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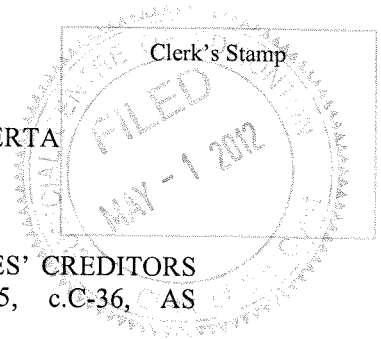
COURT OF QUEEN'S BENCH OF ALBERTA

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), 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" or the "Applicant's")

DOCUMENT

**THIRD REPORT OF THE MONITOR**

**APRIL 27, 2012**

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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 third report of the Monitor (the "Third Report") is to provide the Court with an update in respect of the following:
  - a) an operational and restructuring update since the second report of the Monitor (the "Second Report");
  - b) the Purdy Group's request from this Honourable Court to allow the Applicants to enter into listing agreements with a real estate agent for certain of its non-core properties, subject to Monitor consent;
  - c) the Purdy Group's request from this Honourable Court to amend, on a *nunc pro tunc basis*, the maximum expenditure (preservation cost) limit of \$50,000 to \$100,000 only for any one property pursuant to paragraph 6(a) of the Initial Order;
  - d) the Purdy Group's request from this Honourable Court to direct certain property sale proceeds from a foreclosure proceeding to be paid to the Monitor;
  - e) an update on the action commenced against the Purdy Group regarding the Lake Eden Funds since the date of the Second Report;
  - f) an analysis of the actual to forecast cash flow results for the period from January 28, 2012 to April 20, 2012 (the "Reporting Period");

- g) the revised cash flow projections (the “Updated Forecast”) from April 21, 2012 through June 29, 2012 (the “Forecast Period”);
  - h) an update on the claims process since the Second Report;
  - i) the Purdy Group’s request for an extension to the Stay Period until, and including June 29, 2012; and
  - j) the Monitor’s recommendations.
4. Capitalized terms not defined in this Third Report are as defined in the Initial Order, the First Report, the Second Report and the Claims Procedure Order.
  5. The style of cause has either an (AB) or (BC) after each of the corporate Applicant company names. The Monitor understands this was done to indicate in which province the corporate applicants are located, and that those letters do not form a part of the legal name of the company. There are two different corporate entities with the name Armac Investments Ltd, one is a British Columbia (“B.C.”) corporation and the other is an Alberta corporation.
  6. All references to dollars are in Canadian currency unless otherwise noted.

#### **TERMS OF REFERENCE**

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

## **BACKGROUND**

8. The Purdy Group is a group of privately-held companies engaged in the business of property acquisition, development and sale in the Provinces of Alberta and British Columbia, as well as the management of operating businesses on the lands. The primary assets are geographically located mainly on the West Coast of Vancouver Island, British Columbia and in or around Edmonton, Alberta
9. The Purdy Group entities are owned 100% by its sole owner, director and officer, Mr. John (Jack) Kenneth Purdy (“Jack Purdy”), either directly or through holding companies, legally and beneficially.
10. Further background to the Purdy Group and their operations and description of the Purdy Group properties are contained in the materials filed relating to the Initial Order including the November 25, 2011 affidavit of Jack Purdy (the “November 25<sup>th</sup> Purdy Affidavit”) and in the First Report and Second Report of the Monitor. These documents, together with other information regarding this CCAA proceeding, have been posted by the Monitor on its website at: [www.alvarezandmarsal.com/purdy](http://www.alvarezandmarsal.com/purdy).

## **OPERATIONAL UPDATE**

### ***Fishpath Resorts Corporation (“Fishpath Resort”)***

#### Bamfield Trails Motel

11. As previously discussed in the First Report, Fishpath Resorts (commonly referred to as the Bamfield Trails Motel) is one of the Purdy Groups operating companies. It operates a 36-room hotel, 65-seat liquor establishment, 50 seat restaurant, pool and spa.
12. During the Reporting Period, the Applicants made a number of repairs to the Bamfield Trails Motel and it is now operating with 34 available rooms and the pub/restaurant fully open for patrons.

13. Bamfield Trails Motel is currently receiving a few reservations from its customers to stay at this resort but expects reservations and occupancy to increase over the spring and summer months such that it will generate positive cash flow.
14. The Purdy Group is also currently in negotiations with a local science centre to provide housing accommodations to approximately 70 students for a 3-month period in summer 2012 at its other four lodging facilities, described below.

***Armac Investment Ltd. (BC)***

Hawkeye & King Fisher Lodge & Marina

15. The Monitor has been advised that two of Purdy Group's properties, 216 Frigate Road (the "Hawkeye House") and 331 Bamfield/221 Nuthatch Road (the "King Fisher Lodge & Marina") are now operational and the Purdy Group has completed the majority of the preservation costs to these properties as discussed further below. However, there is some additional work that will be needed to repair the King Fisher Lodge & Marina dock's when cash flows allow for it (however, it is currently not scheduled to be fixed in the Updated Forecast).
16. The Purdy Group is currently accepting reservations at this lodge and has a 5-person booking currently schedule at the Hawkeye House. In addition, the Monitor further understands that the Purdy Group has cleaned and prepared the 18- camper/RV site, located just outside the Hawkeye House, for use by renters.

Bay Lodge

17. The Purdy Group has advised the Monitor that its property located at 452 Seaboard Road (the "Bay Lodge") has started a detailed cleaning and repair of the lodge, including the repairs to the roof, and will be ready for occupancy by June 1, 2012.

### Staff House/Salmon Outfitters Lodge

18. The Purdy Group has started repairs on the roof of this lodge that is located at 251 Frigate Road and will be complete within the coming weeks. The Purdy Group believes that the cost to repair the roof of the lodge will not be significant, but is needed to preserve the asset. The Purdy Group does not intend to operate this lodge for this 2012 season.

### Port Alberni Properties

19. The Monitor has been advised about the status of the following Port Alberni Properties currently owned by Armac Investment Ltd. (BC):
  - a) Somass Lodge (5968 River Road). This lodge previously had undesirable tenants renting the lodge that cause some damage to the facility, but they are now gone and the lodge is now vacant. The lodge is currently being cleaned up and repaired for future rental use;
  - b) Sprout Lodge (7398 Rincon Road). The roof of this lodge has been repaired along with all interior damage due to vandalism some time ago. The upstairs lodge and the ground floor bedroom suite are both presently advertised for rent on a month to month basis; and
  - c) 8335 Meshers Road. The Purdy Group has repaired the roof and replaced a new hot water tank and water pressure system. This property is scheduled to be rented by the end of April 2012 on a month to month basis.

### ***Half Moon Lake Resort Ltd. ("Half Moon")***

20. As previously discussed in the Second Report, Half Moon presently has 216 serviced customer RV sites, a general store and other recreational facilities for the enjoyment of its clients.

21. The Purdy Group continues its site preparation and repairs and maintenance for the upcoming opening of Half Moon Lake by May 18, 2012, as discussed below.
22. The Purdy Group intends to incur the costs set out in the Updated Forecast below to remediate these deficiencies and complete its preservation costs and is expecting to recover some of these costs if Half Moon Lake has a successful opening, as demonstrated in the Updated Cash Flow.

***Financial Statements***

23. The Purdy Group has completed in draft, some of the outstanding financial statements and these have been included in the affidavit of Jack Purdy (the “April 26<sup>th</sup> Purdy Affidavit”) and have updated and include certain other financial statements that were previously included in the November 25<sup>th</sup> Purdy Affidavit.
24. However, the Monitor has been advised that the Purdy Group continues to work on completing a set of financial statements for the following Applicant’s:
  - a) Lake Eden Projects Inc. (AB) (“Lake Eden”);
  - b) Westridge Park Lodge Development Corp. (AB) (“WPLDC”);
  - c) Westridge Park Lodge and Golf Resort Ltd. (AB) (“WPLGR”);
  - d) Jubilee Mountain Holdings Ltd. (BC) (“Jubilee”);
  - e) Giant Mountain Properties Ltd. (BC) (“Giant”); and
  - f) Cherry Blossom Park Development Corp (BC) (“Cherry”).
25. Over the course of the Reporting Period, the Monitor stressed the urgency and importance to have all the Applicant financial statements completed for its review and for this Honourable Court. In response to these repeated requests of the Monitor, the Purdy Group acknowledged the importance of completing these financial statements; however, the Purdy Group has experienced various difficulties obtaining certain financial information in completing them.



26. In addition, the Purdy Group has attempted to obtain certain accounting records from a previous accounting firm that completed the Lake Eden and Cherry financial statements; however, this accounting firm has not been cooperative in releasing this information. The Purdy Group has advised that it is taking steps to recover this financial information and requesting that this accounting firm release the records pursuant to the Initial Order.
27. The Purdy Group's contract accountant has been assisting the Purdy Group since March 2011 and has made progress to complete and update the various 16 Applicant entities financial statements. The contract accountant has indicated that he needs additional time to complete the financial statements for six of the Applicants – Lake Eden, WPLDC (a shell company that owns the shares of WPLGR) and WPLGR (shell company), as well as, Jubilee, Giant and Cherry that each own one property and are non-operating entities.
28. The Purdy Group advised the Monitor that it expects to have all the remaining financial statements available for this Honourable Court by the end of May 2012.

### ***Insurance***

29. The Monitor understands that the Purdy Group currently has corporate liability insurance on Half Moon that expires on May 20, 2012 and is in the process of renewing this policy for an effective date of May 15, 2012.
30. The Monitor further understands that the Purdy Group also has arranged for corporate liability insurance for Bamfield Trails Motel (226 Frigate Road).
31. The Monitor has been advised that the Purdy Group is currently reviewing the need/requirement of additional liability insurance to cover its other entire rental or operating properties if it decides to operate these properties in the near future.
32. The Purdy Group does not carry property insurance. We have discussed this with the Purdy Group and they do not feel the cost of the insurance is warranted in light of the coverage that could be obtained.

### ***Consultant***

33. The Applicants have engaged Sam Sidhom of Pantera AB Holdings Inc. as a consultant (the “Consultant”) to provide an independent assessment of the Hawkeye Group of Properties, the Half Moon Lake property and the Westridge property.
34. The Consultant will report directly to the Applicants and the Monitor. The Monitor is supportive of this initiative and is of the view that such assistance will help it more fully understand the ability of the Applicants to either improve financial and operating performance of properties to be retained or whether some or all of the properties should be sold as is.
35. The Consultants initial report should be available by May 15, 2012.

### ***Employees / Contractors***

36. The Purdy Group has been able to retain its core, but limited, contractors and has arranged for the continuation of services from its suppliers, allowing the Purdy Group to continue to operate in the normal course.

### **RESTRUCTURING UPDATE**

37. The Monitor has had numerous discussions with Jack Purdy regarding restructuring options available and the progress being made towards putting forth a viable Plan to its creditors.
38. The Second Report, discussed that the Applicants, with the assistance of the Monitor segmented the properties into four groups based on the nature and preliminary intentions for each:
  - a) Half Moon Lake Resort
  - b) Hawkeye Group of Properties
  - c) Non Core Properties; and

d) Alberta Properties in Foreclosure

39. The properties contained in each of the above groups are unchanged since the Second Report and detailed in the attached Appendix A.
40. As discussed in the Second Report, in order to put forward a Plan to their creditors, the Applicants are making operational changes to enhance the value of its property and intend to restructure its balance sheet to reduce their secured debt. It is expected that the restructuring will be accomplished under the protection of the CCAA and under the supervision of the Monitor and prior to a plan being put forward to the creditors.
41. The status of each of the property groups as set out below:

*Half Moon Lake*

42. Half Moon Lake is a 139 acre resort located in the County of Strathcona. It is currently closed due to Orders issued by Alberta Health and Alberta Environment. The value of Half Moon Lake will likely be substantially enhanced if the resort is operational. This will allow the Applicants to generate needed cash flow from the operation of the resort to help fund ongoing restructuring activities. It will also allow the sale of the remaining 172 recreational vehicle rental/lease lots.
43. The Applicants intend to commence marketing and selling the lots once the resort is operational and the term of the rental/lease agreement is resolved as discussed below. The majority of the proceeds from the sale of lots would be utilized to fund a plan to creditors.
44. The Applicants have made significant progress in their efforts to open the resort this season. At the time of the Second Report, the applicants were hopeful the resort would be open by May 15, 2012. The Applicants believe they are still on track for opening on May 18, 2012, which is the traditional May long weekend opening.

45. The Applicants have been working diligently and closely with Alberta Environment and Alberta Health to satisfy their requirements and obtain the necessary licenses and approvals to vacate the Enforcement Orders preventing the resort from opening.
46. In order to operate the resort, the Applicants are required to obtain certain licenses and approvals under the Environmental Protection and Enhancement Act (“EPEA”). Fulfilling the requirements of the EPEA required a significant time commitment on the part of Mr. Purdy and the Applicants legal counsel. On April 10, 2012 the Applicants were advised that they had been granted a Water Act diversion licence and certain other approvals to operate a waterworks system and a wastewater system at Half Moon Lake and that the Enforcement Order previously issued under the EPEA has been closed.
47. The Applicants are now in the process of installing the approved waterworks and wastewater systems which are necessary to meet the requirements of the licenses and approvals. Once those are installed Alberta Health and Alberta Environment can perform their inspections and if satisfactory the remaining Enforcement Order of Alberta Health will likely be vacated and the resort will be able to open. The Applicant expects to be ready for the Alberta Health inspection prior to the traditional May long weekend opening, which is May 18, 2012.
48. The Applicant has received estimates aggregating approximately \$90,000 to install the equipment referenced in the above paragraph. The Monitor understands that the Purdy Group is requesting approval from this Honourable Court for an increase in the capital expenditure on this property, as discussed further below.
49. The rental/lease agreements that are currently available for sale have an initial term of 35 years and the remaining term is now less than 30 years. The Applicants believe that the value of rental/lease agreements would be increased if the term could be extended beyond the initial term and are seeking to amend the remaining rental/lease agreements. The County of Strathcona is objecting to

extending the term. The Applicants counsel is dealing with that matter and may bring a court application in the near future to finally determine whether the rental/lease agreements can be extended or the resort is entitled to the benefit a bare land strata title of the RV sites.

### ***The Hawkeye Group of Properties***

50. The Hawkeye Group of properties is the most significant group, consisting of three properties in Port Alberni, B.C. and 16 properties in Bamfield, B.C. The Applicants are of the view that the most value can be achieved from these properties if they are marketed on an en bloc basis and in line with their vision of developing the properties into an eco tourism destination resort. In that regard the Applicants previously spent significant resources in planning the development and making applications to the Alberni Clayquot Regional District for rezoning and subdivision of the various properties. The Applicants had limited success in its previous efforts and ran out of resources to pursue the development further. Over time, some of the properties deteriorated significantly and were in need of immediate repair in order to preserve buildings and restore some to an operating condition.
51. At the time of the Second Report, it was the hope of the Applicants that a marketing strategy would be in place by this time. However, the location, complexity and state of repair of the properties has led to rethinking the available strategies and a requirement for more due diligence on the options to deal with the Hawkeye Group property.
52. A lender has expressed preliminary interest in possibly financing some redevelopment if it can be shown that it will be viable. Consequently, the applicant has engaged a Consultant as discussed above to provide an independent assessment of the Hawkeye Group properties. The Consultant is expected to provide an initial report to the Applicants and the Monitor by mid May. Depending upon that report, the Consultant may be further engaged to assist with

developing and implementing a strategy. The Monitor is supportive of further due diligence work.

53. Bamfield is a small remote town and the properties are of such a nature that a traditional real estate sale would likely take a significant period of time to absorb the properties. Any forced sale strategies would likely result in a substantial reduction in realizations and impact the nature of any plan to be put to the creditors.
54. The Applicants have been working diligently since our last report in making preservation repairs and restarting operations of some of the properties. Examples include:
  - a) Roof replacements, general repairs and clean up of the Bamfield Trails Hotel, restaurant and pub, which are now up and operating.
  - b) General repairs and clean up and rental of a number of cabins.
  - c) General repairs and start up of the Hawkeye and Kingfisher Marina's
  - d) Roof replacement at a number of lodges.
55. The capital expenditures in the Bamfield Trails Hotel (226 Frigate Road) may soon exceed \$50,000 and therefore form part of the Purdy Group's request to seek an increase in capital expenditures from this Honourable Court, as discussed further below.
56. The Applicants have also been meeting with the Alberni Clayquot Regional District and have been working towards obtaining approvals for subdivision of certain of the properties. Subdivision and various other development approvals and permits, should increase the value of the properties and as the majority of work was done previously there has been little cost to the initiative. Further information on the Clayquot Regional Districts position on this should be known in the next 30 to 45 days.

57. All of the Hawkeye Group properties have B.C. property tax arrears and 15 of the 19 properties are currently registered in the name of the B.C. Crown because of the property tax arrears. The Applicants still have the ability to regain title by paying the property tax arrears which aggregate approximately \$445,000. The Applicants have no ability to pay the arrears from cash flow and are considering interim financing (“DIP financing”) to pay the arrears and revest the properties in its name. That will be necessary for any refinancing or sale of the properties.
58. Substantially all of the Hawkeye Group properties have CRA mortgages and/or judgments against them. Many of the properties have other third party judgments registered against them. Now that the Claims Procedure Process is underway and the claims bar date passed, the Monitor will be able to better assess the validity of the encumbrances.
59. The Monitor expects that a strategy for the Hawkeye Group of properties will be agreed to between management and the Monitor by the end of June.

#### ***Non-Core Properties***

60. The restructuring process involves the immediate sale of all the Non-Core Properties. The Monitor understands that it is likely that the sale of the Non-Core Properties will require a further six to nine months to accomplish.
61. The Purdy Group, with the assistance of the Monitor, sent out a request for proposal (“RFP”) to five marketing entities (the “Candidates”) to determine how best to market and package the Purdy Group properties as part of its realization strategy as discussed further below.
62. As previously discussed in the Second Report, the Non-Core properties include 10 properties in B.C. and one property in Alberta. The Applicants have completed their assessment of remedial work and have received listing proposals from various Candidates. The Applicants intend to list these properties through a fairly standard realty sale process as listing prices agreed to with the Monitor.

63. The property located at 8335 Meshers Road is registered in the name of Jack Purdy is currently in foreclosure proceedings and CRA by reason of its judgement has a Conduct of Sale Order. Further, Lady Smith Credit Union has a first mortgage and Armac (BC) has a second mortgage over the property. The foreclosure process is stayed; however, the property is listed with and will remain listed with Coast Realty until it is sold or the listing expires on August 30, 2012. One offer was received on this property, but it was substantially below the appraised value and the Applicants rejected the offer with the concurrence of the Monitor. Any reasonable offer will be considered. Proceeds from the sale will firstly be used to cover sales commission and direct sales expenses, secondly, to satisfy any encumbrances in priority to the Lady Smith Credit Union and lastly to Armac (BC) or the Monitor to be held in trust pending order of the Court.
64. The two properties at 3620 3<sup>rd</sup> Avenue, the property at 3203 2<sup>nd</sup> Ave and the property at 3211 2<sup>nd</sup> Ave, Port Alberni were listed with Coast Realty under standard listing agreements. These listing agreements expired in March 2012 and the Applicants will be re-listing the properties.
65. The Applicants had been awaiting a rezoning application in respect of the 5611 Culverton Road property before listing it as the Applicants believe that rezoning would greatly enhance the value. The rezoning application received final approval by the Cowichan Valley Regional District on April 11, 2012. This property is in the name of the B.C. crown as a result of unpaid taxes of approximately \$45,000. The Applicants intend to pay these taxes which will cause the property to revert in the Applicant Cherry Blossom and facilitate it being listed for sale.
66. The property at 3425 River Road, Chemainus and the three Giant Mine properties will be listed as the encumbrances can now be dealt with as a result of the claim process.
67. The value and saleability of the Onoway property is questionable, due to its location; however, the Applicant is looking at possible interaction with a



neighbouring development property in order to enhance the value. A creditor, Onoway Solutions Inc has proposed to take that property in satisfaction of its claim of approximately \$85,000 and release of its purported security against certain of the Hawkeye Group of Properties. The Applicant with the assistance of the Monitor is reviewing this verbal proposal.

68. Titles to the Non-Core Properties are subject to a number of caveats and encumbrances. The Monitor, in conjunction with the claims process, commenced at the last extension application has been assessing the validity and priority of the encumbrances. With the claims bar date of April 2, 2012 being past, that assessment will be completed shortly and an application may be made to discharge all caveats or encumbrances that are not considered valid.

#### ***Alberta Properties in Foreclosure***

69. With the exception of the Sherwood Park property, the foreclosure processes have all been stayed by the CCAA proceedings
70. With the consent of the Applicants and the concurrence of the Monitor, Royal Bank of Canada (“RBC”) continued with its foreclosure over the Sherwood Park property. On April 10, 2012 an Order was granted in the foreclosure proceedings approving a sale at \$455,000. The sale is scheduled to close on May 15, 2012. A copy of the Order is attached as Appendix B to this report.
71. The Order provides that the proceeds be used to firstly pay selling costs and other charges that rank in priority to RBC. The balance is then to be paid into court. The Applicants are of the view that the balance remaining will be approximately \$170,000 and are seeking an Order in the CCAA process to have the proceeds paid to the Applicants or Monitor, to be utilized in the Applicants restructuring process. The Monitor supports this position as:
  - a) The caveats on title subordinate to the RBC mortgage include writs by the Federal Crown and B. Loewen, a Certificate of Lis Pendens by

S&D International Group Inc and a Notice of intention to sell under the Civil Enforcement Act;

- b) The registered owner of the property is Armac (AB) and to the best of the Monitors knowledge, the caveats filed are all unsecured creditors who are stayed by the CCAA proceedings;
- c) The proceeds are required by the Applicants to fund its cash flow during the restructuring.

- 72. The property at 15625 Stony Plain Road is listed for sale with Trikon Properties. However, this property is the subject of an ownership dispute that is currently being review by the Monitor and the Purdy Group.
- 73. The Westridge property options are being assessed by the independent Consultant as noted above and consequently no decisions will be made on a realization strategy until that assessment is received.

#### **RETENTION OF A LISTING AGENT(S)**

- 74. Pursuant to the Initial Order, the Purdy Group is allowed to pursue all avenues of refinancing of its operations and property, in whole or in part, subject to prior approval of this Court and/or other means to identify the best methods to realize on the company's assets for the general benefit of all the creditors.
- 75. In this regard, the Purdy Group, with the support of the Monitor, believes it is necessary to retain the services of one or more listing agents to properly market certain Purdy Group properties with the goal of maximizing realizations for all creditors and stakeholders.
- 76. In mid-March 2012, the Monitor, with instruction from the Purdy Group, sent out a RFP to the Candidates to act as listing agent(s) of certain or all properties owned by the Purdy Group. The RFP requested that the Candidates outline in their

proposals as to how the Purdy Group properties would be sold (i.e. *enbloc*, piecemeal, time-line, etc). The RFP's were due by March 31, 2012.

77. The Monitor believes that the five Candidates that submitted a proposal to market the properties are all qualified.
78. The Purdy Group, with the assistance of the Monitor, are continuing to review the submitted proposals from the Candidates and will shortly be selecting one or more Candidates to market the Non-Core Properties.
79. The Purdy Group should also be in a position to determine if any of the remaining properties should be listed for sale. This depends partly on the independent Consultants report on these properties, as discussed above.
80. The Monitor supports the Purdy Group's request of this Honourable Court to enter into various listing agreements or its Non-Core Properties, subject to the Monitor's consent.

#### **REQUEST FOR CAPITAL EXPENDITURE INCREASE**

81. Paragraph 6(a) of the Initial Order limits the capital expenditure on any one property to \$50,000. As discussed above, the Purdy Group has been diligently obtaining estimates and completing certain capital works to its operating properties (mainly, Bamfield Trails Motel and Half Moon Lake).
82. Due to higher than expected costs and additional work required, the Purdy Group has currently spent approximately \$5,000 over the court ordered limit of \$50,000 on the Bamfield Trails Motel. In addition, the Purdy Group is expecting that it will require more than \$50,000, but less than \$100,000 to complete additional work at Bamfield Trails Motel and the remaining work required at Half Moon Lake. .
83. Accordingly, the Applicants are seeking this Honourable Court's approval, on a *nunc pro tunc basis*, to increase the maximum expenditure (preservation cost)

limit of \$50,000 to \$100,000 only for any one property pursuant to paragraph 6(a) of the Initial Order. The aggregate amount spent on all properties of \$500,000 provided under the Initial Order would remain unchanged.

84. The Monitor supports the increase, based on the view that an operating resort has greater value than a closed resort and that the Updated Forecast prepared by the Purdy Group demonstrates positive cash flow from the Bamfield Trails Motel and Half Moon.

## **LAKE EDEN FUNDS HELD IN TRUST**

### ***Byron Loewen Garnishee Application***

85. As reported in the Monitor's First and Second Reports, the Monitor at the direction of the Court, held in trust \$320,000 pending further order of the Court in respect of an application by Byron Loewen ("Loewen") seeking to have the funds paid to him in satisfaction of a judgement against Lake Eden (the "Lake Eden Contested Funds").
86. On February 15, 2012, an order was granted by this Honourable Court authorizing the Monitor to draw on the Lake Eden Contested Funds for its purposes including payment to the Applicants for payments approved by the Monitor (the "Lake Eden Funds Order"). The Monitor has periodically paid a portion of the funds to the Applicants for payment of approved expenditures as set out in the Applicants cash forecasts. The Monitor anticipates the Lake Eden Contested Funds will be exhausted by the end of the proposed stay extension period.

### ***Campenhout Application***

87. Pursuant to a Consent Order dated December 13, 2011, the Monitor continues to hold \$100,000 in trust pending further Order of the Court. There have been no further steps taken by the parties to the Consent Order.

## ACTUAL TO FORECAST RESULTS – JANUARY 28, 2012 TO APRIL 20, 2012

### Overview

88. The actual to forecast cash flow presented at Appendix C to this report for the Reporting Period contains the actual cash receipts and disbursements relating to the Purdy Group as compared to the cash flow forecasts previously provided to this Court in the Second Report (the “Second Report Forecast”). The table below provides a summary of the actual to forecast cash flow:

<b>The Purdy Group</b>			
<b>Actual to Forecast Cash Flow Results</b>			
<b>for the period of January 28, 2012 to April 20, 2012</b>			
	<u>ACTUAL</u>	<u>FORECAST</u>	<u>VARIANCE</u>
	<b>Week 10 to Week 21</b>	<b>Week 10 to Week 21</b>	<b>Week 10 to Week 21</b>
	<b>Jan.28/12 - Apr.20/12</b>	<b>Jan.28/12 - Apr.20/12</b>	<b>Jan.28/12 - Apr.20/12</b>
<b>Receipts</b>	350,007	322,250	27,757
<b>Operating disbursements</b>	226,108	359,200	133,092
<b>Restructuring costs</b>	-	150,000	150,000
<b>Net change in cash flow</b>	123,898	(186,950)	310,848
<b>Opening cash</b>	229,422	229,422	-
<b>Net change in cash flow</b>	123,898	(186,950)	310,848
<b>Ending cash</b>	353,320	42,472	310,848

89. Receipts for the Reporting Period totalled \$350,007, representing a positive variance of \$27,757 from the receipts set out in the Second Report Forecast. This positive variance was primarily due to:

- a) positive variance of \$14,218 from Fishpath Resort due to management opening the Bamfield Trails Motel for operations sooner than previously expected; and
  - b) positive variance of \$13,539 relating to strata fees collected from lease holders that were not previously forecast.
90. Operating disbursements for the Reporting Period totalled \$226,108 representing a positive variance of approximately \$133,000. This variance was primarily due to the timing of:
- a) a negative variance of approximately \$26,000 relating to higher than expected operating and general and administrative costs in re-opening the Bamfield Trails Motel;
  - b) a negative variance of approximately \$13,000 relating to higher than expected maintenance costs in preparation for the re-opening of Half Moon Lake;
  - c) a positive variance of approximately \$27,000 due to the timing of Consultant fees that are now estimated to occur in the Forecast Period;
  - d) a positive variance of approximately \$95,000 relating to the timing of the property tax arrears payments on the Non-Core Properties, but will have now been included in the Updated Forecast;
  - e) a positive variance of approximately \$12,500 in lower than expected contingency payments made in the Reporting Period; and
  - f) a positive variance of approximately \$37,500 relating to the timing of certain preservation costs expected to further occur at Half Moon Lake and Fishpath in the Forecast Period;

91. Restructuring fees incurred were not paid in the Reporting Period of \$150,000 for professional services rendered during the CCAA proceeding, but have now been included for payment in the Updated Forecast.
92. The ending total cash balance as at April 20, 2012 was \$353,320 compared to the forecast cash balance amount of \$42,472, for the reasons discussed above.

***Professional Fee Retainers***

93. Below is a chart reconciling the restructuring retainer fees that were paid and approved by the Purdy Group (as discussed in the Second Report) to its counsel and the Monitor to pay for professional services during the CCAA proceedings:

<b>The Purdy Group</b>				
<b>Reconciliation of restructuring retainer fees</b>				
<b>December 15, 2011 to April 20, 2012</b>				
	<b>Opening balance</b>	<b>Invoices paid</b>	<b>Estimated accrual</b>	<b>Ending balance</b>
Purdy Group's counsel	150,000	74,741	-	75,259
Monitor and its counsel	325,000	78,908	115,000	131,093
Proposal Trustee retainer (NOI)	50,000	50,000	-	-
	<b>525,000</b>	<b>203,649</b>	<b>115,000</b>	<b>206,351</b>

94. The Monitor's and its counsel's invoices for services rendering from January 1, 2012 to February 29, 2012 for \$125,341.24 and \$17,834.94 (includes GST), respectively, were approved by Purdy and are scheduled to be paid in the Forecast Period.
95. The estimated accruals are amounts that have not been invoiced to the Purdy Group by its counsel and the Monitor for services rendered to April 20, 2012.

**UPDATED CASH FLOW FORECAST THROUGH JUNE 29, 2012**

96. The Purdy Group, with the assistance of the Monitor, has prepared an Updated Forecast for Forecast Period, which is attached as Appendix D. Management has prepared the Updated Forecast based on the most current information available.
97. The table below summarizes cash flow for the Forecast Period:

<b>Purdy Group Updated Forecast</b>	<b>April 21/12 to June 29/12</b>
<b>RECEIPTS</b>	
Fishpath trade sales and rental receipts	153,220
Half Moon Lake Resort receipts	131,620
Proceeds from sale of foreclosed property	170,000
<b>Total receipts</b>	<b>454,840</b>
<b>DISBURSEMENTS</b>	
Fishpath operating disbursements	61,950
Half Moon Lake Resort disbursements	101,100
Management fees, wages and salaries	14,800
Consultant fees and expenses	25,000
Property tax payments	110,000
Contingency	10,000
Preservation, repair and marketing costs	132,700
<b>Total operating disbursements</b>	<b>455,550</b>
<b>Restructuring fees</b>	<b>295,000</b>
<b>Total disbursements</b>	<b>750,550</b>
<b>NET CHANGE IN CASH FLOWS</b>	<b>(295,710)</b>
<b>OPENING CASH</b>	<b>353,320</b>
<b>NET CHANGE IN CASH FLOWS</b>	<b>(295,710)</b>
<b>ENDING CASH</b>	<b>57,610</b>

98. As summarized above, the Purdy Group is projecting total cash receipts of approximately \$454,840, cash disbursements for operations of approximately



\$455,550 and restructuring fees and retainer payments of approximately \$295,000, resulting in a net decrease in cash of approximately \$295,710 during the Forecast Period.

99. The Monitor has reviewed the assumptions supporting the Updated Forecast with the Purdy Group management and believes the assumptions to be reasonable; however, it is difficult to assess the operating revenue and expense levels since Bamfield Trails Motel and Half Moon Lake have been not fully operational for over a year.
100. Significant assumptions made by the Purdy Group management with respect to the Revised Forecast are:
  - a) collection of rental, beverage and food receipts from the Bamfield Trail Motel and other Armac Investment Ltd (BC) lodge properties as discussed above of approximately \$153,200;
  - b) strata fee collection and rental RV receipts from Half Moon Lake of approximately \$131,000;
  - c) anticipated proceeds from the sale of the Strathcona Project of approximately \$170,000, subject to court approval;
  - d) operating costs relating to Half Moon, Fish Path (Bamfield Trails Motel) and the remaining Armac Investment Ltd. (BC) properties of approximately \$62,000;
  - e) payment of property tax arrears of the Non-Core Properties and the upcoming years property tax for Half Moon Lake and Bamfield Trails Motel of approximately \$60,000 and \$50,000, respectively;
  - f) management, wages and salaries and contractor fees of approximately \$40,000;

- g) preservation costs of approximately \$133,000 anticipated to be paid for the Half Moon Lake property, Bamfield Trails Motel and remaining Armac Investment Ltd. (BC) lodge properties;
  - h) contingency costs of approximately \$10,000.
- 101. Based on the Purdy Group's assumptions, the Revised Forecast indicates that the Purdy Group will continue to have sufficient available cash to meet its current obligations through the Forecast Period.
- 102. However, if this Honourable Court determines that the Purdy Group is not at this time entitled to the \$170,000 in relation to the Strathcona property sale as discussed above, this will impact the Purdy Group's ability to operate and restructure its affairs, as it will not have sufficient cash available to meet its obligations as contemplated in the Forecast Period. In this case, the Purdy Group will have to consider its options including:
  - a) interim financing ("DIP Financing"), subject to approval by this Honourable Court;
  - b) an expeditious sale of its Non-Core Properties in a forced liquidation sale scenario; or
  - c) reassessment of certain expenditures as currently contemplated in the Updated Forecast.
- 103. As discussed above, the Purdy Group believes that there is sufficient value in the Applicants' properties to create a successful Plan that may likely have all creditors paid out in full. The ability of the Purdy Group to develop a Plan is dependent there being sufficient cash flow to complete the reorganization.
- 104. At this stage, the Purdy Group, with the support of the Monitor, continue to believe that creditors will have a greater recovery through CCAA than in a liquidation scenario.

## UPDATE ON CLAIMS PROCESS

105. A Claims Procedure Order was approved by this Honourable Court on February 15, 2012.
106. In accordance with the Claims Procedure Order, the Monitor:
  - a) placed a newspaper Notice to Affected Creditors in the Edmonton Journal on February 18 and 22, 2012 and Victoria Times Colonist on February 18, 22 and 25<sup>th</sup>, 2012;
  - b) posted the Proof of Claim (“POC”) and related instruction letters and materials (collectively, the “Proof of Claim Document Package”) on the Monitor’s website on February 15, 2012; and
  - c) mailed the Proof of Claim Document Package to each known creditor on February 27, 2012.
107. Any Affected Creditors asserting a Claim against the Purdy Group was required to file a POC with the Monitor prior to 5:00 p.m. (Mountain Time) on April 2, 2012 (the “Claims Bar Date”).
108. As at the Claims Bar Date, 196 POC’s were submitted by Creditors to the Monitor for all 16 Applicant entities totalling approximately \$190.9 million.
109. There were no employee or pension claims filed with the Monitor by the Claims Bar Date.
110. Upon initial review, the Monitor has encountered many repeating/duplicative claims from various creditors in each of the Applicant entities for very large sums. This has contributed greatly to size and value of the claims received by the Monitor from potential Creditors against the Purdy Group.
111. The POC’s are currently being reviewed and reconciled by the Purdy Group, with the assistance of the Monitor. Where further review is required to determine the

validity and enforceability of certain claims, the Monitor has been working with the Purdy Group's legal counsel to ensure this review process is being completed appropriately.

112. Upon initial review of the claims, the Purdy Group believes that many of these claims will be invalid, which may likely reduce the quantum of the total claims to a range between \$12 - \$16 million against the Purdy Group.
113. The Purdy Group, with the assistance of the Monitor, will continue to review and reconcile each submitted POC and will report further to this Honourable Court, at a later date, on the results of the claims process.

#### **THE PURDY GROUP'S REQUEST FOR AN EXTENSION TO THE STAY PERIOD**

114. Pursuant to the Initial Order, the Purdy Group's stay period expires at midnight on May 3, 2012 (the "Stay Period"). The Purdy Group is seeking an extension of the Stay Period until, and including June 29, 2012 (the "Stay Extension").
115. The Stay Extension is necessary for the Purdy Group to complete the Claims Procedure Process, further its restructuring initiatives and develop a Plan of Arrangement.
116. In the Monitor's view, the Purdy Group is acting in good faith and with due diligence during this CCAA proceeding. The Monitor is of the view that the Stay Extension is appropriate in the circumstances.

#### **RECOMMENDATION**

117. The Monitor recommends that this Honourable Court approve and/or direct:
  - a) the Stay Extension;
  - b) the amendment in the Initial Order to increase capital expenditures on any one property from \$50,000 to \$100,000;

- c) the payment of the proceeds from the Sherwood Park property be paid to the Applicants or Monitor; and
- d) the Purdy's Group's request to enter into listing agreements for its Non-Core Properties with a Proposed Selling Agent, subject to Monitor consent.

All of which is respectfully submitted this 27<sup>th</sup> day of April, 2012.

**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  
Senior Manager

# APPENDIX A

PURDY GROUP OF COMPANIES & JACK PURDY  
PROPERTY LISTING  
April 25, 2012

Legal Description	Notes	Registered Owner	O/S Taxes (Jan.20/12)	2012 Property Tax Assessment	Status	Mortgagor, Amount and Date	Other encumbrances
<b>HAWKEYE GROUP PROPERTIES</b>							
Port Alberni 7382 Rincon Rd (Sprout Lodge)	Parcel: 000-286-885; Lot 5; District Lot 39; Alberni District, Plan 1877	The BC Crown (Armac Investments Ltd)	11,382.14	477,000.00	Forfeited to Province for unpaid property taxes	1) CRA, \$4,120,117.87, July 11/02 (judgement against Armac security); 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) 5) B.Loewen - Judgement - (Apr.23/10)	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) 5) B.Loewen - Judgement - (Apr.23/10)
5968 River Rd. Port Alberni	Parcel: 007-175-698; Lot 23; block 18, District Lot 9; Plan 1585; Alberni District	Armac Investments Ltd (BC)	3,351.54	220,600.00	In Foreclosure. Federal Crown has conduct of sale by court order.	1) Bank of Montreal (Dec.31/07); 2) CRA, \$4,120,117.87, July 11/02 (judgement against Armac security); 3) Crown of Canada (Aug.22/02);	1) Crown of Canada - under surface rights (Aug.3/83) 2) Crown of Canada - judgement (Aug.20/03) 3) Kim Galavan - CPL - (Sept.19/06) 4) Crown of BC - Judgement (March 9/03) 5) Byron Loewen - Judgement (April 23/10) 6) BMO - CLP (March 24/11)
4356 Gertrude St. Port Alberni	Parcel: 000-287-296; 000-287-342; 000-287-393 Lot 10; Block 4A, District Lot 1, Alberni District, Plan 197	Auto Crt and Motel Armac Investments Ltd (BC)	7,259.33	256,100.00		1) Evergreen Savings Credit Union (Dec.1/99); 2) CRA, \$4,120,117.87, July 11/02 (judgement against Armac security)	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.3/10) 6) B.Loewen - Judgement - (Apr.23/10)
<i>Port Alberni properties sub-total</i>			<u>\$ 22,003.01</u>	<u>\$ 953,700.00</u>			
Barnfield 598 Barnfield Rd. MHR #B14340	Parcel: 003-317-641; Block C of NW 1/4 Section 17; Twn 17; Barclay District	The BC Crown (Armac Investment Ltd. (BC))	19,860.00	326,600.00	Forfeited to Province for unpaid property taxes	1) Crown of Canada (Aug.22/02)	1) Crown of Canada - Judgement (Aug.20/03); 2) Kim Galavan - CPL (Sep.19/06)
75 Barnfield Boardwalk (Barnfield Inn)	Parcel: 000-204-315; Lot 3, Section 19; Barclay District, Plan 36032	The BC Crown (Armac Investment Ltd. (BC))	42,860.00	657,000.00	Forfeited to Province for unpaid property taxes	1) CRA, \$4,120,117.87, July 11/02 (judgement against Armac security); 2) Federal Business Development Bank (March 11/91)	1) Crown of Canada (Aug.20/03) - Judgement 2) Business Development Bank - CPL- (Feb.2/06) 3) K.Galavan - CPL - (Sept.19/06)

PURDY GROUP OF COMPANIES & JACK PURDY  
 PROPERTY LISTING  
 April 25, 2012

Legal Description	Notes	Registered Owner	O/S Taxes (Jan.20/12)	2012 Property Tax Assessment	Status	Mortgagor, Amount and Date	Other encumbrances
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	The BC Crown (Armac Investment Ltd. (BC))	51,560.00	837,900.00	Forfeited to Province for unpaid property taxes	1) CRA, \$4,120,117.87, Aug.22/02 (judgement against Armac security); 2) Montreal Trust Company (Nov.12/71) 3) 446208 BC Limited (Sept.29/96)	1) Crown of Canada (Aug.20/03) - Judgement 2) K.Galavan - CPL - (Sept.19/06)
448 Seaboard Road (Ostroms Marine)	Parcel: 003-706-311; Lot 1; Section 20; Twn 1; Plan 19909; Barclay District	The BC Crown (Armac Investment Ltd. (BC))	6,460.00	141,000.00	Forfeited to Province for unpaid property taxes	1) CRA, \$4,120,117.87, July 11/02 (judgement against Armac security); 2) 446208 BC Limited (Sept.27/96)	1) Crown of Canada (Aug.20/03) - Judgement 2) K.Galavan - CPL - (Sept.19/06)
450 Rance Island (Ranco Island)	Parcel: 006-249-540; Lot 1; Section 20; Twn 1; Plan 3047; Barclay District	The BC Crown (Armac Investment Ltd. (BC))	21,660.00	697,000.00	Forfeited to Province for unpaid property taxes	1) CRA, \$4,120,117.87, July 11/02 (judgement against Armac security); 2) 446208 BC Limited (Sept.27/96)	1) Crown of Canada (Aug.20/03) - Judgement 2) K.Galavan - CPL - (Sept.19/06)
200 Binnacle Road (Upper Bayhouse)	Parcel: 000-977-179; Lot C; Section 20; Twn 1; Plan 38547; Barclay District; except part in Plan VIP54368	The BC Crown (Armac Investment Ltd. (BC))	27,760.00	691,000.00	Forfeited to Province for unpaid property taxes	1) CRA, \$4,120,117.87, July 11/02 (judgement against Armac security); 2) 446208 BC Limited (Sept.27/96)	1) Crown of Canada (Aug.20/03) - Judgement 2) 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;	The BC Crown (Armac Investment Ltd. (BC))	20,160.00	571,100.00	Forfeited to Province for unpaid property taxes	1) CRA, \$4,120,117.87, July 11/02 (judgement against Armac security); 2) 446208 BC Limited (Sept.27/96)	1) Crown of Canada (Aug.20/03) - Judgement 2) K.Galavan - CPL - (Sept.19/06)
251 Frigate Road (Bamfield Road Junction - 251) (LP 5)	Parcel: 003-291-294; Parcel A of Lot 1; Section 20; Twn 1; Plan 22579; Barclay District	The BC Crown (Armac Investment Ltd. (BC))	10,410.00	261,000.00	Forfeited to Province for unpaid property taxes	1) CRA, \$4,120,117.87, July 11/02 (judgement against Armac security); 2) Montreal Trust company (Nov.12/71) 3) No.50 Corporate Ventures (Apr.30/96)	1) No.50 Corporate Ventures - Assignment of Rents (Apr.30/96) 2) Crown of Canada (Aug.20/03) - Judgement 3) K.Galavan - CPL - (Sept.19/06)



PURDY GROUP OF COMPANIES & JACK PURDY  
PROPERTY LISTING  
April 25, 2012

Legal Description	Notes	Registered Owner	O/S Taxes (Jan.20/12)	2012 Property Tax Assessment	Property Status	Mortgagor, Amount and Date	Other encumbrances
216 Frigate Rd. (LP 3)	Parcel: 004-090-38; Lot 1; Section 20; Twn 1; Plan 16439; Barclay District	The BC Crown (Armac Investment Ltd. (BC))	10,060.00	330,800.00	Forfeited to Province for unpaid property taxes	1) CRA, \$4,120,117.87, July 11/02 (judgement against Armac security); 2) Sea Breeze Construction Ltd. (Sept.30/94)	1) Crown of Canada (Aug.20/03) - Judgement 2) K.Galavan - CPL - (Sept.19/06)
331 Bamfield/221 Nuthatch Rd	Parcel: 014-652-985; Lot A; Section 20; Twn 1; District Lot 782; Plan 49089; Barclay District	The BC Crown (Armac Investment Ltd. (BC))	43,860.00	774,000.00	Forfeited to Province for unpaid property taxes		1) Crown of BC, undersurface rights (Sept.27/89); 2) Crown of Canada - judgement (Aug.20/03) 3) K.Galavan - CPL - (Sept.19/06)
420 Pachena Road	Parcel: 003-524-213; Lot 1; Section 20; Twn 1; Plan 20233; Barclay District	H.M.Group Office - The BC Crown (Armac Investment Ltd. (BC))	12,633.96	395,000.00	Forfeited to Province for unpaid property taxes	1) CRA, \$4,120,117.87, July 11/02 (judgement against Armac security);	1) Crown of Canada (Aug.20/03) - Judgement 2) K.Galavan - CPL - (Sept.19/06) 3) Byron Loewen - Judgement (Apr.23/10)
Grappier Road Bamfield 300- All Bamfield	Parcel: 000-787-744; Lot 2; Plan 23308, Section 20; Twn 1; Barclay District	The BC Crown (Armac Investment Ltd. (BC))	8,665.69	248,000.00	Forfeited to Province for unpaid property taxes	1) Crown of Canada (Aug.22/02)	1) Crown of Canada (Aug.20/03) - Judgement 2) K.Galavan - CPL - (Sept.19/06) 3) Crown of BC - Property Transfer Tax charge (March 9/10) 4) Byron Loewen - Judgement (Apr.23/10)
200 South Bamfield Road	Parcel: 001-018-507; Plan 38260; Lot 1; Section 18; Township 1; Barclay district	WaterFront Lots - Armac Investment Ltd. 38.53 acres (value \$2,872,000 BC assessments)	18,812.12	1,021,950.00	In Foreclosure. Federal Crown has conduct of sale by court order.	1) CRA, \$4,120,117.87 (July 11, 2002)	1) Crown - Judgement (Oct.5/2000) 2) Mortgage - Crown (Aug.22/02) 3) CPL - Kim Galavan (Sept.19/06) 4) Property Transfer Tax charge - Crown of BC (Mar.9/10) 5) B.Loewen - Judgement (July 6/11) 6) tax lien - Crown of BC (Sept.19/11)
200 South Bamfield Road	Parcel: 001-018-507; Plan 38260; Lot 1; Section 18; Township 1; Barclay district	WaterFront Lots - Ostrom Estates Ltd. (undivided 1/2 interest)	18,632.12	1,021,950.00	In Foreclosure. Federal Crown has conduct of sale by court order.	1) CRA, \$4,120,117.87 (July 11, 2002) 2) Crown of Canada (Aug.22/02)	1) Crown - Judgement (Oct.5/2000) 2) CPL - Kim Galavan (Sept.19/06) 3) Property Transfer Tax charge - Crown of BC (Mar.9/10) 5) tax lien - Crown of BC (Sept.19/11)
469 Bamfield Inlet	Parcel: 018-843-310; Lot 2; Section 19; Township 1; Barclay District; Plan VIP59185	Burlo Island John K Purdy	9,937.81	433,900.00	Tax lien field by Province. Next step is forfeiture.		
399 Binnacle Road	Parcel: 008-691-363; NE 1/4 of NE 1/4 of Section 17; Twn 1; Barclay District	The BC Crown (Armac Investments Ltd)	53,560.00	978,000.00			
226 Frigate Road Bamfield Road	Parcel: 000-282-553; Lot 2; Section 20; Twn 1; Plan 34316; Barclay District	The BC Crown (Fishpath Resorts Corporation)	45,557.88	775,700.00			
				<b>Bamfield properties sub-total</b>			
				<b>Total Hawkeye Properties</b>			
				\$ 422,449.58	\$ 10,161,900.00		
				<b>\$ 444,452.59</b>	<b>\$ 11,115,600.00</b>		

PURDY GROUP OF COMPANIES & JACK PURDY  
PROPERTY LISTING  
April 25, 2012

Legal Description	Notes	Registered Owner	O/S Taxes (Jan.20/12)	2012 Property Tax Assessment	Property Status	Mortgagor, Amount and Date	Other encumbrances
<b>Non-Core Properties</b>							
<b>Immediate/Foreclosure Sales</b>							
5611 Culverton Rd. Parcel: 003 851 168 Lot 1; Sec.8, Range 6, Sahlam District; Plan 12309 Duncan Rural	18.37 acres land Utility bldg- 2,112sq.ft	The BC Crown (Cherry Blossom Park Development Corp)	42,860.00	437,000.00	Forfeited to Province	1) Armac Investments Ltd.; April 16, 2004 2) Tarmac Management Ltd. (Feb. 9/05)	1) Crown of Canada - Judgement (Jan.29/09) (as to interest in Cherry Blossom) 2) Crown of Canada - Judgement (Aug. 19/09) (as to interest of Armac Investments Ltd) 3) Builders lien (Nov.26/09) (WellMaster Pump & Water Systems Ltd.)
3425 River Road, Chemainus	7.51 acres 1,223 sq.ft bldg & 15; Range 3; Chemainus district	Armac Investments Ltd (BC)	25,972.09	712,200.00	Tax Sale Notice filed by Municipality of North Cowichan	Tarmac Management Ltd; February 9, 2005	1) Esquimalt and Nanaimo Railway Company - registered owner charge 2) Crown of Canada - Judgement (Aug.20/03) 3) Ronald Durrance - builder's lien (Nov.24/09) 4) Crown of BC - property tax charge (Mar.9/10) 5) B.Loewen - Judgement (July 13/10)
8335 Meshers Road	80 acres land 1,360 sq ft building	John K Purdy	4,680.07	386,200.00	In foreclosure. Crown has conduct of sale by court order	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) Crown of Canada (May 30/02); 3) Ladysmith Credit Union - CPL (July 26, 2011) 4) Crown of Canada - judgement (Dec.30/09) (against Armac 2nd mortgage)
3620 3rd Ave. Port Alberni	Retail Store & Land	Armac Investments Ltd (BC)	7,977.91	223,000.00		1) John Purdy (May 14/99) 2) Crown of Canada (Aug.22/02)	1) Crown of Canada - Judgement - interest in Jack Purdy (May 23/03); 2) Kim Galavan - CPL (Sept.19/06); 3) Crown of BC - Property Transfer Tax charge (March 9/10) 4) Byron Loewen - Judgement (Apr.23/10)
3620 3rd Ave. Port Alberni	Retail Store & Land  Revie Building	Armac Investments Ltd (BC)	-	223,000.00		1) John Purdy (May 14/99) 2) Crown of Canada (Aug 8/02)	1) Alberni Land Company Limited and Esquimalt and Nanaimo Railway Company - registered owner charge; 2) Crown of Canada - Judgement (May 23/03) 3) Kim Galavan - CPL (Sept.19/06) 4) Crown of BC - property transfer act (March 9/10) 5) Byron Loewen - Judgement (April 23, 2010) 6) Tax sale notice (Oct.4, 2010)

PURDY GROUP OF COMPANIES & JACK PURDY  
PROPERTY LISTING  
April 25, 2012

Legal Description	Notes	Registered Owner	O/S Taxes (Jan.20/12)	2012 Property Tax Assessment	Property Status	Mortgagor, Amount and Date	Other encumbrances
3203 2nd Ave. Port Alberni	Parcel: 009-278-923; Lot Storage 13, Block 74, District Lot 1; Warehouse Plan 197; Alberni District 33 x 125 ft	Armac Investments Ltd (BC)	1,024.12	29,000.00		1) CRA, \$4,120,117.87, July 11/02 (judgement against Armac security); 2) Crown of Canada (Aug. 22/02)	1) Alberni Land Company Limited and Esquimalt and Nanaimo Railway Company; 2) City of Port Alberni - restrictive covenant (June 13, 1996) 3) Crown of Canada - Judgement (Aug.20/03) 4) Kim Galavan - CPL (Sep.19/06) 5) Crown of BC - property tax transfer (Mar.3/10) 6) B.Loewen - Judgement - (Apr.23/10)
3211 2nd Ave. Port Alberni	Parcel: 009-278-966; Lot Land 15, Block 74, District Lot 1; 8250 sq. ft. Plan 197; Alberni District	Armac Investments Ltd (BC)	1,570.59	43,300.00		1) CRA, \$4,120,117.87, July 11/02 (judgement against Armac security);	1) Alberni Land Company Limited and Esquimalt and Nanaimo Railway Company; 2) City of Port Alberni - restrictive covenant (June 13, 1996) 3) Crown of Canada - Judgement (Aug.20/03) 4) Kim Galavan - CPL (Sep.19/06) 5) Crown of BC - property tax transfer (Mar.3/10) 6) B.Loewen - Judgement - (Apr.23/10)
4070 Giant Mine Rd. Invermere	Parcel: 012-778-362; District Lot 8199; Kootenay of giant #1 of #3 District Blg - 1,468 sq.ft	The BC Crown (Armac Investment Ltd. (BC))	6,754.26	308,000.00			1) Baroid Corporation of Canada Ltd. - undersurface rights (Sept.30/60) 2) Crown of BC - Property Tax Charge (Nov.6/08) 3) Crown of BC - Crown Debt - (Jan.28/10) 4) B.Loewen - Judgement (April 23/10) Baroid Corporation of Canada Ltd. - undersurface rights (Aug.15/89)
Giant Mine Rd. Invermere	Parcel: 014-571-943; District Lot 136; Kootenay District 20.56 Acres	The BC Crown (Giant Mtn Properties Ltd)	1,539.61	43,400.00			1) Baroid Corporation of Canada Ltd. - undersurface rights (Sept.30/60) 2) Baroid Corporation of Canada Ltd. - undersurface rights (Aug.15/89)
Giant Mine Rd. Invermere	Parcel: 012-778-338; District Lot 1109; Kootenay District 51.3 Acres	The BC Crown (Jubilee Mtn. Hldgs. Ltd.)	1,289.97	30,300.00			1) Baroid Corporation of Canada Ltd. - undersurface rights (Aug.15/89) 2) CLP - June 18, 2009
Onoway	Title#: 112 358 811 Plan 7720103; Block S; Lot 26; (5.2,54.35,SW)	Armac Investments Ltd. (AB)	219.96	131,900.00			1) Baroid Corporation of Canada Ltd. - undersurface rights (Sept.30/60) 2) Baroid Corporation of Canada Ltd. - undersurface rights (Aug.15/89) 1) Midwest Surveys Inc. - Builder's Lien (Jan.7/09) - \$65,520 2) CLP - June 18, 2009
<b>Total Non-Core Properties</b>			<b>93,888.58</b>	<b>2,567,300.00</b>			

PURDY GROUP OF COMPANIES & JACK PURDY  
PROPERTY LISTING  
April 25, 2012


Legal Description	Notes	Registered Owner	O/S Taxes (Jan.20/12)	2012 Property Tax Assessment	2012 Property Tax Assessment Status	Mortgagor, Amount and Date	Other encumbrances
<b>ALBERTA PROPERTIES IN FORECLOSURE</b>							
Half Moon Lake Resort 21524 Twp. 520	139 acres 2012 Property Tax Assessment value is calculated based on 27 leases that are secured by Access mortgage from the total 216 available leases	Half Moon Lake Resort Ltd.	\$ -	\$ 375,000.00	Foreclosure proceedings have commenced on 27 RV lot leases	1) Armac Investments Ltd. (AB) - \$500,000 (Jan.3/02) 2) Armac investments Ltd. (AB) - \$1,600,000 (Aug.4/05)	1) Judges Order (Jan.16/02); 2) Armac AB - Builder's lien - \$161,570 (Nov.11/02); 3) CLP - (May 26/03) 4) Various Caveats - leases (May 29/03 to Jan.7/04) 5) Brayford Trucking Ltd. - \$21,986 (June 2/04) 6) Varous Caveats & Leases (Aug.8/04 to Jun 8/10) 7) CLP - Nov.24/04 8) CLP - Jan. 14/05 9) Brownlee LLP - Writ -(Sept.22/05) 10) Ahlstrom Wright Oliver & Cooper LLP - Writ (Nov.21/05) - \$4,791 11) S&D International Group inc. - Writ ((June 6/09) 12) WCB - certified stmnt - \$6,101 (Jan.20/10) 13) Crown of Canada - Writ (Oct.22/10) - \$99,062 14) Crown of Canada - Writ (Oct.22/10) - \$61,805 15) Crown of Canada - Writ (Oct.22/10) - \$6,533 16) AHS - Notice of Health Hazard (Sept.11/10) 17) Crown of Canada - Writ (Dec.2/10) - \$196,312 (**Debtor - Armac Investments BC) 18) AAA Broiler's & Hydronics - Builder's lien (Feb. 1/11) - \$1,976 19) Strathcona Couony - tax notification (March 3/11) 20) AHS - Notice of Health Hazard - (March 5/11)
Westridge Park Lodge Ltd. Range Road 261A and Township Road 510A, Parkland County	129.4 acres 3 years taxes o/s due March 30/12 If not paid, on August 15/12 auction will occur. If not sold, county takes title and goes through process	Armac Investments Ltd (AB)	132,308.46	3,105,210.00		Access Capital Partners Inc., November 6, 2008, \$3,350,000	1) Caveat - Assignment of Rents & Leases (Nov.6/08) 2) S&D International Group inc. - CLP (June 5, 2009) 3) Crown of Canada - Writ - \$196,312 (June 2, 2010) 4) Parkland County - tax notification (April 18, 2011)

PURDY GROUP OF COMPANIES & JACK PURDY  
PROPERTY LISTING  
April 25, 2012

Legal Description	Notes	Registered Owner	O/S Taxes (Jan.20/12)	2012 Property Tax Assessment	Mortgagor, Amount and Date	Other encumbrances
15625 Stony Plain Road NW; Edmonton, AB; T2P 3Z3	Title#: 072 313 780 Jasper Place Plan 9422776; Block 1; Lot Building 18	1317517 Alberta Ltd.	42,140.37	814,500.00	1) Mortgage: Access Capital Partners Inc. - 2009 \$1,350,000 (Oct.22/08)	1) CLP; S&D International Group Inc. (June 5, 2010) 2) Writ: Minister of Finance against Debtor of Armac Investments Ltd. - \$196,312 (June 2, 2010)
51231 Range Rd. 210 Sherwood Park	Parcel: 072-131-665; Lot C (4,20,51,18 SW) Equestrian Property	Armac Investments Ltd.	-	627,000.00	RBC, \$232,000 Listed for Sale for \$423,000 Foreclosure proceeding by RBC	1) S&D International Group Inc. - CLP (June 6/09) 2) Crown of Canada - Writ (June 2/10) - \$196,312 3) Consolidate Civil Enforcement Inc. - NOI to sell under Civil Enforcement Act (Caveat) (Dec.22/10) 4) Strathcona Count - Tax Notification (Mar.15/11) 5) B.Loewen - Writ (Oct.21/11) - \$99,165
<b>Total Alberta Properties in Foreclosure</b>			<u>174,448.83</u>	<u>4,921,710.00</u>		
Half Moon Lake Resort	139 acres	Half Moon Lake Resort Ltd.	-	2,625,000.00	Same above	Same above
21524 Twp.520	SE-6-52-21-4 2012 Property Tax Assessment value is calculated based on 189 remaining leases from the total 216 that are not part of Access mortgage					
<b>TOTAL PURDY PROPERTIES</b>			<u>712,790.00</u>	<u>21,229,610.00</u>		

# APPENDIX B

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

  
for Clerk of the Court



**COURT FILE NUMBER:** 0803 03636

**COURT:** COURT OF QUEEN'S BENCH OF ALBERTA

**JUDICIAL CENTRE:** EDMONTON

**PLAINTIFF(S):** ROYAL BANK OF CANADA

**DEFENDANT:** ARMAC INVESTMENTS LTD.

**DOCUMENT:** ORDER CONFIRMING SALE  
AND VESTING TITLE

**ADDRESS FOR SERVICE AND CONTACT  
INFORMATION OF PARTY FILING THIS  
DOCUMENT:** Witten LLP  
Barristers & Solicitors  
Suite 2500, Canadian Western Bank Place  
10303 Jasper Avenue  
Edmonton, AB T5J 3N6  
Solicitors for the Plaintiff

**ATTN:** Steven M. Shafir  
**FILE:** 103551-128 SMS/sdd  
**PHONE:** (780) 428-0501  
**FAX:** (780) 425-0769

**DATE ORDER WAS PRONOUNCED:** TUESDAY, APRIL 10, 2012

**LOCATION ORDER WAS PRONOUNCED:** Law Courts, 1A Sir Winston Churchill Square,  
Edmonton, AB

**NAME OF MASTER WHO MADE THIS  
ORDER:** L. A. Smart

Upon the application of the plaintiff; and upon reading the redemption order previously granted in the proceedings; and upon it appearing that the defendant has failed to redeem within the redemption period; and upon considering the offer to purchase referred to in the affidavit of offer filed; and upon hearing counsel for the plaintiff; and upon no one appearing for the Defendant;

**IT IS HEREBY ORDERED THAT:**

1. In this order the mortgaged lands are the following:

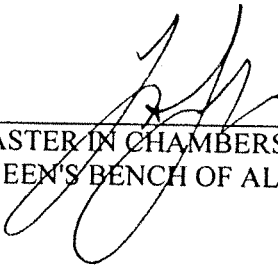
PLAN 7921845  
LOT C  
EXCEPTING THEREOUT ALL MINES AND MINERALS

2. The Offer to Purchase submitted by Royal Farms Equine Center Inc. and/or Todd Wilson and Sheila Wilson (the "Purchaser") in the amount of \$455,000.00 for the purchase of the mortgaged lands, is hereby approved and accepted. All other offers are hereby rejected and all deposits received from any other offerors shall be returned to them forthwith.
3. The Purchaser shall, on or before the 15<sup>th</sup> day of May 2012 (the "Closing Date") either pay to the plaintiff's counsel the adjusted purchase price, or enter into reasonable conveyancing arrangements with the plaintiff's counsel to assure payment of the adjusted purchase price, and upon doing so the Purchaser is entitled to obtain possession of the mortgaged lands pursuant to paragraph 6 of this order.
4. The plaintiff's lawyer shall distribute the sale proceeds as follows:
  - (a) by paying the amount owing to the municipality in which the mortgaged lands are located with respect to municipal property taxes, assessments, penalties and interest and any other charges owing to the said municipality with respect to the mortgaged lands, if any, and;
  - (b) by paying any outstanding condominium fees owing with respect to the mortgaged lands, if any, and;
  - (c) by paying out any registered financial encumbrancer ranking prior to the plaintiff's mortgage, if any, and;
  - (d) by paying to Canada Revenue Agency, the amount any Goods and Services Tax ("GST") payable as a result of the sale transaction approved by this Order, if any, and;
  - (e) by paying the real estate commission and the GST thereon to the judicial listing real estate agent, if any, and;
  - (f) by paying the amount owing to the Plaintiff under and pursuant to the mortgage which is the subject of the within proceeding, inclusive of costs on a solicitor and own client full-indemnity basis, to be assessed by an assessment officer prior to payment. The costs shall be assessed on an ex parte basis where the defendant did not oppose the application for this order, or where the defendant has approved the amount of costs sought, otherwise the Plaintiff shall have its costs assessed pursuant to Rule 10.37, and
  - (g) by retaining any reasonable holdback to a maximum of \$1,500 for undetermined liabilities, including utilities, inspection fees and property taxes, which holdback shall be accounted for pursuant to paragraph 5 of this order, and;
  - (h) by paying the remainder, if any, into Court to be held by the Clerk of the Court until further Order of this Honourable Court.
5. The plaintiff shall cause an affidavit to be filed setting forth an accounting of funds pursuant to the preceding paragraph within 30 days of the Closing Date, or receipt of the adjusted purchase price, whichever is later, and serve copies of that affidavit on all parties and subsequent



encumbrancers. The parties served with the affidavit may bring any concerns with the accounting to the attention of the court, on notice to all parties and subsequent encumbrancers.


6. The defendant, any tenants, and any other occupants shall, on or before Apr. 11, 2012 deliver up to the Purchaser vacant possession of the mortgaged lands. Service of this order may be made on the occupants by posting same on the main entrance door to the mortgaged lands. A Civil Enforcement Agency has authority, after service of this order has been effected, to evict any occupant of the mortgaged lands on the later of the aforesaid date or 20 days after the posting has occurred.
7. Upon written confirmation from the plaintiff's solicitor that they have received or are satisfied it will receive payment from the Purchaser, the Registrar of Land Titles shall cancel the existing Certificate of Title to the Lands and shall issue new Certificate of Title covering the Lands in the name of Royal Farms Equine Center Inc. and/or Todd Wilson and Sheila Wilson of 51231 Range Road 210, Sherwood Park, Alberta T8G 1G1 or such nominee(s) as may be designated in writing by the Purchasers free and clear of all registered encumbrances, liens and interests.
8. Any interest in the mortgaged lands of the defendant, anyone claiming through the defendant, or any other subordinate encumbrancer is hereby extinguished.
9. The requirement for service of documents prior to entry of this order, set out in rule 9.35(1)(a), is hereby waived.
10. The Registrar of Land Titles shall comply with this order forthwith notwithstanding Section 191(1) of the *Land Titles Act*.

  
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MASTER IN CHAMBERS, COURT OF  
QUEEN'S BENCH OF ALBERTA

# APPENDIX C

**Purdy Group of Companies**  
**Actual to Forecast Cash Flow Results**  
**For the period of January 28, 2012 to April 20, 2012 (the "Reporting Period")**  
**(in CDN dollars)**

Week ending:	ACTUAL	FORECAST	VARIANCE
	Week 10 to Week 21 Jan.28/12 - Apr.20/12	Week 10 to Week 21 Jan.28/12 - Apr.20/12	Week 10 to Week 21 Jan.28/12 - Apr.20/12
<b>RECEIPTS</b>			
Fishpath trade sales and rental receipts	16,468	2,250	14,218
Half Moon Lake Resort receipts	13,539	-	13,539
Funds held in trust	320,000	320,000	-
<b>Total receipts</b>	<b>350,007</b>	<b>322,250</b>	<b>27,757</b>
<b>DISBURSEMENTS</b>			
Fishpath operating disbursements	47,738	21,500	(26,238)
Half Moon Lake operating disbursements	26,312	13,500	(12,812)
Management fees, wages and salaries	34,217	34,200	(17)
Contractor fees and expenses	2,923	30,000	27,077
Property tax arrears	-	95,000	95,000
Contingency	2,495	15,000	12,505
Preservation, repair and marketing costs	112,423	150,000	37,577
<b>Total operating disbursements</b>	<b>226,108</b>	<b>359,200</b>	<b>133,092</b>
<b>Restructuring retainer fees</b>	<b>-</b>	<b>150,000</b>	<b>150,000</b>
<b>NET CHANGE IN CASH</b>	<b>123,898</b>	<b>(186,950)</b>	<b>310,848</b>
<b>OPENING CASH</b>	<b>229,422</b>	<b>229,422</b>	<b>-</b>
Net change in cash	123,898	(186,950)	310,848
<b>ENDING CASH</b>	<b>353,320</b>	<b>42,472</b>	<b>310,848</b>

  
 Jack Purdy  
 President & Chief Executive Officer

  
 Date

# APPENDIX D

Purdy Group of Companies  
 Projected Cash Flow Statement  
 For the period of April 21, 2012 to June 29, 2012 (the "Forecast Period")  
 (in CDN dollars)

Week ending:	Week 22 20-Apr-12	Week 23 27-Apr-12	Week 24 4-May-12	Week 25 11-May-12	Week 26 18-May-12	Week 27 25-May-12	Week 28 1-Jun-12	Week 29 8-Jun-12	Week 30 15-Jun-12	Week 31 22-Jun-12	Week 32 29-Jun-12	Total
<b>RECEIPTS</b>												
Fishpath trade sales and rental receipts	11,800	16,420	10,000	10,000	10,000	10,000	15,000	15,000	15,000	20,000	20,000	153,220
Half Moon Lake Resort receipts	-	-	4,415	-	18,750	14,400	22,530	26,245	11,145	14,860	19,275	131,620
Proceeds from sale of foreclosed property	-	-	-	-	170,000	-	-	-	-	-	-	170,000
<b>Total receipts</b>	<b>11,800</b>	<b>16,420</b>	<b>14,415</b>	<b>10,000</b>	<b>188,750</b>	<b>24,400</b>	<b>37,530</b>	<b>41,245</b>	<b>26,145</b>	<b>34,860</b>	<b>39,275</b>	<b>454,840</b>
<b>DISBURSEMENTS</b>												
Fishpath operating disbursements	9,000	9,200	3,500	3,500	3,500	3,500	5,250	5,250	5,250	7,000	7,000	61,950
Half Moon Lake Resort disbursements	7,550	11,200	7,500	11,200	7,550	11,200	7,500	11,200	7,500	11,200	7,500	101,100
Management fees, wages and salaries	-	-	5,000	-	-	-	5,000	4,800	-	-	-	14,800
Consultant fees and expenses	-	10,000	-	-	-	-	15,000	-	-	-	-	25,000
Property tax payments	-	-	-	-	-	-	60,000	-	-	-	50,000	110,000
Contingency	-	-	5,000	-	-	5,000	-	-	-	-	-	10,000
Preservation, repair and marketing costs	31,830	3,750	42,000	10,500	3,600	3,750	-	10,500	3,600	-	23,170	132,700
<b>Total operating disbursements</b>	<b>48,380</b>	<b>34,150</b>	<b>63,000</b>	<b>25,200</b>	<b>14,650</b>	<b>18,450</b>	<b>97,750</b>	<b>31,750</b>	<b>16,350</b>	<b>18,200</b>	<b>87,670</b>	<b>455,550</b>
Restructuring fees	145,000	-	-	-	-	75,000	-	-	-	75,000	-	295,000
<b>Total disbursements</b>	<b>193,380</b>	<b>34,150</b>	<b>63,000</b>	<b>25,200</b>	<b>14,650</b>	<b>93,450</b>	<b>97,750</b>	<b>31,750</b>	<b>16,350</b>	<b>93,200</b>	<b>87,670</b>	<b>750,650</b>
<b>NET CHANGE IN CASH</b>	<b>(181,580)</b>	<b>(17,730)</b>	<b>(48,585)</b>	<b>(15,200)</b>	<b>184,100</b>	<b>(69,050)</b>	<b>(60,220)</b>	<b>9,495</b>	<b>9,795</b>	<b>(58,340)</b>	<b>(48,395)</b>	<b>(295,710)</b>
<b>OPENING CASH</b>	<b>353,320</b>	<b>171,740</b>	<b>154,010</b>	<b>105,425</b>	<b>90,225</b>	<b>274,325</b>	<b>205,275</b>	<b>145,065</b>	<b>154,550</b>	<b>164,345</b>	<b>106,005</b>	<b>353,320</b>
Net change in cash	(181,580)	(17,730)	(48,585)	(15,200)	184,100	(69,050)	(60,220)	9,495	9,795	(58,340)	(48,395)	(295,710)
<b>ENDING CASH</b>	<b>171,740</b>	<b>154,010</b>	<b>105,425</b>	<b>90,225</b>	<b>274,325</b>	<b>205,275</b>	<b>145,055</b>	<b>154,550</b>	<b>164,345</b>	<b>106,005</b>	<b>57,610</b>	<b>57,610</b>

  
 Date: April 27, 2012

Jack Purdy  
 President & Chief Executive Officer