada Inc.
Court Appointed Monitor of Plan Applicants
Bow Valley Square I
Suite 570, 202 6th Avenue SW
Calgary, AB T2P 2R9
Attention: Jill Strueby
Phone: (403) 538-7522
Fax: (403) 538-7551
Email: jstrueby@alvarezandmarsal.com

		Clerk's Stamp
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	**NOTICE TO CREDITORS**	

NOTICE IS HEREBY GIVEN that ARMAC INVESTMENTS LTD. (AB), LAKE EDEN PROJECTS INC. (AB), HALF MOON LAKE RESORT LTD. (AB), FISHPATHS RESORTS CORPORATION (BC), ARMAC INVESTMENT LTD. (BC), OSTROM ESTATES LTD. (BC), HAWKEYE MARINE GROUP LTD. (BC), AND CHERRY BLOSSOM PARK DEVELOPMENT CORP. (BC) (collectively, the "Plan Applicants") has filed with the Alberta Court of Queen's Bench (the "Court") a Plan of Arrangement dated April 15, 2014 (as amended from time to time, the "**Plan**") pursuant to the *Companies' Creditors Arrangement Act* (Canada), as amended (the "**CCAA**").

The Plan contemplates the compromise of rights and claims of certain creditors of the Plan Applicants (as defined in the Plan, "**Affected Creditors**"). Affected Claims (as that term is defined in the Plan) of Affected Creditors constitute two (2) classes as established in the Plan, the "**Affected Creditors Classes**".

NOTICE IS ALSO HEREBY GIVEN that a meeting of the Creditors (as that term is defined in the Plan) (the "Creditors' Meeting") will be held at Dentons Canada LLP, Suite 2900, 10180-101 Street, Edmonton, Alberta, T5J 3V5 at 10:00 a.m. (MST) on May 15, 2014 for the purpose of considering and, if thought advisable by the Creditors, voting in favour of, with or without variation, a resolution to approve the Plan and to transact such other business as may properly come before such Creditors' Meeting or any adjournment thereof. The Creditors' Meeting is being held

pursuant to the Order of the Court made on April 17, 2014 by the Honourable Mr. Justice D.R.G. Thomas (the "**Creditors' Meeting Order**").

The quorum for the Creditors' Meeting has been set by the Creditors' Meeting Order as the presence, in person or by proxy, at the Creditors' Meeting of one (1) Creditor.

To become effective, in respect of the Affected Creditors' Class, the Plan must be approved by a majority in number of Affected Creditors who represent at least two-thirds in value of the Voting Claims (as defined in the Plan) of the Creditors who actually vote on the resolution approving the Plan (in person or by proxy) at the Creditors' Meeting. The Plan must also be sanctioned by a final order of the Court under the CCAA.

NOTICE IS ALSO HEREBY GIVEN that such order will besought on June 5, 2014 at 2:00 p.m. (MST). At that time, the Plan Applicants will also seek the other relief specified in the Plan. Subject to the satisfaction of the conditions to implement of the Plan, all Affected Claims of Affected Creditors will then receive the treatment set out in the Plan unless otherwise ordered by the Court.

The value of each Affected Claim for voting purposes has or will be determined pursuant to the Creditors' Meeting Order, the Claims Procedure, the Plan, the CCAA, and any further order of the Court.

Any Creditor who is entitled to vote at the Creditors' Meeting but is unable to attend the Creditors' Meeting is requested to date, sign and return the enclosed form of proxy in the return envelope provided. In order to be used at the Creditors' Meeting, a proxy must be deposited with the Monitor, at the address below, at any time prior to 5:00 p.m. on May 14, 2014 before the Creditors' Meeting, or with the Chair of the Creditors' Meeting prior to the commencement of the Creditors' Meeting or any adjournment thereof.

The Monitor's address for the purpose of filing forms of proxy and for obtaining any additional information or materials related to the Creditor's Meeting is:

Alvarez & Marsal Canada Inc.
Court Appointed Monitor of The Plan Applicants
Bow Valley Square I
Suite 570, 202 6th Avenue SW
Calgary, AB T2P 2R9
Attention: Jill Strueby
Phone: (403) 538-7522
Fax: (403) 538 7551
Email: jstrueby@alvarezandmarsal.com

This notice is given by the Monitor pursuant to the Creditors' Meeting Order.
You can view copies of the documents relating to this process on the following website www.amcanadadocs.com/purdy.

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan.

DATED this _____day of _____, 2014.

Rules for Creditors' Meetings

1. Creditors' Meeting shall be held at the date, time and place specified in the Notice to Creditors.

2. The Creditors' Meeting shall be held in accordance with these Rules, any prior Order of the Court, and any provisions of the Plan of Arrangement and Compromise dated April 15, 2014 (the "Plan") respecting the conduct of the Creditor's Meetings. Where the above are silent, the Meeting shall be held in accordance with the most recent edition of *Roberts' Rules of Order.*

3. The Chair of the Creditors' Meeting shall be Tim Reid, CA of the Monitor, Alvarez & Marsal Canada Inc., or another representative of the Monitor as designated by the Monitor. The Chair shall decide all matters relating to the conduct of the Creditors' meetings.

4. The Scrutineers of the Creditors' Meetings shall be employees of the Monitor, as designated by the Chair.

5. The only person entitled to attend a Creditors' Meeting are the Chair and members of the Monitor, officers and directors of the Plan Applicants, those persons entitled to vote at the Creditors' Meeting (including the holders of proxy) and legal counsel of any person entitled to attend. Any other person may be admitted only on the invitation of the Chairman.

6. A quorum for a Creditors' Meeting shall be one person entitled to vote representing in person or by proxy.

7. The Plan to be put to the Creditors' Meeting shall be the Plan dated April 15, 2014, as amended at any time prior to the Creditors' Meeting.

Proxies

8. The Plan Applicants may solicit proxies to be used at the Creditors' Meetings. Solicitations of proxies shall be primarily by mail and may also be made by way of newspaper publication, in person or by telephone, fax, email or oral communication by directors, officers and employees of the Corporation.

9. The Monitor shall provide Creditors, along with the Plan, an instrument of Proxy.

10. The persons named as representatives in the instrument of Proxy accompanying the Notice to Creditor is a representative of the Monitor. A Creditor wishing to appoint a person (who need not be a Creditor) other than the persons designated in the instrument of Proxy to represent such Creditor at the relevant Meeting may do so either by inserting such Person's name in the blank space provided on the applicable instrument of Proxy or by completing another appropriate instrument of proxy.

11. To be valid, the completed Form of Proxy or other appropriate instrument of proxy must be sent or delivered to the offices of **Alvarez & Marsal Canada Inc., Bow Valley Square I, Suite 570, 202 6th Ave SW, Calgary, Alberta T2P 2R9, Attention: Jill Strueby** and must be received:

    (i) prior to 5:00 pm (MST) on May 14, 2014; or

    (ii) delivered prior to the commencement of the Creditors' Meeting or any adjournment thereof.

    Failure to so deposit the proxy will result in the invalidation of the proxy.

12. A proxy must be executed by the Creditor, or if the Creditor is a corporation, the proxy must be signed in its corporate name by an authorized officer whose title should be indicated. A proxy signed by a person acting in some other representative capacity should indicate such person's capacity (following his signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Plan Applicants and the Monitor).

13. A Creditor who has given a proxy may revoke it, as to any matter on which a vote had not already been cast pursuant to its authority, by an instrument in writing executed by the Creditor, and deposited either at the above-mentioned office of Alvarez & Marsal Canada Inc. on or before the last business day preceding the date of the Creditors' Meeting to which such instrument of proxy relates, or any adjournment thereof, or with the Chair of the applicable Meeting on the day of the Meeting, or any adjournment thereof

14. The Persons named in the instrument of proxy will vote the debt in respect of which they are appointed for in accordance with the direction of the Creditor appointing them on any ballot that may be called for and where the Creditor giving an instrument of proxy specifies a choice with respect to any matter to be voted upon, the debt will be voted in accordance with the instructions of that Creditor. **In the absence of any such direction, such debt will be voted FOR the approval of the Plan and any amendment proposed under clause 22 below.**

15. **The Form of Proxy accompanying the Notice to Creditor confers discretionary authority upon the Persons named therein with respect to amendments or variations to the matters identified in the Notices of Meetings and in the Notice to Creditor and with respect to other matters that may properly come before the Meetings.** At the date of the sending of the Plan, the management of the Plan Applicants knows of no amendments, variations or matter to come before the Creditors' Meetings other than the matters referred to in the respective notices of the Creditors' Meetings (if any).

Agenda and Documents to be Tabled

16. The following Agenda for the Creditors' Meeting may only be amended upon the unanimous by dollar Motion of the Creditors.

17. The Chair shall:

    (a) table the following documents:

        (i) Notice to Creditors and Affidavit of Mailing;
        (ii) The Twenty-Second Report of the Monitor
        (ii) Proof of Advertisement; and
        (iii) The Plan.

    (b) state that Notice of the Creditors' Meeting and all other required material has been sent to the Creditors entitled to vote at the Meeting and shall ask whether any Person wishes to inspect the Proof of Service.

    (c) appoint a Secretary for the Creditors' Meeting.

18. The Chair shall ask for someone to move and second a motion dispensing with the reading of the Notice of the Meeting. A voice vote shall be taken.

19. The Chair shall then ask the Scrutineers for their report on attendance. The Scrutineers shall report whether the persons present constitute a quorum. If no quorum is present, the meeting shall be adjourned by the Chair. If the Scrutineers report that a quorum is present, the Chair shall declare that the Meeting is properly constituted.

20. The Chair shall then ask for someone to move and second a motion that the Plan be adopted by the relevant class of creditors.

21. Upon this motion being moved and seconded, the Chair will open the floor for discussion.

22. Amendments to the Plan are to be made only in accordance with Article 10.11 of the Plan. Any amendment proposed not in accordance with Article 10.11 is not in order. When a valid amendment is proposed, the Chair shall determine the appropriate procedure to deal with the amendment.

23. On satisfying him or herself that there is no further discussion or amendments, the Chair shall put the motion to adopt the Plan to a vote.

24. Voting shall be done by ballot. Each Creditor having a claim in the class shall be entitled to one vote at the Creditors' Meeting of that class for each $1.00 of such Creditors' Accepted Claim for Voting Purposes as determined in accordance with Article 3 of the Plan and listed on the Class Creditors' List.

25. At the completion of voting upon the approval of the Plan, the Chair shall announce the result of the vote. The results of the vote shall be stated in terms of:

(a) a percentage in number of those Creditors actually voting upon the Plan at the applicable Creditors' Meeting; and

(b) a percentage in value of the Accepted Claims for Voting Purposes of the creditors of such class actually voting upon the Plan.

26. The motion to approve the Plan succeeds if it obtains both a majority of those Creditors actually voting upon the Plan at the applicable Creditors' Meeting, and two-thirds of the value of the Accepted Claims for Voting Purposes of Creditors of such class actually voting upon the Plan.

27. If the motion for the approval of the Plan has succeeded, the Chair shall ask for a motion to terminate the Creditors' Meeting. If the motion for the approval of the Plan has failed the Chair shall ask for a motion to adjourn the Creditors' Meeting.

APPENDIX D

Purdy Group of Companies Plan of Arrangement and Purdy Proposal
Consolidated Liquidation Analysis vs. Proposed Plan Distributions
(see attached Notes which are integral to this Analysis - April 15, 2014)

		Liquidation Analysis			Plan Distribution
		Low	High		
Total Proceeds Available	**Note 1**	**7,644,375**	**10,192,500**		**1,500,000**
Less: CCAA Priority Claims:					
CCAA Priority Charges	**Note 2**	(2,750,000)	(2,750,000)		(600,000)
Future Liquidation Costs/operations costs	**Note 3**	(732,219)	(1,009,625)		(600,000)
Total Priority Claims		(3,482,219)	(3,759,625)		(1,200,000)
Available Funds for Deemed Trust and Secured Creditor Claims		**4,162,156**	**54%**	**6,432,875**	**63%**	
Less payments to deemed trust and secured claims:					
Deem trust (CRA)	**Note 4**	(111,146)	(111,146)		
Axcess Security on Armac (AB)	**Note 5**	(1,141,677)	(1,722,217)		
CRA (Plan)	**Note 6**	(2,331,689)	(2,331,689)		
CRA (Proposal)	**Note 6**	(1,200,000)	(1,200,000)		
Remaining secured creditors	**Note 7**	(72,248)	(72,248)		
		(4,856,760)	(5,437,301)		-
Funds Available to Distribute to Unsecured Creditors		-	**995,574**		**300,000**
Total corporate and Purdy Unsecured Claims					
CRA Corporate claims	**Note 8**	(167,135)	(167,135)	2.5%	-
CRA Claim against Purdy personally	**Note 9**	(1,281,285)	(1,281,285)	18.8%	-
Axcess guarantee claim in Proposal proceedings	**Note 10**	(4,306,323)	(4,306,323)	63.3%	-
Other Purdy Proposal creditors	**Note 11**	(10,507)	(10,507)	0.2%	(10,507)
Other CCAA creditors	**Note 12**	(1,043,156)	(1,043,156)	15.3%	(1,043,156)
		(6,808,407)	(6,808,407)	100%	(1,053,663)
Unsecured Cash Recovery	**Note 13**	**0%**	**15%**		**28.5%**
Unsecured Creditor Cash Recovery					
CRA Corporate claims		-	24,440	2.5%	-
CRA Claim agains JP		-	187,359	18.8%	-
Axcess guarantee claim in Proposal proceedings		-	629,701	63.3%	-
Other JP Proposal creditors		-	1,536	0.2%	(3,000)
Other CCAA creditors		-	152,538	15.3%	(297,000)
		-	995,574	100%	(300,000)

Purdy Group of Companies Plan of Arrangement and Purdy Proposal
Consolidated Liquidation Analysis vs. Proposed Plan Distributions
Notes

1. Total proceeds available are from all remaining properties owned by the Plan Applicants and Purdy personally. Early in the CCAA process, the Monitor obtained various independent market evaluations from several commercial real estate agents and compare these values to the 2012 and 2013 property tax assessment values. The liquidation values are the Monitor's best estimate as to the possible proceeds that may be realized if the properties were to be sold on a forced liquidation basis.

2. CCAA priority charges include estimated property tax arrears, Interim Financing (DIP) Loan and interest payments on the DIP Loan and the Administration Charge.

3. Future liquidation costs relate to estimated professional fees and costs associated with liquidating the remaining properties owned by the Plan Applicants and Purdy personally.

4. CRA has deemed trust claims in Half Moon which will be paid in priority to all other Half Moon claims.

5. Axcess has a registered general security agreement ("GSA") over Armac (AB). Armac (AB) has a receivable from Fish Path Resorts and Half Moon. In the liquidation scenario it is assumed Axcess recovers its proportionate share of the Half Moon and Fish Path receivables. Additionally, Axcess has security over 27 Half Moon lots and it is estimated realizations on those lots are between $250,000 and $500,000.

6. CRA has a proven Secured Claim against Armac (BC) and Ostroms. CRA also has judgments registered at the personal property and registry ("PPR") and against land owned by Purdy and has a secured claim for the amount of $1.2 million personally.

7. Remaining secured creditors are mainly an outstanding mortgage to Bank of Montreal for approximately $63,000 and other claims filed by Her Majesty the Queen in the Right of the Province of British Columbia, Worker's Compensation Board and Her Majesty the Queen in the Right of Canada by the Minister of National Revenue.

8. CRA CCAA Unsecured Claims against the Plan Applicants.

9. CRA personal Claims against Purdy personally.

10. Axcess' claim under a guarantee given by Purdy.

11. Unsecured claims filed and accepted in Purdy's proposal proceedings in addition to claims filed in the CCAA proceedings.

12. Unsecured Creditors Claims of the CCAA proceedings.

13. On a liquidation basis it is estimated that Unsecured Creditors, including Axcess and CRA unsecured claims, would receive a payout in the range of 0% to 16% of their Proven Claim. Whereas under the Plan, Unsecured Creditors (excluding Axcess and CRA Claims) would receive 28.5% of their Proven Claims and Axcess and CRA will receive Promissory Notes in the full amount of their Unsecured Claims that are payable over time and subject to realization from the sale of remaining assets.

APPENDIX E

Purdy Group of Companies
Updated Forecast Cash Flow
For the period of March 22, 2014 to June 6, 2014 (the "Forecast Period")
(in CDN dollars)

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	TOTAL Forecast Week 124 to 133
	Week 123 28-Mar-14	Week 124 4-Apr-14	Week 125 11-Apr-14	Week 126 18-Apr-14	Week 127 25-Apr-14	Week 128 2-May-14	Week 129 9-May-14	Week 130 16-May-14	Week 131 23-May-14	Week 132 30-May-14	Week 133 6-Jun-14	
Receipts												
Half Moon Lake Resort receipts	5,000	5,000	5,000	-	10,000	-	5,000	-	5,000	-	5,000	40,000
Other receipts	-	-	-									-
Total operating receipts	5,000	5,000	5,000	-	10,000	-	5,000	-	5,000	-	5,000	40,000
Funds from Monitor's Trust Account	125,000	20,000	-	-	-	-	-	-	-	-	-	145,000
Total receipts	**130,000**	**25,000**	**5,000**	**-**	**10,000**	**-**	**5,000**	**-**	**5,000**	**-**	**5,000**	**185,000**
Disbursements												
Half Moon Lake expenses	-	15,000	2,500	2,500	-	2,500	-	5,000	2,500	-	2,500	32,500
Repayment of funds to Monitor's trust account	9,200	-	-	-	-	-	-	-	-	-		9,200
Management Fees	-	4,000	-	-	-	5,000	-	-	-	-	5,000	14,000
Total disbursements	9,200	19,000	2,500	2,500	-	7,500	-	5,000	2,500	-	7,500	55,700
LBVR management agreement disbursements												
Release of funds to LBVR	-	-	-	-	-	-	-	-	-	-	-	-
Total operating & LBVR disbursements	9,200	19,000	2,500	2,500	-	7,500	-	5,000	2,500	-	7,500	55,700
Restructuring professional fees												
- Monitor	40,000	5,000	-	-	-	-	-	-	-	-	-	45,000
- Proposal trustee	17,500	-	-	-	-	-	-	-	-	-	-	17,500
- Company Counsel	22,500	2,500	-	-	-	-	-	-	-	-	-	25,000
- Monitor Counsel	45,000	2,500	-	-	-	-	-	-	-	-	-	47,500
Total restructuring professional fees	125,000	10,000	-	-	-	-	-	-	-	-	-	135,000
Total disbursements	**134,200**	**29,000**	**2,500**	**2,500**	**-**	**7,500**	**-**	**5,000**	**2,500**	**-**	**7,500**	**190,700**
Net change in Applicant cash	(4,200)	(4,000)	2,500	(2,500)	10,000	(7,500)	5,000	(5,000)	2,500	-	(2,500)	(5,700)
APPLICANT CASH BALANCE												
Opening cash	8,394	4,194	194	2,694	194	10,194	2,694	7,694	2,694	5,194	5,194	8,394
Net change in operating cash	(4,200)	(4,000)	2,500	(2,500)	10,000	(7,500)	5,000	(5,000)	2,500	-	(2,500)	(5,700)
Ending Cash	4,194	194	2,694	194	10,194	2,694	7,694	2,694	5,194	5,194	2,694	2,694

Purdy Group of Companies
Updated Forecast Cash Flow
For the period of March 22, 2014 to June 6, 2014 (the "Forecast Period")
(in CDN dollars)

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	TOTAL Forecast Week 124 to 133
	Week 123 28-Mar-14	Week 124 4-Apr-14	Week 125 11-Apr-14	Week 126 18-Apr-14	Week 127 25-Apr-14	Week 128 2-May-14	Week 129 9-May-14	Week 130 16-May-14	Week 131 23-May-14	Week 132 30-May-14	Week 133 6-Jun-14	
FUNDS HELD BY MONITOR												
Opening Cash	148,309	32,509	12,509	12,509	12,509	12,509	12,509	12,509	12,509	12,509	12,509	148,309
Collection of funds - other	9,200	-	-	-	-	-	-	-	-	-	-	9,200
Release of funds to Applicants (for LBVR)	-	-	-	-	-	-	-	-	-	-	-	-
Release of funds to Applicants (for operations)	(125,000)	(20,000)	-	-	-	-	-	-	-	-	-	(145,000)
	(115,800)	(20,000)	-	-	-	-					-	(135,800)
Ending cash	32,509	12,509	12,509	12,509	12,509	12,509	12,509	12,509	12,509	12,509	12,509	12,509
TOTAL AVAILABLE CASH FOR GENERAL RESTRUCTURING												
Applicant ending cash balance	4,194	194	2,694	194	10,194	2,694	7,694	2,694	5,194	5,194	2,694	2,694
Total Funds held by Monitor	32,509	12,509	12,509	12,509	12,509	12,509	12,509	12,509	12,509	12,509	12,509	12,509
Less: Funds held for LBVR Agreement	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)
Cash held in trust per Court Order	(20,000)	-	-	-	-	-					-	-
Cash held for general restructuring	9	9	9	9	9	9	9	9	9	9	9	9
Cash available for general restructuring	**4,203**	**203**	**2,703**	**203**	**10,203**	**2,703**	**7,703**	**2,703**	**5,203**	**5,203**	**2,703**	**2,703**

Jack Purdy
President & Chief Executive Officer

DATE