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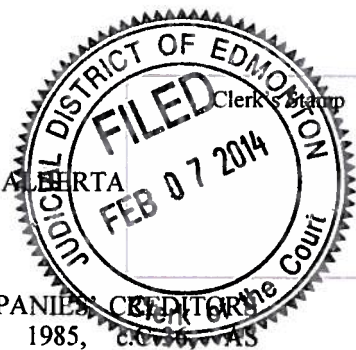
COURT OF QUEEN'S BENCH OF ALBERTA

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), 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

TWENTIETH REPORT OF THE MONITOR

FEBRUARY 7, 2014

ADDRESS FOR SERVICE AND
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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 twentieth report of the Monitor (the "Twentieth Report") is to provide the Court with an update in respect of the following:
 - a) operational and restructuring activities since the nineteenth report of the Monitor (the "Nineteenth Report");
 - b) the actual to forecast cash flow results for the period from November 23, 2013 to January 31, 2014 (the "Reporting Period");
 - c) the revised cash flow projections (the "Updated Forecast") from February 1, 2014 through March 28, 2014 (the "Forecast Period");
 - d) the Purdy Group's request for an extension to the current stay period until, and including March 28, 2014; and
 - e) the Monitor's recommendations.
4. Capitalized terms not defined in this Twentieth Report are as defined in the Initial Order, the First Report to the Nineteenth Report inclusive, the Claims Procedure Order, the Dispute Procedural Order, the Sale Order and the Ocean Front Property Sale Order.
5. The style of cause has either an (AB) or (BC) after each of the corporate Applicant company names. The Monitor understands this was done to indicate in which province the corporate applicants are located, and that those letters do not

form a part of the legal name of the company. There are two different corporate entities with the name Armac Investments Ltd, one is a British Columbia ("B.C.") corporation and the other is an Alberta corporation ("AB").

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

TERMS OF REFERENCE

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

BACKGROUND

8. The Purdy Group is a group of privately-held companies engaged in the business of property acquisition, development and sale in the provinces of Alberta and British Columbia, as well as the management of operating businesses on the lands. The primary assets are geographically located mainly on the West Coast of Vancouver Island, British Columbia and in or around Edmonton, Alberta.
9. The Purdy Group entities are owned 100% by its sole owner, director and officer, Mr. John (Jack) Kenneth Purdy ("Jack Purdy"), either directly or through holding companies, legally and beneficially. Jack Purdy is operating under the proposal provisions of the BIA and has presented a proposal to his creditors. Alvarez and Marsal Canada Inc. is also the Proposal Trustee. The meeting of creditors to consider the proposal was held on June 22, 2012 and this meeting was adjourned to October 9, 2012. The creditors voted to adjourn this meeting and several

additional reconvened meetings thereafter to a date that is within 10 days after the next CCAA stay extension deadline (February 12, 2014) at the office of Dentons at 12:00 PM MST, the day of which to be confirmed and communicated by the Proposal Trustee.

10. Further background to the Purdy Group and its operations and description of the Purdy Group properties are contained in the materials filed relating to the Initial Order including the various affidavits of Jack Purdy and in the previous nineteen 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.

OPERATIONAL UPDATE

Fishpath Resorts Corporation (“Fishpath Resort”) & Armac Investments Ltd. (BC) (“Armac BC”) (collectively, the “Hawkeye Group Properties”)

LBVR Agreement

11. As previously reported, on September 17, 2012 (the “Effective Date”), LBVR took over management responsibility for the Hawkeye Group Properties. The assets of the Hawkeye Group Properties consist of three properties in Port Alberni, B.C. and 16 properties in Bamfield, B.C. (as are fully described in Schedule A to the Management Agreement, included as an appendix to the Seventh Report).
12. Since the Nineteenth Report, LBVR was advanced a further \$81,000 by the Applicants (the “Advance”), which together with previous advances aggregate to a total advance since the Effective Date of \$953,000 (the “Set Aside Funds”). The Advance was funded from the proceeds held in the Monitor’s trust account as previously reported in the Applicants’ cash flow forecasts in the Nineteenth Report.

13. LBVR maintains a separate bank account for the Bamfield operations under its control and reports monthly to the Applicants and the Monitor. Accordingly, no receipts and disbursements respecting the Hawkeye Group Properties are included in the actual to forecast cash flows attached as Appendix A. The Monitor previously advised this Honourable Court that certain Hawkeye Group Properties cash flows previously provided to the Monitor were not complete and missing certain expenses. As a result, LBVR recently updated its filed actual cash flows with the Monitor, which is reported in Appendix B. The Applicants' periodically provide funding to LBVR to cover operating losses and capital and those advances are included in the Applicants' cash flow.
14. LBVR, in conjunction with the Applicants and the Monitor, prepared a draft operating budget for the 3 years ending December 31, 2016. This draft budget indicates that Bamfield/Hawkeye Marine Group's immediate need for cash over the next two months ending March 2014 will be approximately \$70,000, which is expected to come from the Set-Aside Funds reserved for LBVR held by the Monitor.
15. In addition, property taxes of approximately \$135,000 remain outstanding for 2013 for these properties. The Monitor has been advised by the Applicants that payment of the property taxes will be made in conjunction with any refinancing and implementation of a Plan to their creditors.

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

16. As previously reported, the Half Moon resort is closed for the season and operations and cash flows have decreased during this time. It is projected that Half Moon will operate on a break-even cash basis for the coming months. Operating expenses during the off season to winterize and operate the resort through to March 28, 2014 should be minimal as set out in the Updated Forecast (Appendix C). Some of these expenses are covered by monthly maintenance fees to be received from Half Moon leaseholders, which are reflected in the Updated Forecast.

17. The 2013 property taxes outstanding of approximately \$21,000 remain outstanding. The Monitor has been advised by the Applicants that payment of the property taxes will be made in conjunction with any refinancing and implementation of a Plan to their creditors.

RESTRUCTURING UPDATE

Status of Plan of Arrangement

18. On December 4, 2013, the Court granted an extension of the stay to February 12, 2014. One of the main purposes of this extension of the stay was to allow both Axxess and CRA further time to consider and provide comments on the Applicants' business plan and plan of arrangement (the "Draft Plan").
19. Since the Nineteenth Report, the Monitor understands that Axxess, in consultation with CRA, provided its comments on the Draft Plan to the Applicants. The Applicants, with the assistance of the Monitor, are currently amending the Draft Plan to incorporate the comments of the significant stakeholders and the Applicants are attempting to have an amended Draft Plan (the "Amended Draft Plan") available for review by this Honourable Court, on a confidential basis, before the expiry of the upcoming stay of proceedings.
20. The Monitor understands that the Applicants, along with Axxess and CRA, require further time to finalize the Amended Draft Plan and the Applicants significant creditors support an extension to the stay of proceedings to March 28, 2014.
21. The Monitor does not believe an additional six week extension will be materially prejudicial to any interested stakeholders.

Outstanding Restructuring Matters

Litigation with The County of Strathcona

22. As previously reported in the Thirteenth Report and Nineteenth Report, Justice Burrows rendered a decision on July 17, 2013 which ordered that Half Moon was entitled to enter into new leases with a term of 35 years commencing on the day the new lease was granted. Justice Burrows also decided that options to renew were not to be allowed as part of the lease terms.
23. The Monitor understands that a formal order documenting the decision has been agreed to between the parties and was filed with the Court on January 14, 2014 and served on January 15, 2014 (the "Half Moon Lease Order"). The Monitor understands through the Applicants counsel that the appeal period for the Half Moon Lease Order has now expired. In addition, a judgement order (the "Judgement Order") in relation to this application was granted by the Court on July 17, 2013, filed with the Court on January 20, 2014 and served on January 22, 2014. The Monitor understands through the Applicants counsel that the appeal period for the Judgment Order will expire on February 11, 2014. Both the Half Moon Lease Order and the Judgement Order are attached as Appendix D to this Twentieth Report.

New Financing to Implement the Plan

24. The Monitor is advised that the Applicants continue to work with two prospective parties, one of which is Axxess, to obtain the necessary financing required under the terms of the Amended Draft Plan. No financing has been arranged to date.

Interim Financing

25. In the Reporting Period, the Monitor advanced \$115,000 to the Interim Finance Lender for the purpose of establishing a second interest reserve for the remaining six months of the Agreement. The Interim Finance Lender advised the Monitor that the total interest reserve payment required for the remaining 6 months of the Agreement totalled \$133,381 (the "Remaining Interest Reserve Payment"). As a result, approximately \$18,381 of the Remaining Interest Reserve Payment is

outstanding to the Interim Finance Lender to cover a March 2014 interest payment.

26. The Applicants advise they will be contacting the Interim Finance Lender to establish some type of arrangement regarding the payment of the remaining \$18,381 interest.

Outstanding Professional Fees

27. Since the Nineteenth Report, the Monitor paid approximately \$270,000 towards the outstanding and unpaid Professional Fees. An additional \$125,000 was forecast to be paid during the Reporting Period towards ongoing Professional Fees incurred since September 30, 2013; however, these payments are now scheduled to be made in the upcoming Forecast Period.
28. As at January 31, 2014, the accounts of the Monitor, its counsel and the Applicant's counsel currently show outstanding fees of approximately \$150,000. The Applicants do not have sufficient funds to cover the current and future outstanding Professional Fees expected to be incurred in the Forecast Period and as a result, the CCAA professionals will be relying on the Administrative Charge.

Alberta Properties in Foreclosure

29. As indicated in prior reports, the remaining Alberta property which had been in foreclosure since the commencement of the CCAA proceedings is the property at 15625 Stony Plain Road (the "Stony Plain Property"). The Stony Plain Property is owned by 1317517 Alberta Ltd. (one of the Applicants in these CCAA proceedings).
30. On December 4, 2013, an order was granted by the Court to lift the stay of proceedings (the "Stony Plain Property Tax Sale Order") for the purpose of allowing the City of Edmonton to proceed with a tax sale of the Stony Plain Property as a result of outstanding and unpaid property taxes of approximately \$96,400.

31. On January 31, 2014, pursuant to paragraph 2 of the Stony Plain Property Tax Sale Order, counsel for the City of Edmonton (the “City”) provided a copy of a recent appraisal commissioned by the City to CRA, the Monitor, the Applicants and Axxess. Pursuant to paragraph 4 of that Order, any of the above-mentioned parties that wish to put the appraisal before the Court is at liberty to do so and any affected party can make an application, at that time, to have the appraisal sealed. The Monitor is not aware of the City of Edmonton’s position with respect to the Applicants’ request for a further extension to the stay of proceedings.

ACTUAL TO FORECAST RESULTS – NOVEMBER 23, 2013 TO JANUARY 31, 2014

Actual to Forecast Summary Results

32. The actual to forecast cash flow presented at Appendix A 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 Nineteenth Report (the “Nineteenth Report Forecast”). Below is a chart that summarizes the actual to forecast cash flow as presented in Appendix A to this Report.
33. As previously reported to this Honourable Court, the Applicants continue to have difficulty in providing actual receipt and disbursement information on a weekly basis to the Monitor. The Monitor continues to receive certain accounting information in conjunction with the stay extension applications.
34. The actual results disclosed in the table below are a summary of transactions in the Applicants’ bank account. The Monitor used the descriptions provided in the Applicants’ bank statements to determine where the cash transactions should be allocated in the cash flow budget to actual statement. On February 7, 2014, the Monitor received confirmation from the Applicants that this allocation is appropriate and the Monitor also had an opportunity to review some of the back-

up information provided by the Applicants. A summary of these bank cash transactions is also attached in Appendix A to this report.

35. The Monitor cautions the reader of this Report that the financial information below may be incomplete (as referenced in prior Monitor reports) as there may be certain cash transactions during the Reporting Period that may have been collected and/or paid for by the Applicants, which are not reflected in Appendix A and the chart below.

| Purdy Group | November 23/13 to January 31/14 Budget | November 23/13 to January 31/14 Actual | November 23/13 to January 31/14 Variance |
|---|---|---|---|
| Actual to Budget Cash Flow Results | | | |
| Receipts | \$ 6,000 | \$ 21,963 | \$ 15,963 |
| Funds from Monitor's trust account | 621,250 | 492,000 | \$ (129,250) |
| Total receipts | <u>\$ 627,250</u> | <u>\$ 513,963</u> | <u>\$ (113,287)</u> |
| Disbursements | 232,250 | 241,817 | (9,567) |
| Restructuring professional fees | 395,000 | 270,000 | 125,000 |
| Total disbursements | <u>\$ 627,250</u> | <u>\$ 511,817</u> | <u>\$ 115,433</u> |
| Net change in Applicant cash | \$ - | \$ 2,146 | \$ 2,146 |
| Applicant cash balance, opening | 845 | 845 | - |
| Applicant cash balance, ending | <u>845</u> | <u>2,991</u> | <u>2,146</u> |
| FUNDS HELD IN TRUST BY MONITOR | | | |
| Trust Opening Cash | \$ 727,309 | \$ 727,309 | \$ - |
| Collection of funds - other | - | - | - |
| Non Core Property Sale Receipts | - | - | - |
| Half Moon Lake Lot Sale Receipts | - | - | - |
| Release of funds to Applicants (LBVR) | (81,250) | (81,000) | 250 |
| Release of funds to Applicants (for operations) | (540,000) | (411,000) | 129,000 |
| | <u>(621,250)</u> | <u>(492,000)</u> | <u>129,250</u> |
| Trust Ending cash | <u>\$ 106,059</u> | <u>\$ 235,309</u> | <u>\$ 129,250</u> |
| TOTAL AVAILABLE CASH | | | |
| Applicant ending cash balance | \$ 845 | \$ 2,991 | \$ 2,146 |
| Trust cash balance | 106,059 | 235,309 | 129,250 |
| Less: cash not available per Court Order | (20,000) | (144,000) | (124,000) |
| Less: cash held for LBVR | <u>(82,000)</u> | <u>(82,250)</u> | <u>(250)</u> |
| | 4,059 | 9,059 | 5,000 |
| Available Cash | <u>\$ 4,904</u> | <u>\$ 12,050</u> | <u>\$ 7,146</u> |

36. Receipts, including the release of funds by the Monitor to the Applicant, for the Reporting Period totaled, \$513,963, representing a negative variance of \$113,287

from the forecast receipts set out in the Nineteenth Report Forecast. This variance is primarily due to:

- a) a positive timing variance of \$15,963 relating mainly to higher than expected receipts from seasonal bookings and other receipts; and
- b) a negative timing variance of \$129,250 relating mainly to the non-advance of funds from the Monitor trust account to the Applicants during the Reporting Period to pay certain Professional Fees and the Remaining Interest Reserve Payment. These payments were made in the Forecast Period and have been reflected in the Updated Forecast;

37. Disbursements for the Reporting Period totaled \$241,817 representing a negative variance of \$9,567. This variance was due to:

- a) negative permanent variance of approximately \$16,962 relating to higher than expected operating costs in Half Moon;
- b) negative timing variance of \$16,000 relating to the advance of funds released to LBVR from the Set-Aside Funds; and
- c) positive permanent variance of \$23,395 relating to consulting, financing and management fees that were forecast to be paid in the Reporting Period, but will now not be made.

38. Restructuring fees of \$270,000 were paid that relate to a portion of the unpaid and outstanding Professional Fees, as discussed above. The remaining portion of the outstanding Professional Fees of \$125,000 that were scheduled to be paid in the Reporting Period, but will now be paid in the Forecast Period.

39. As at January 31, 2014, the Monitor's trust account had a cash balance of \$235,309, which includes \$144,000 that has been set-aside as funds held in trust by the Monitor and \$82,250 relating to funds held for LBVR. The remaining

balance of \$9,059 relates mainly to amounts available for general restructuring purposes.

40. The Applicants ending cash balance as at January 31, 2014 was \$2,991 compared to the forecast cash balance amount of \$845, for the reasons discussed above. The combination of the ending available cash balance in the Monitor's trust account of \$9,059 and the Applicants' ending cash balance above, results in an overall ending available cash balance of \$12,050 to be utilized as disclosed in the Updated Forecast.
41. The Monitor has requested that the Applicants provide more timely, accurate and relevant accounting information to allow the Monitor to properly fulfill its duties of reviewing the receipts and disbursements of the Applicants.
42. The Monitor had an opportunity to review some of the supporting documentation of the above transactions in the Reporting Period, but continues to review this information.

UPDATED CASH FLOW FORECAST THROUGH MARCH 28, 2014

43. The Purdy Group, with the assistance of the Monitor, has prepared an Updated Forecast for the Forecast Period based on the most current information available, which the Updated Forecast is attached in Appendix C to this Report.
44. 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 | | February 1/14 to March 28/14 |
|--|----|---|
| Receipts | \$ | 12,500 |
| Funds from Monitor's trust account | | 197,000 |
| Total receipts | \$ | 209,500 |
| Disbursements | | 17,000 |
| Release of funds to LBVR | | 70,000 |
| Restructuring professional fees | | 125,000 |
| Total disbursements | \$ | 212,000 |
| Net change in Applicant cash | \$ | (2,500) |
| Applicant cash balance, opening | | 2,991 |
| Applicant cash balance, ending | | 491 |
| FUNDS HELD IN TRUST BY MONITOR | | |
| Trust opening Cash | \$ | 235,309 |
| Collection of funds - other | | - |
| Release of funds to Applicants | | (197,000) |
| | | (197,000) |
| Trust ending cash | \$ | 38,309 |
| TOTAL AVAILABLE CASH | | |
| Applicant cash balance, ending | \$ | 491 |
| Trust ending cash balance | | 38,309 |
| Less: cash not available per Court Order | | (20,000) |
| Less: cash held for LBVR | | (12,250) |
| Cash held for general restructuring | | 6,059 |
| Available Cash | \$ | 6,550 |

45. As summarized above, the Purdy Group is projecting:
- a) total cash receipts from Half Moon Lake Resort at approximately \$12,500. 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 necessary disbursements of approximately \$197,000, discussed below;
- c) cash disbursements of approximately \$87,000 to be used to fund Half Moon operating expenses of approximately \$8,000 and management fees of \$9,000 and approximately \$70,000 to fund LBVR's anticipated operating losses in Bamfield; and
- d) payment of restructuring Professional Fees of \$125,000 relating to outstanding CCAA Professional Fees incurred and outstanding since September 30, 2013.

46. The above results in a net decrease in cash of the Applicants' cash balance of approximately \$2,500 during the Forecast Period. The net decrease in cash from the Applicants' bank account will decrease the Applicants' ending cash position to approximately \$491. The combination of the ending available cash balance in the Monitor's trust account of approximately \$6,059, results in an overall estimated ending available cash balance of approximately \$6,550.

47. Significant assumptions made by Purdy Group management with respect to the Updated Forecast are:

- a) LBVR will receive some funding to cover operating costs during the offseason, including payment of LBVR management fees. 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) lease fee collection and rental RV receipts from Half Moon Lake is approximately \$12,500;

- c) operating costs relating to Half Moon of approximately \$8,000;
- d) Management fees of approximately \$9,000;
- e) the Purdy Group is projecting to advance an additional \$70,000 to LBVR to cover expected operating losses from the Set-Aside Funds held in trust; and
- f) restructuring costs for the Monitor, its counsel and the Applicants' counsel of approximately \$125,000.

48. 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

- 49. The stay period expires at midnight on February 12, 2014 (the "Stay Period"). The Purdy Group, with the support of its two main creditors Axxess and CRA, is seeking an extension of the Stay Period until and including March 28, 2014 (the "Proposed Stay Extension").
- 50. CRA and Axxess have advised that they require further time to consider whether to support the filing of a Plan by the Applicants.
- 51. In the Monitor's view, the Purdy Group requires the Proposed Stay Extension to allow the Applicants to finalize the Amended Draft Plan based on the comments received from Axxess and CRA on the Draft Plan, with the objective of circulating a final Plan to the Applicants' creditors.
- 52. The Monitor is of the respectful view that no creditor should be materially prejudiced by an extension of the stay.

RECOMMENDATION

53. The Monitor respectfully recommends that this Honourable Court approve the Proposed Stay Extension.

All of which is respectfully submitted this 7th day of February, 2014.

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

A handwritten signature in blue ink, appearing to read 'Tim Reid'.

Tim Reid, CA, CIRP
Senior Vice-President

A handwritten signature in blue ink, appearing to read 'Orest Konowalchuk'.

Orest Konowalchuk, CA, CIRP
Director

APPENDIX A

Purdy Group of Companies
Actual to Forecast Results
For the period of November 23, 2013 to January 31, 2014 (the "Reporting Period")
(in CDN dollars)

| | Forecast | Actual | Variance |
|---|---------------------------------|---------------------------------|---------------------------------|
| | Week 106 to Week 115 | Week 106 to Week 115 | Week 106 to Week 115 |
| <u>Receipts</u> | | | |
| Half Moon Lake Resort receipts | 6,000 | 21,963 | 15,963 |
| Other receipts | - | - | - |
| <i>Total operating receipts</i> | 6,000 | 21,963 | 15,963 |
| <u>Funds from Monitor's Trust Account</u> | 621,250 | 492,000 | (129,250) |
| Total receipts | 627,250 | 513,963 | (113,287) |
| <u>Disbursements</u> | | | |
| Half Moon Lake expenses | 21,000 | 37,962 | (16,962) |
| Consulting Fees | 5,000 | - | 5,000 |
| Management Fees | 10,000 | 7,854 | 2,146 |
| Financing Fees | 16,250 | - | 16,250 |
| Interest reserve payment | 115,000 | 115,000 | - |
| | 167,250 | 160,817 | 6,433 |
| <u>LBVR management agreement disbursements</u> | | | |
| Release of funds to LBVR | 65,000 | 81,000 | (16,000) |
| <i>Total operating & LBVR disbursements</i> | 232,250 | 241,817 | (9,567) |
| <u>Restructuring professional fees</u> | | | |
| - Monitor | 310,000 | 270,000 | 40,000 |
| - Proposal Trustee | 17,500 | - | 17,500 |
| - Company Counsel | 22,500 | - | 22,500 |
| - Monitor Counsel | 45,000 | - | 45,000 |
| <i>Total restructuring professional fees</i> | 395,000 | 270,000 | 125,000 |
| Total disbursements | 627,250 | 511,817 | 115,433 |
| Net change in Applicant cash | - | 2,146 | 2,146 |
| APPLICANT CASH BALANCE | | | |
| Opening cash | 845 | 845 | - |
| Net change in operating cash | - | 2,146 | 2,146 |
| Ending Cash | 845 | 2,991 | 2,146 |

(continued...)

APPENDIX A

| FUNDS HELD BY MONITOR | | | |
|---|-----------|-----------|---------|
| Opening Cash | 727,309 | 727,309 | - |
| Collection of funds - other | - | - | - |
| Sale of 200 Barnfield Road | - | - | - |
| Half Moon Lake Lot Sale Receipts | - | - | - |
| Release of funds to Applicants (LBVR) | (81,250) | (81,000) | 250 |
| Release of funds to Applicants (for operations) | (540,000) | (411,000) | 129,000 |
| | (621,250) | (492,000) | 129,250 |
| Ending cash | 106,059 | 235,309 | 129,250 |

| TOTAL AVAILABLE CASH FOR GENERAL RESTRUCTURING | | | |
|---|----------|-----------|-----------|
| Applicant ending cash balance | 845 | 2,991 | 2,146 |
| Total Funds held by Monitor | 106,059 | 235,309 | 129,250 |
| Less: Funds held for LBVR Agreement | (82,000) | (82,250) | (250) |
| Cash held in trust per Court Order | (20,000) | (144,000) | (124,000) |
| | 4,059 | 9,059 | 5,000 |
| Cash available for general restructuring | 4,904 | 12,050 | 7,146 |


 Jack Purdy, President
 Purdy Group


 Date

Armac (AB) and Prairie Bank Account
Cash Transactions
November 23, 2013 to January 31, 2014

| | | Payments | Deposits | |
|--------------------------------|---|--------------------|--------------------|---------------------|
| 27-Nov-13 DS | EVERLINK PAYMEN MSP/DIV | | \$1,000.00 | \$1,486.63 |
| 29-Nov-13 SC | VALUE ASSIST PLAN FEE | \$105.00 | | \$1,381.63 |
| 29-Nov-13 DC | O/D CHGS | \$5.00 | | \$1,376.63 |
| 29-Nov-13 IN | | \$0.16 | | \$1,376.47 |
| TOTAL NOVEMBER 29, 2013 | | \$110.16 | \$1,000.00 | \$889.84 |
| 2-Dec-13 CM | BR.3655 KEITH FROST | | \$895.00 | \$2,271.47 |
| 2-Dec-13 DS | ELAVON MRCH SVC CMS/GES | \$28.95 | | \$2,242.52 |
| 2-Dec-13 DS | ELAVON MRCH SVC CMS/GES | \$57.59 | | \$2,184.93 |
| 2-Dec-13 DS | COLLECTIVEPOS FEE/FRA | \$22.05 | | \$2,162.88 |
| 2-Dec-13 DS | COLLECTIVEPOS FEE/FRA | \$60.83 | | \$2,102.05 |
| 3-Dec-13 CD | | | \$4,196.94 | \$6,298.99 |
| 3-Dec-13 DM | BRANCH BILL PAYMENT EPCOR UTILITY | \$2,000.00 | | \$4,298.99 |
| 3-Dec-13 DC | BILL PAYMENT FEE | \$1.50 | | \$4,297.49 |
| 3-Dec-13 DM | BRANCH BILL PAYMENT TELUS COMM | \$500.00 | | \$3,797.49 |
| 3-Dec-13 DC | BILL PAYMENT FEE | \$1.50 | | \$3,795.99 |
| 4-Dec-13 RT | RETURNED ITEM ADVICE NUMBER 503651 | \$400.00 | | \$3,395.99 |
| 5-Dec-13 CM | INCOMING WIRE PAYMENT CA, ALVAREZ MARSAL CANA | | \$17,000.00 | \$20,395.99 |
| 5-Dec-13 DC | HANDLING CHG 025843000 | \$14.00 | | \$20,381.99 |
| 5-Dec-13 CK | NO.279 | \$1,800.00 | | \$18,581.99 |
| 6-Dec-13 DM | BRANCH BILL PAYMENT EPCOR UTILITY | \$4,600.00 | | \$13,981.99 |
| 6-Dec-13 DC | BILL PAYMENT FEE | \$1.50 | | \$13,980.49 |
| 6-Dec-13 DM | BRANCH BILL PAYMENT EDMNTN LCNS P B | \$148.00 | | \$13,832.49 |
| 6-Dec-13 DC | BILL PAYMENT FEE | \$1.50 | | \$13,830.99 |
| 6-Dec-13 DM | BRANCH BILL PAYMENT DIRECT ENER REG | \$253.56 | | \$13,577.43 |
| 6-Dec-13 DC | BILL PAYMENT FEE | \$1.50 | | \$13,575.93 |
| 6-Dec-13 DM | BRANCH BILL PAYMENT TELUS COMM | \$1,200.00 | | \$12,375.93 |
| 6-Dec-13 DC | BILL PAYMENT FEE | \$1.50 | | \$12,374.43 |
| 6-Dec-13 DM | PMO 015648324 - Deann Campbell | \$700.00 | | \$11,674.43 |
| 6-Dec-13 DC | FEE PMO 015648324 | \$7.50 | | \$11,666.93 |
| 6-Dec-13 DM | PMO 015648333 - All Rite Trucking | \$1,800.00 | | \$9,866.93 |
| 6-Dec-13 DC | FEE PMO 015648333 | \$7.50 | | \$9,859.43 |
| 6-Dec-13 DM | PMO 015648342 - Reimburse Rona HM Expenses | \$1,778.00 | | \$8,081.43 |
| 6-Dec-13 DC | FEE PMO 015648342 | \$7.50 | | \$8,073.93 |
| 6-Dec-13 DM | PMO 015648315 - Bobcat Truckin | \$1,400.00 | | \$6,673.93 |
| 6-Dec-13 DC | FEE PMO 015648315 | \$7.50 | | \$6,666.43 |
| 6-Dec-13 CB | Cash w/d HM Expenses | \$2,500.00 | | \$4,166.43 |
| 6-Dec-13 DM | PMO 015648351 - First Insurance | \$502.73 | | \$3,663.70 |
| 6-Dec-13 DC | FEE PMO 015648351 | \$7.50 | | \$3,656.20 |
| 6-Dec-13 PR | TOPS LIQUOR | \$161.93 | | \$3,494.27 |
| TOTAL DECEMBER 6, 2013 | | \$19,974.14 | \$22,091.94 | \$2,117.80 |
| 10-Dec-13 DS | ELAVON-CANADA MSP/DIV | \$138.29 | | \$3,355.98 |
| 10-Dec-13 PR | C21993 B.W. MEL | \$73.19 | | \$3,282.79 |
| 11-Dec-13 MB | BR. 2641 | | \$5,337.50 | \$8,620.29 |
| 11-Dec-13 DM | BRANCH BILL PAYMENT BRANCH 2641 DIRECT ENER REG | \$500.00 | | \$8,120.29 |
| 11-Dec-13 DC | BILL PAYMENT FEE | \$1.50 | | \$8,118.79 |
| 11-Dec-13 DM | BRANCH BILL PAYMENT BRANCH 2641 BELL MOB CELL | \$200.00 | | \$7,918.79 |
| 11-Dec-13 DC | BILL PAYMENT FEE | \$1.50 | | \$7,917.29 |
| 11-Dec-13 DM | BR.2641 CASH OUT | \$3,200.00 | | \$4,717.29 |
| 11-Dec-13 PR | CHILI'S | \$70.73 | | \$4,646.56 |
| TOTAL DECEMBER 13, 2013 | | \$4,185.21 | \$5,337.50 | \$1,152.29 |
| 16-Dec-13 PR | P&O FERRIES LTD (N GBR 251.50 X 1.785312 | \$449.01 | | \$4,197.55 |
| 17-Dec-13 OM | 35117472ITA 250 X1.492106 | \$373.03 | | \$3,824.52 |
| 17-Dec-13 SC | OTHER ABM USE ITA | \$3.00 | | \$3,821.52 |
| 17-Dec-13 OM | 35117491ITA 300 X1.492106 | \$447.63 | | \$3,373.89 |
| 17-Dec-13 SC | OTHER ABM USE ITA | \$3.00 | | \$3,370.89 |
| 17-Dec-13 CK | NO.258 BR.0496 | \$431.17 | | \$2,939.72 |
| 19-Dec-13 CK | NO.281 | \$354.00 | | \$2,585.72 |
| TOTAL DECEMBER 20, 2013 | | \$2,060.84 | \$0.00 | (\$2,060.84) |
| 24-Dec-13 OM | 33581252TUR 500 X.5271351 | \$263.57 | | \$2,322.15 |
| 24-Dec-13 SC | OTHER ABM USE TUR | \$3.00 | | \$2,319.15 |
| TOTAL DECEMBER 27, 2013 | | \$266.57 | \$0.00 | (\$266.57) |
| 31-Dec-13 SC | VALUE ASSIST PLAN FEE | \$105.00 | | \$2,214.15 |
| 31-Dec-13 CM | BR.0737 KEITH FROST | | \$895.00 | \$3,109.15 |
| 2-Jan-14 DS | ELAVON MRCH SVC CMS/GES | \$28.95 | | \$3,080.20 |
| 2-Jan-14 DS | ELAVON MRCH SVC CMS/GES | \$28.95 | | \$3,051.25 |
| 2-Jan-14 DS | COLLECTIVEPOS FEE/FRA | \$22.04 | | \$3,029.21 |

**Armac (AB) and Prairie Bank Account
Cash Transactions
November 23, 2013 to January 31, 2014**

| | Payments | Deposits | |
|---|--------------------|-------------------|---------------------|
| 2-Jan-14 DS COLLECTIVEPOS FEE/FRA | \$60.83 | | \$2,968.38 |
| TOTAL JANUARY 3, 2014 | \$245.77 | \$895.00 | \$649.23 |
| 9-Jan-14 DS ELAVON-CANADA MSP/DIV | \$138.29 | | \$2,830.09 |
| TOTAL JANUARY 10, 2014 | \$138.29 | \$0.00 | (\$138.29) |
| 13-Jan-14 DS ELAVON MRCH SVC MSP/DIV | | \$1,000.00 | \$3,830.09 |
| 13-Jan-14 PR REAL CDN SUPERS | \$102.02 | | \$3,728.07 |
| 14-Jan-14 PR DOMO GAS #205 | \$70.15 | | \$3,657.92 |
| 14-Jan-14 PR CANADIAN TIRE # | \$188.99 | | \$3,468.93 |
| 16-Jan-14 CD | | \$1,853.32 | \$5,322.25 |
| 16-Jan-14 TF 0014-1199-885 | | \$2,584.77 | \$7,907.02 |
| 16-Jan-14 DM BRANCH BILL PAYMENT TELUS MOB | \$700.00 | | \$7,207.02 |
| 16-Jan-14 DC BILL PAYMENT FEE | \$1.50 | | \$7,205.52 |
| 16-Jan-14 BC BILL PAYMENT CANCELLED TELUS MOB | | \$700.00 | \$7,905.52 |
| 16-Jan-14 DC FEE REVERSAL | | \$1.50 | \$7,907.02 |
| 16-Jan-14 DM BRANCH BILL PAYMENT TELUS MOB | \$396.20 | | \$7,510.82 |
| 16-Jan-14 DC BILL PAYMENT FEE | \$1.50 | | \$7,509.32 |
| 16-Jan-14 DM BRANCH BILL PAYMENT EDMNTN LCNS P B | \$148.00 | | \$7,361.32 |
| 16-Jan-14 DC BILL PAYMENT FEE | \$1.50 | | \$7,359.82 |
| 16-Jan-14 DM BRANCH BILL PAYMENT BELL MOB CELL | \$300.00 | | \$7,059.82 |
| 16-Jan-14 DC BILL PAYMENT FEE | \$1.50 | | \$7,058.32 |
| 16-Jan-14 DM BRANCH BILL PAYMENT DIRECT ENER REG | \$580.18 | | \$6,478.14 |
| 16-Jan-14 DC BILL PAYMENT FEE | \$1.50 | | \$6,476.64 |
| 16-Jan-14 DM PMO 018311641 - Mate Equipment | \$50.00 | | \$6,426.64 |
| 16-Jan-14 DC FEE PMO 018311641 | \$7.50 | | \$6,419.14 |
| 16-Jan-14 DM DRAFT 023278805 - Redeposited Prairie | \$2,584.77 | | \$3,834.37 |
| 16-Jan-14 DC FEE DRAFT 023278805 | \$7.50 | | \$3,826.87 |
| 16-Jan-14 DM PMO 018311684 - MCS Nef | \$188.85 | | \$3,638.02 |
| 16-Jan-14 DC FEE PMO 018311684 | \$7.50 | | \$3,630.52 |
| 16-Jan-14 DM PMO 018311675 | \$173.55 | | \$3,456.97 |
| 16-Jan-14 DC FEE PMO 018311675 | \$7.50 | | \$3,449.47 |
| 16-Jan-14 EC PMO 018311675 | | \$173.55 | \$3,623.02 |
| 16-Jan-14 EC FEE PMO 018311675 | | \$7.50 | \$3,630.52 |
| 16-Jan-14 DM PMO 018311675 - Sherewood Park Chamber of Commerce | \$173.25 | | \$3,457.27 |
| 16-Jan-14 DC FEE PMO 018311675 | \$7.50 | | \$3,449.77 |
| 16-Jan-14 DM PMO 018311666 - RV Show | \$1,627.50 | | \$1,822.27 |
| 16-Jan-14 DC FEE PMO 018311666 | \$7.50 | | \$1,814.77 |
| 16-Jan-14 DM PMO 018311657 - Coop Electric | \$150.00 | | \$1,664.77 |
| 16-Jan-14 DC FEE PMO 018311657 | \$7.50 | | \$1,657.27 |
| 16-Jan-14 CB Cash w/d HM Expenses | \$1,600.00 | | \$57.27 |
| 16-Jan-14 EC DRAFT 023278805 | | \$2,584.77 | \$2,642.04 |
| 16-Jan-14 EC FEE DRAFT 023278805 | | \$7.50 | \$2,649.54 |
| 16-Jan-14 DM BRANCH BILL PAYMENT EPCOR UTILITY | \$2,500.00 | | \$149.54 |
| 16-Jan-14 DC BILL PAYMENT FEE | \$1.50 | | \$148.04 |
| 17-Jan-14 PR HUGHES PETROLEU | \$76.10 | | \$71.94 |
| 17-Jan-14 CK NO.259 BR.0496 | \$431.17 | | (\$359.23) |
| 17-Jan-14 NS CHEQUE RETURNED NSF NO. 259 | | \$431.17 | \$71.94 |
| 17-Jan-14 DC NON SUFFICIENT FUNDS FEE | \$45.00 | | \$26.94 |
| TOTAL JANUARY 17, 2014 | \$12,147.23 | \$9,344.08 | (\$2,803.15) |
| 20-Jan-14 DS EVERLINK PAYMEN MSP/DIV | | \$150.00 | \$178.94 |
| 20-Jan-14 DS EVERLINK PAYMEN MSP/DIV | | \$470.00 | \$646.94 |
| 20-Jan-14 CK NO.283 - Deann Campbell | \$600.00 | | \$46.94 |
| 21-Jan-14 CM INCOMING WIRE PAYMENT CA, ALVAREZ MARSAL CANA | | \$9,000.00 | \$9,046.94 |
| 21-Jan-14 DC HANDLING CHG 034308000 | \$14.00 | | \$9,032.94 |
| 22-Jan-14 DM DRAFT 028359082 | \$5,000.00 | | \$4,032.94 |
| 22-Jan-14 DC FEE DRAFT 028359082 | \$7.50 | | \$4,025.44 |
| 22-Jan-14 CB Chip Russell - HM Employee | \$1,500.00 | | \$2,525.44 |
| 23-Jan-14 PR REAL CDN. LIQUO | \$223.42 | | \$2,302.02 |
| TOTAL JANUARY 24, 2014 | \$7,344.92 | \$9,620.00 | \$2,275.08 |
| 27-Jan-14 PR LAUGHING LLAMA | \$78.93 | | \$2,223.09 |
| 27-Jan-14 PR LAUGHING LLAMA | \$127.54 | | \$2,095.55 |
| 27-Jan-14 CK NO.286 - Deann Campbell | \$300.00 | | \$1,795.55 |
| 28-Jan-14 PR BC LIQUOR #129 | \$30.09 | | \$1,765.46 |
| 28-Jan-14 PR COCO RICO CAFE | \$45.26 | | \$1,720.20 |
| 28-Jan-14 CK NO.285 - Julie Russell HM Website | \$800.00 | | \$920.20 |
| 29-Jan-14 CK NO.284 BR.0786 - Mazzei Lawyer Fees | \$323.95 | | \$596.25 |
| 29-Jan-14 PR BC LIQUOR #129 | \$15.09 | | \$581.16 |

**Armac (AB) and Prairie Bank Account
Cash Transactions
November 23, 2013 to January 31, 2014**

| | Payments | Deposits | |
|-------------------------------------|-------------------|-------------------|-----------------|
| 29-Jan-14 PR DAE BAK BON GA | \$25.36 | | \$555.80 |
| 30-Jan-14 PR GREEN BEAN CAFE | \$10.24 | | \$545.56 |
| 30-Jan-14 PR EDMONTON INTERN | \$44.00 | | \$501.56 |
| 3-Feb-14 PR K.V.P. REGISTRA | \$251.60 | | \$249.96 |
| 3-Feb-14 MB BR. 3655 | | \$895.00 | \$1,144.96 |
| 3-Feb-14 DS ELAVON MRCH SVC MSP/DIV | | \$1,459.50 | \$2,604.46 |
| 3-Feb-14 DS ELAVON MRCH SVC CMS/GES | \$28.95 | | \$2,575.51 |
| 3-Feb-14 DS ELAVON MRCH SVC CMS/GES | \$35.87 | | \$2,539.64 |
| TOTAL JANUARY 24, 2014 | \$2,116.88 | \$2,364.50 | \$237.62 |

Allocation of Payments (cash transactions)

Expenses:

| | |
|--------------------------------------|--------------------|
| Half Moon Expenses (draft notes) | \$36,865.79 |
| Remaining miscellaneous transactions | \$1,096.59 |
| Total Half Moon Expenses | \$37,962.38 |
| Management Fees | \$7,854.31 |
| | \$45,816.69 |

| | |
|-----------------|------------|
| Armac balance | \$2,539.64 |
| Prairie balance | \$452.03 |
| | \$2,991.67 |

APPENDIX B

LBVR (Hawkeye Group Properties)
Revised Actual Cash Flow
the period of September 8, 2012 to December 31, 2013
(in CDN dollars)

| | Sept 8 - Sept 30/12 | Oct 1 - Oct 31/12 | Nov 1 - Nov 30/12 | Dec 1 - Dec 31/12 | Jan 1 - Jan 31/13 |
|---|---------------------|-------------------|-------------------|-------------------|-------------------|
| <u>Operating receipts</u> | | | | | |
| Funds received from the Purdy Group | | | | | |
| Fishpath sales and rental receipts | \$ 50,000 | \$ 100,000 | \$ 100,000 | \$ - | \$ 100,000 |
| Fuel sales | - | 8,766 | 4,041 | 3,949 | (1,886) |
| Other miscellaneous receipts | - | - | - | - | - |
| <i>Total operating receipts</i> | \$ 50,000 | \$ 109,313 | \$ 105,081 | \$ 3,062 | \$ 4,256 |
| | | | | \$ 7,011 | \$ 102,370 |
| <u>Operating Disbursements</u> | | | | | |
| Management fees | \$ - | \$ 33,300 | \$ 16,650 | \$ 16,650 | \$ 16,650 |
| Restaurant food and beverage inventory | - | 4,906 | 11,604 | 4,260 | 2,937 |
| Operations labour | - | 4,319 | 4,051 | 7,889 | 8,630 |
| Utility costs | - | 4,738 | 1,976 | 7,215 | 12,021 |
| Fuel inventory | - | - | - | - | 6,904 |
| Travel expenses | - | 2,835 | 4,644 | 1,858 | 1,510 |
| Insurance expense | - | - | - | - | - |
| Office, pub and cleaning supplies | - | 2,350 | 321 | 2,544 | 8,144 |
| Other misc | - | 298 | 458 | (106) | 86 |
| Bank service charges and other permit costs | - | 184 | 10 | 95 | 191 |
| <i>Total operating disbursements</i> | \$ - | \$ 52,931 | \$ 39,715 | \$ 40,406 | \$ 57,073 |
| | | | | | |
| <u>Capital costs</u> | | | | | |
| Furniture and equipment purchases | \$ - | \$ 3,974 | \$ - | \$ 25,446 | \$ 13,521 |
| Repairs and maintenance | - | 11,472 | 2,960 | 13,233 | 27,788 |
| <i>Total capital costs</i> | \$ - | \$ 15,446 | \$ 2,960 | \$ 38,680 | \$ 41,309 |
| | | | | | |
| <i>Total operating and capital costs</i> | \$ - | \$ 68,377 | \$ 42,675 | \$ 79,085 | \$ 98,381 |
| | | | | | |
| <u>Net change in cash</u> | | | | | |
| Opening cash | \$ 50,000 | \$ 40,936 | \$ 62,406 | \$ (72,075) | \$ 3,989 |
| Ending Cash | - | 50,000 | 90,936 | 153,342 | 81,268 |
| | \$ 50,000 | \$ 90,936 | \$ 153,342 | \$ 81,268 | \$ 85,257 |

LBVR (Hawkeye Group Properties)
Revised Actual Cash Flow
the period of September 8, 2012 to December 31, 2013
(in CDN dollars)

| | Feb 1 - Feb 28/13 | Mar 1 - Mar 31/13 | Apr 1 - Apr 30/13 | May 1 - May 31/13 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| <u>Operating receipts</u> | | | | |
| Funds received from the Purdy Group | | | | |
| Fishpath sales and rental receipts | \$ 140,000 | \$ 60,000 | \$ 100,000 | \$ - |
| Fuel sales | (801) | 7,230 | 4,233 | 13,154 |
| Other miscellaneous receipts | - | - | 5,932 | 14,072 |
| <i>Total operating receipts</i> | <u>2,343</u> | <u>1,341</u> | <u>2,738</u> | <u>2,450</u> |
| | \$ 141,542 | \$ 68,571 | \$ 112,903 | \$ 29,676 |
| <u>Operating Disbursements</u> | | | | |
| Management fees | \$ 16,650 | \$ 17,483 | \$ 16,650 | \$ 16,650 |
| Restaurant food and beverage inventory | 1,576 | 12,611 | 32,895 | 5,735 |
| Operations labour | 6,857 | 9,068 | 12,206 | 8,750 |
| Utility costs | 7,576 | 11,151 | 22,786 | 3,993 |
| Fuel inventory | 27,896 | - | - | - |
| Travel expenses | 426 | 5,741 | 3,523 | 1,472 |
| Insurance expense | - | - | - | - |
| Office, pub and cleaning supplies | 3,180 | 2,332 | 7,045 | 854 |
| Other misc | - | 4 | 63 | 234 |
| Bank service charges and other permit costs | 314 | 381 | 128 | 528 |
| <i>Total operating disbursements</i> | <u>64,474</u> | <u>58,769</u> | <u>95,297</u> | <u>38,216</u> |
| | \$ | \$ | \$ | \$ |
| <u>Capital costs</u> | | | | |
| Furniture and equipment purchases | \$ 63,737 | \$ 2,330 | \$ 5,400 | \$ - |
| Repairs and maintenance | 17,677 | 9,221 | 33,783 | 10,363 |
| <i>Total capital costs</i> | <u>81,413</u> | <u>11,551</u> | <u>39,183</u> | <u>10,363</u> |
| | \$ | \$ | \$ | \$ |
| <i>Total operating and capital costs</i> | <u>145,887</u> | <u>70,320</u> | <u>134,480</u> | <u>48,580</u> |
| | \$ | \$ | \$ | \$ |
| <u>Net change in cash</u> | <u>(4,345)</u> | <u>(1,749)</u> | <u>(21,576)</u> | <u>(18,903)</u> |
| Opening cash | 85,257 | 80,912 | 79,162 | 57,586 |
| Ending Cash | <u>80,912</u> | <u>79,162</u> | <u>57,586</u> | <u>38,683</u> |
| | \$ | \$ | \$ | \$ |

LBVR (Hawkeye Group Properties)
Revised Actual Cash Flow
the period of September 8, 2012 to December 31, 2013
(in CDN dollars)

| | June 1 - June 30/13 | July 1 - July 31/13 | Aug 1 - Aug 31/13 | Sept 1 - Sept 31/13 |
|---|----------------------------|----------------------------|--------------------------|----------------------------|
| <u>Operating receipts</u> | | | | |
| Funds received from the Purdy Group | | | | |
| Fishpath sales and rental receipts | \$ 78,000 | \$ - | \$ 82,000 | \$ - |
| Fuel sales | 22,642 | 38,394 | 48,399 | 23,348 |
| Other miscellaneous receipts | 23,434 | 47,775 | 55,322 | 22,045 |
| | 4,430 | 5,342 | 4,431 | 2,417 |
| Total operating receipts | \$ 128,506 | \$ 91,511 | \$ 190,153 | \$ 47,810 |
| <u>Operating Disbursements</u> | | | | |
| Management fees | \$ 16,650 | \$ 16,650 | \$ 16,650 | \$ 16,650 |
| Restaurant food and beverage inventory | 19,262 | 8,025 | 8,819 | 2,353 |
| Operations labour | 26,824 | 43,747 | 28,934 | 12,384 |
| Utility costs | 7,386 | 3,785 | 2,225 | 9,261 |
| Fuel inventory | 2,549 | 1,450 | 66,150 | 35,187 |
| Travel expenses | 2,893 | 2,146 | 2,775 | 591 |
| Insurance expense | | | 7,610 | 5,750 |
| Office, pub and cleaning supplies | 4,999 | 5,109 | 7,488 | 4,758 |
| Other misc | 376 | 203 | - | - |
| Bank service charges and other permit costs | 366 | 926 | 1,801 | 1,866 |
| Total operating disbursements | \$ 81,306 | \$ 82,041 | \$ 142,453 | \$ 88,800 |
| <u>Capital costs</u> | | | | |
| Furniture and equipment purchases | \$ 34,239 | \$ - | \$ - | \$ - |
| Repairs and maintenance | 10,292 | 1,860 | 3,357 | 9,876 |
| Total capital costs | \$ 44,532 | \$ 1,860 | \$ 3,357 | \$ 9,876 |
| Total operating and capital costs | \$ 125,837 | \$ 83,901 | \$ 145,810 | \$ 98,676 |
| <u>Net change in cash</u> | | | | |
| Opening cash | \$ 2,669 | \$ 7,611 | \$ 44,343 | \$ (50,865) |
| Ending Cash | 38,683 | 41,352 | 48,962 | 93,305 |
| | 41,352 | 48,962 | 93,305 | 42,439 |

LBVR (Hawkeye Group Properties)
Revised Actual Cash Flow
the period of September 8, 2012 to December 31, 2013
(in CDN dollars)

| | Oct. 1 - Oct. 31/13 | Nov. 1 - Nov. 30/13 | Dec. 1 - Dec. 31/13 | 16 month Total |
|---|----------------------------|----------------------------|----------------------------|---------------------------|
| <u>Operating receipts</u> | | | | |
| Funds received from the Purdy Group | \$ 27,000 | \$ 35,000 | | \$ 822,000 |
| Fishpath sales and rental receipts | 3,394 | 6,296 | 5,193 | 186,353 |
| Fuel sales | 5,745 | 4,571 | 3,339 | 182,235 |
| Other miscellaneous receipts | 1,649 | 1,465 | 4,261 | 41,770 |
| Total operating receipts | \$ 37,787 | \$ 47,332 | \$ 12,793 | \$ 1,232,359 |
| <u>Operating Disbursements</u> | | | | |
| Management fees | \$ 16,650 | \$ 16,650 | \$ 16,650 | \$ 267,233 |
| Restaurant food and beverage inventory | 2,239 | 2,724 | 11,858 | 131,804 |
| Operations labour | 7,686 | 4,855 | 10,056 | 196,256 |
| Utility costs | 345 | 1,736 | 1,512 | 97,707 |
| Fuel inventory | (5,884) | 839 | 2,341 | 137,432 |
| Travel expenses | 2,512 | 2,601 | 3,061 | 38,589 |
| Insurance expense | 5,750 | 13,193 | 6,163 | 38,467 |
| Office, pub and cleaning supplies | 2,838 | 2,236 | 5,312 | 59,510 |
| Other misc | 3 | | 3 | 1,622 |
| Bank service charges and other permit costs | 807 | 149 | 429 | 8,175 |
| Total operating disbursements | \$ 32,945 | \$ 44,984 | \$ 57,386 | \$ 976,794 |
| <u>Capital costs</u> | | | | |
| Furniture and equipment purchases | \$ - | \$ 708 | \$ - | 149,355 |
| Repairs and maintenance | 4,078 | 469 | 59 | 156,489 |
| Total capital costs | \$ 4,078 | \$ 1,177 | \$ 59 | \$ 305,844 |
| Total operating and capital costs | \$ 37,023 | \$ 46,161 | \$ 57,445 | \$ 1,282,638 |
| <u>Net change in cash</u> | | | | |
| Opening cash | \$ 764 | \$ 1,170 | \$ (44,652) | \$ (50,279) |
| Ending Cash | 42,439 | 43,204 | 44,374 | 50,000 |
| | \$ 43,204 | \$ 44,374 | \$ (279) | \$ (279) |

APPENDIX C

APPENDIX C

Purdy Group of Companies
Updated Forecast Cash Flow
For the period of February 1, 2014 to March 28, 2014 (the "Forecast Period")
(in CDN dollars)

| | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | TOTAL Forecast Week 116 to 123 |
|---|----------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---|
| | Week 116 7-Feb-14 | Week 117 14-Feb-14 | Week 118 21-Feb-14 | Week 119 28-Feb-14 | Week 120 7-Mar-14 | Week 121 14-Mar-14 | Week 122 21-Mar-14 | Week 123 28-Mar-14 | Week 123 28-Mar-14 | Week 123 28-Mar-14 | Week 123 28-Mar-14 | Week 123 28-Mar-14 | Week 123 28-Mar-14 | Week 123 28-Mar-14 | Week 123 28-Mar-14 |
| Receipts | | | | | | | | | | | | | | | |
| Half Moon Lake Resort receipts | 5,000 | - | - | - | 7,500 | - | - | - | - | - | - | - | - | - | 12,500 |
| Other receipts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total operating receipts | 5,000 | - | - | - | 7,500 | - | - | - | - | - | - | - | - | - | 12,500 |
| Funds from Monitor's Trust Account | | | | | | | | | | | | | | | |
| | 125,000 | 1,000 | 35,000 | - | - | 1,000 | 35,000 | - | - | - | - | - | - | - | 197,000 |
| Total receipts | 130,000 | 1,000 | 35,000 | - | 7,500 | 1,000 | 35,000 | - | - | - | - | - | - | - | 209,500 |
| Disbursements | | | | | | | | | | | | | | | |
| Half Moon Lake expenses | - | 4,000 | - | - | - | 4,000 | - | - | - | - | - | - | - | - | 8,000 |
| Management Fees | - | 4,500 | - | - | - | 4,500 | - | - | - | - | - | - | - | - | 9,000 |
| Total disbursements | - | 8,500 | - | - | - | 8,500 | - | - | - | - | - | - | - | - | 17,000 |
| LBVR management agreement disbursements | | | | | | | | | | | | | | | |
| Release of funds to LBVR | - | - | 35,000 | - | - | - | 35,000 | - | - | - | - | - | - | - | 70,000 |
| Total operating & LBVR disbursements | - | 8,500 | 35,000 | - | - | 8,500 | 35,000 | - | - | - | - | - | - | - | 87,000 |
| Restructuring professional fees | | | | | | | | | | | | | | | |
| - Monitor | 40,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | 40,000 |
| - Proposal trustee | 17,500 | - | - | - | - | - | - | - | - | - | - | - | - | - | 17,500 |
| - Company Counsel | 22,500 | - | - | - | - | - | - | - | - | - | - | - | - | - | 22,500 |
| - Monitor Counsel | 45,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | 45,000 |
| Total restructuring professional fees | 125,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | 125,000 |
| Total disbursements | 125,000 | 8,500 | 35,000 | - | - | 8,500 | 35,000 | - | - | - | - | - | - | - | 212,000 |
| Net change in Applicant cash | 5,000 | (7,500) | - | - | 7,500 | (7,500) | - | - | - | - | - | - | - | - | (2,500) |

29



APPENDIX C

Purdy Group of Companies
Updated Forecast Cash Flow
For the period of February 1, 2014 to March 28, 2014 (the "Forecast Period")
(In CDN dollars)

| | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | TOTAL Forecast Week 116 to 123 |
|-------------------------------|----------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---|
| | Week 116 7-Feb-14 | Week 117 14-Feb-14 | Week 118 21-Feb-14 | Week 119 28-Feb-14 | Week 120 7-Mar-14 | Week 121 14-Mar-14 | Week 122 21-Mar-14 | Week 123 28-Mar-14 | Week 123 28-Mar-14 | Week 123 28-Mar-14 | Week 123 28-Mar-14 | Week 123 28-Mar-14 | Week 123 28-Mar-14 | Week 123 28-Mar-14 | Week 123 28-Mar-14 | Week 123 28-Mar-14 | Week 123 28-Mar-14 | Week 123 28-Mar-14 |
| APPLICANT CASH BALANCE | | | | | | | | | | | | | | | | | | |
| Opening cash | 2,991 | 7,991 | 491 | 491 | 491 | 7,991 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 2,991 |
| Net change in operating cash | 5,000 | (7,500) | - | - | 7,500 | (7,500) | - | - | - | - | - | - | - | - | - | - | - | (2,500) |
| Ending Cash | 7,991 | 491 | 491 | 491 | 7,991 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 |

| | | | | | | | | | | | | | | | | | | |
|---|-----------|---------|----------|----------|--------|---------|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|
| FUNDS HELD BY MONITOR | | | | | | | | | | | | | | | | | | |
| Opening Cash | 235,309 | 110,309 | 109,309 | 74,309 | 74,309 | 74,309 | 73,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 | 235,309 |
| Collection of funds - other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Release of funds to Applicants (for LBVR) | - | - | (35,000) | - | - | (1,000) | (35,000) | - | - | - | - | - | - | - | - | - | - | (70,000) |
| Release of funds to Applicants (for operations) | (125,000) | (1,000) | (1,000) | - | - | (1,000) | (35,000) | - | - | - | - | - | - | - | - | - | - | (127,000) |
| | (125,000) | (1,000) | (35,000) | (35,000) | - | (1,000) | (35,000) | - | - | - | - | - | - | - | - | - | - | (197,000) |
| Ending cash | 110,309 | 109,309 | 74,309 | 74,309 | 74,309 | 73,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 |

| | | | | | | | | | | | | | | | | | | |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| TOTAL AVAILABLE CASH FOR GENERAL RESTRUCTURING | | | | | | | | | | | | | | | | | | |
| Applicant ending cash balance | 7,991 | 491 | 491 | 491 | 7,991 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 |
| Total Funds held by Monitor | 110,309 | 109,309 | 74,309 | 74,309 | 74,309 | 73,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 | 38,309 |
| Less: Funds held for LBVR Agreement | (82,250) | (82,250) | (47,250) | (47,250) | (47,250) | (47,250) | (12,250) | (12,250) | (12,250) | (12,250) | (12,250) | (12,250) | (12,250) | (12,250) | (12,250) | (12,250) | (12,250) | (12,250) |
| Cash held in trust per Court Order | (20,000) | (20,000) | (20,000) | (20,000) | (20,000) | (20,000) | (20,000) | (20,000) | (20,000) | (20,000) | (20,000) | (20,000) | (20,000) | (20,000) | (20,000) | (20,000) | (20,000) | (20,000) |
| Cash held for general restructuring | 8,059 | 7,059 | 7,059 | 7,059 | 7,059 | 6,059 | 6,059 | 6,059 | 6,059 | 6,059 | 6,059 | 6,059 | 6,059 | 6,059 | 6,059 | 6,059 | 6,059 | 6,059 |
| Cash available for general restructuring | 16,050 | 7,550 | 7,550 | 7,550 | 15,050 | 6,550 | 6,550 | 6,550 | 6,550 | 6,550 | 6,550 | 6,550 | 6,550 | 6,550 | 6,550 | 6,550 | 6,550 | 6,550 |

 Jack Purdy Date

 President & Chief Executive Officer

APPENDIX D



COURT FILE NUMBER 9903 22441, 1203 09399

COURT
JUDICIAL CENTRE Court of Queen's Bench of Alberta
Edmonton

JUDICIAL CENTRE IN THE MATTER of the *Municipal Government Act*, S.A. 1994, c. M-26, 1 AND IN THE MATTER OF the *Land Titles Act*, R.S.A. 1980, c. L-5 AND IN THE MATTER OF the Lands within the South East Quarter of Section 6, Township 52, Range 21, West of the Fourth Meridian, and within the Boundaries of Strathcona County

BETWEEN

Docket: 9903 22441

Strathcona County

Applicant/Respondent

- And -

Half Moon Lake Resort Ltd., Apple Auction Corporation operating a business under the firm name and style of Apple Auction Ltd., and Brian Lovig

Respondents/Applicant

- And -

Armac Investments Ltd., Jack Purdy also known as John Purdy and John Kenneth Purdy, Registrar of Land Titles

Respondents

AND BETWEEN

Docket: 1203 09399

Registrar of Land Titles

Applicant

- and -

Half Moon Lake Resort Ltd., Armac Investments Ltd., Jack Purdy also known as John Purdy, Strathcona County

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

for Clerk of the Court

FIAT: Please file notwithstanding R.9.5(2)

J.C.B.A.

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 Phone (780) 428-7770 Fax (780) 428-7775
Email – ctaylor@taylorlawservices.com

DATE ON WHICH ORDER WAS PRONOUNCED: July 17, 2013

NAME OF MASTER/JUDGE WHO MADE THIS ORDER: The Honourable Mr. Justice B. R. Burrows

LOCATION OF HEARING: Law Courts Building, Edmonton, Alberta

UPON the Court's own motion and in the context of applications made by Half Moon Lake Resort Ltd., and Strathcona County in Action 9903 22441 and by the Registrar of Land Titles in Action 1203 09399;

AND UPON having found that existing Consent Orders granted in Action 9903 22441 which govern the granting and registration of Campsite Rental Agreements in relation to the Lands require clarification;

IT IS HEREBY ORDERED THAT:

1. In this Order:

(a) "Lands" shall mean:

All that portion of the southeast quarter of Section six (6), Township fifty-two (52), Range twenty-one (21) west of the fourth meridian, not covered by any of the waters of Lake No 1 and Lake No. 2 as shown on a plan of survey of the said township signed at Ottawa on the 13th day of May, A.D. 1901 containing 56.3 hectares (139 acres) more or less, excepting thereout all mines and minerals.

(b) "Campsite Areas" shall mean the 216 areas on the Lands comprised of:

- i. the 141 areas shown within Detail "A" as indicated on Survey Plan 022 4824;
- ii. the 57 areas shown within Detail "B" as indicated on Survey Plan 022 4824;
- iii. the 18 areas approved by Strathcona County on October 1, 2002 abutting the easterly boundary of Detail "A" on Survey Plan 022 4824 as shown on the Tentative Plan prepared by Hagen Surveys (1982) Ltd. attached to and forming part of Development Permit 90-1300;

all as depicted in Schedule "A" to this Order.

- 3 -

2. Half Moon Lake Resort Ltd. which is the current registered owner of the Lands, and any subsequently registered owners of the Lands, may enter into Campsite Rental Agreements in respect of individual Campsite Areas in the form attached to this Order as Schedule "B".
3. Any sale or lease of a Campsite Area not in the exact form of Campsite Rental Agreement attached to this order as Schedule "B" shall be invalid.
4. The Registrar of Land Titles shall register a Campsite Rental Agreement in the exact form attached to this Order as Schedule "B" against the title to the Lands but shall not register any other instrument relating to a Campsite Area unless registration is authorized by further Order.
5. If any party or any other interested person is dissatisfied with the determination of the Registrar of Land Titles made pursuant to this Order concerning the registration of any instrument relating to a Campsite Area, that party or other interested person may invoke the procedure set out in the *Land Title Act*, RSA 2000, c. L-4, s. 184.
6. The Registrar of Land Titles may refer any question arising in relation to the requirements of this Order to the Court using the procedure set out in the *Land Titles Act*, RSA 2000, c. L-4, s. 185.
7. The Campsite Rental Agreement attached to this order as Schedule "B" may be amended by further order sought on notice to Strathcona County.
8. The following Consent Orders are deemed replaced by this Order and to have ceased to be in force upon the entry of this Order;
 - a) The Consent Order of E.D. McCallum J. Granted and entered on Friday, November 16, 2001 in Action 9903 22441.
 - b) The Amended and Restated Consent Order of R.P. Belzil J. Granted and entered on Tuesday, January 15, 2002 in Action 9903 22441.
 - c) The Consent Order of A.T. Cooke J. Granted and entered on Thursday, February 6, 2003 in Action 9903 22441.
9. The renewal option provisions contained in any Campsite Rental Agreements entered since the Amended and Restated Consent Order of R.P. Belzil J. granted and entered on January 15th, 2002 in Action 9903 22441 are declared invalid and deemed to be severed from the Campsite Rental Agreements.
10. The Registrar of Land Titles shall register this Order against the Certificate of Title for the Lands notwithstanding the requirements of s. 191 of the Land titles Act, RSA 2000, c. L-4. The orders listed in paragraph 8 of this Order shall be discharged from the title to the Lands. This Order may be discharged upon further order or a request to the Registrar from the County.



B. R. Burrows
Justice of the Court of Queen's Bench of Alberta

- 4 -

APPROVED AS TO FORM AND CONTENT:

Brownlee LLP

Per:



Alvin R. Kosak
Solicitors for Strathcona County

APPROVED AS TO FORM AND CONTENT:

Alberta Justice, Civil Litigation

Per:

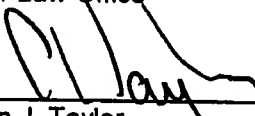


Shelley J. MacDonald
Solicitors for the Registrar of Titles

APPROVED AS TO FORM AND CONTENT:

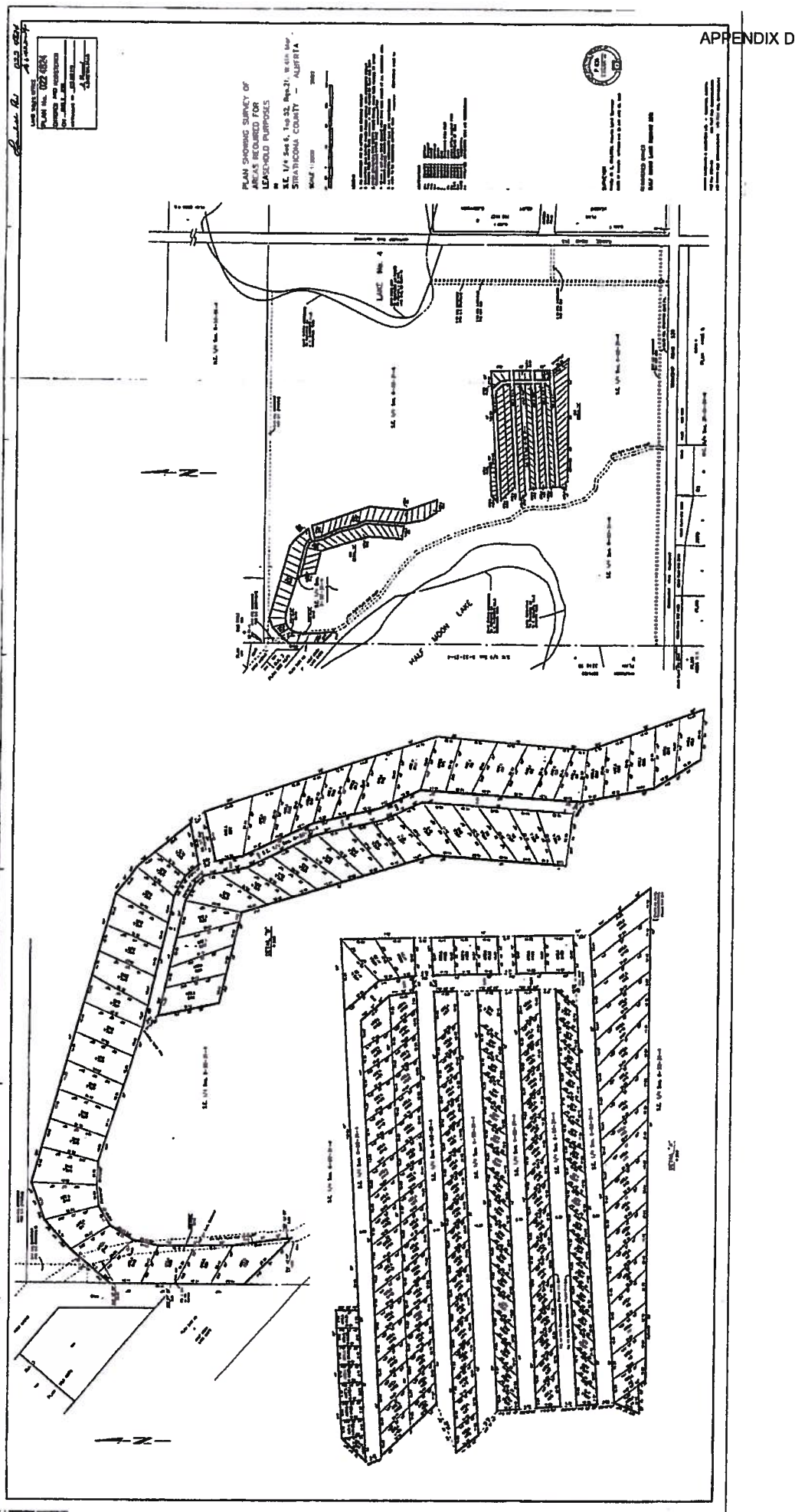
Taylor Law Office

Per:



Conan J. Taylor
Solicitors for Half Moon Lake Resort Ltd.

SCHEDULE "A"



ATTACHMENT

SHOWING PROPOSED ADDITION TO
HALF MOON LAKE RESORT

**S.E.1/4 SEC. 6-52-21-4
IN THE
STRATHCONA COUNTY
2002**



SCALE - 1:1750

NOTE:
-- DISTANCES ARE APPROXIMATE AND ARE IN METRES AND DECIMALS THEREOF.
-- AREA DEALT WITH BOUNDED THUS.

HAGEN SURVEYS (1982) LTD.

8822-20 STREET, EDMONTON, AB T6H 4S4

SUBJECTS

DRAWN BY: DA/SP

CAUTION: HOT

DATE: MAY 22, 2002
REMOVED: JUNE 21, 2002

FILE NO. 0250061

02S0081

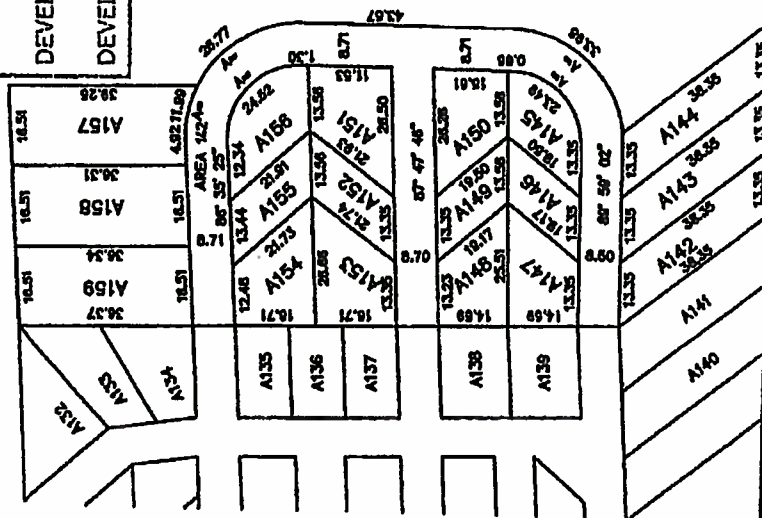
STRATHCONA COUNTY

APPROVED FOR DEVELOPMENT PERIOD ONLY

DEVELOPMENT OFFICER.....*[Signature]*

DEVELOPMENT PERMIT No. 90-1320 DATE OCT 10 1990

EAST AREA 'A' CAMPSITES
(18 CAMPSITES APPROVED
ABUTTING EAST BOUNDARY
OF DETAIL 'A' OF
SCHEDULE 'B' OF THE
AMENDED AND RESTATED
CONSENT ORDER
DATED JANUARY 15, 2002)



DETAIL

SCALE - 1:1000

CAMPSITE RENTAL AGREEMENT**SCHEDULE B****APPENDIX D**

BETWEEN the following renter ("Renter")

Full Name (printed in block letters)

Phone: (Business) (Residence) (Fax)

Address

HALF MOON LAKE RESORT LTD.
21524 Twp. Road
Sherwood Park, Alberta
T6E 1E5

Phone (780) 922-3045
Fax (70) 922-3645

("Owner")

WHEREAS:

- (a) Half Moon Lake Resort Ltd. is the registered owner of land legally described and known as the Southeast 1/4, Section 6, Township 21, West of the 4th Meridian, Half Moon Lake Resort, Strathcona County, Alberta, ("Land");
- (b) The Land has operated as a campground and dude ranch for over 40 years, the campsites have been rented on a short-term basis for periods up to one year, and it is intended that this use continue unchanged;
- (c) Renters/Users of the Land's facilities seek long-term assurances that campsites for their tents and recreational vehicles will continue to be available for their use;
- (d) The Owner has designated the existing campsites on the land as set out in the attached Appendix ("Plan") each campsite being labeled and identified (the renter or renters of each of these campsites, including the Renter, are collectively referred to as the singularly referred to as the "renter") and
- (e) The Renter has agreed to rent campsite _____ as set out in the Plan ("Campsite") in accordance with the terms hereof ("Rental interest") for the prepaid lump sum of \$_____ received now by cheque, cash or credit card. Good and Services Tax ("GST"), if applicable, is payable by the Renter. The Owner's GST Registration No. is 10246830. The Renter's GST Registration No. is _____.

THE PARTIES AGREE AS FOLLOWS:**1. Term**

The term of this Agreement shall be for a period of Thirty-Five (35) years, more or less, expiring on August 31, _____ (this blank shall be filled with the year 35 years after the year the Campsite Rental Agreement is entered).

2. Use of Common Areas

All of the Land including the Dude Ranch, Lakeshore Pavilion, General Store, Office Building, Group Rental Sites, Shop and Maintenance buildings, Trout Pond, Mini-Golf, coin operated laundry and showers, baseball diamond, hiking trails, wading pool, boat launch, washrooms, beach, grass areas and roads (the "Common Areas"), but not including the other campsites, may be used and enjoyed in common by all renters. Use of the campsites and Common Areas shall be subject to the rules and regulations, including charges for the use of certain Common areas, established by the Owner as may be amended from time to time, which shall bind all renters.

3. Seasonal Use of the Campsite

The use of this Campsite is to be a seasonal short term use of holiday trailers, motor homes, tents, campers and similar recreational vehicles, and is not to be used as a year round storage or accommodation for residential use. Subject to weather, the Common Areas shall be operational from the May long weekend to the Thanksgiving weekend each year. Access to the Land and your Campsite, will be available from March 1 to November 1 each year. Access outside of this time period requires prior arrangements with the owner.

4. Campsite and Common Area Costs

It is the intent of this Campsite Rental Agreement and agreed to by all parties, that all costs, charges, expenses and outlays of any description or kind whatsoever, as further defined in the Terms and Conditions contained herein, incurred in connection with the use of, and operation or improvements on the Campsite and the Common Areas (the latter hereinafter referred to as "Common Costs"), being _____/5, 142 of Common Costs estimated to be \$_____ per month until December 31, 20____ ("ProRata Share").

5. Condition of the Campsite

The Campsite will be in the same condition and will include the same personal property, as viewed by the Renter on the date of inspection. The Renter shall notify the Owner of any defects in the Campsite within seven (7) days of taking possession, after which the Renter shall be conclusively deemed to have accepted the Campsite in its existing state and the Owner shall have no further obligation to the Renter for any defects or faults.

6. Covenant

The Owner hereby covenants and agrees that the Owner may not sell, transfer, assign or otherwise dispose of its interest in the Land, unless that prospective purchaser, agrees to be bound by the terms of this Agreement.

7. Restrictions

No renter may sell, transfer, assign or otherwise dispose of its Rental interest without the prior written consent of the Owner, such consent not to be unreasonably withheld, and unless that prospective new renter agrees to be bound by the terms of this Campsite Rental agreement. No renter shall do anything or omit to do anything which shall or may result in a lien or charge being claimed or registered against the Land.

8. Condition Precedent

This Campsite Rental Agreement is subject to the Owner entering into at least forty (40) Campsite Rental Agreements with other renters on the land, on or before _____. This condition is for the sole benefit of the Owner and may be removed at the Owner's sole discretion.

9. Additional Terms and Conditions

The terms and Conditions contained on the back hereof, shall form part of this Agreement.

SIGNED AND DATED in the County of Strathcona, on _____, 20____.

Signature of Witness of Renter

Signature of Renter

Signature of Witness of Renter

Signature of Renter

HALF MOON LAKE RESORT LTD.
Per _____

TERMS AND CONDITIONS

APPENDIX D

1. It is recommended that the Renter obtain independent legal advice but should the Renter choose to execute this Agreement, the Renter expressly acknowledges having obtained such advice or hereby expressly waives obtaining it. The Renter acknowledges and agrees that the Owner's Lawyer acts solely for the Owner and not for the Renter.
2. The Owner warrants and represents to the Renter that:
 - (a) The Renter shall have the exclusive right to occupy, use and quietly enjoy the Campsite;
 - (b) The Renter may use the Campsite as intended as a seasonal campsite; and
 - (c) The Owner has the right to enter into this Agreement.
3. The Renter acknowledges and agrees that the Owner continues to operate its resort business on the Lands independent of this Agreement. No improvements of any kind may be made to or directed upon, nor any trees removed from, the Campsite without the prior written consent of the owner, which consent shall not be unreasonably withheld.
4. All Renters agree to be bound by and shall comply with, all municipal by-laws in effect from time to time. The Renter shall at all times comply with all laws and regulations of general application of any competent authority having jurisdiction over the use and occupation of the Land including without limitation, any federal, provincial or municipal by-laws, statute, ordinances, codes, regulations, rules, orders or decrees regulating relating to or imposing liability or standards of conduct, concerning development upon lands, environmental matters including but not limited to matters relating to air pollution, water pollution, noise control or hazardous materials.
5. The Renter shall not apply to nor deal directly with the County of Strathcona, any regulatory bodies or other municipal authorities, with respect to construction or planning approval or improvements on, or any other matter relating to the Campsite on the land. If requested by the Renter and approved by the Owner, the Owner only will seek planning and other approvals on behalf of the Renter and the Renter will pay the Owner the reasonable costs incurred in taking such action.
6. The Owner shall be responsible for:
 - (a) the day-to-day management and administration of the Common Areas;
 - (b) the enforcement of this Agreement and the rules, including the imposition of fines, and collection in default of payment;
 - (c) the collection of required contributions or Renters to Common Costs or other amounts due by the Renters;
 - (d) the cancellation of this Agreement on ten (10) days written notice upon default of payment of monies due under this Agreement; and
 - (e) budget preparation, financial record keeping and account operation.
7. Common Costs shall include, but not be limited to, property taxes, insurance, cleaning, snow removal, landscaping, garbage collection and disposal, security, policing, traffic control, sewage disposal, water supply, drainage, fire protection and suppression, salaries of all personnel employed in connection with the operation of the campground on the land, the costs of administering such services, and the reasonable cost of managing the operation of the campground on the land. The Owner shall prepare and provide all renter, a budget which shall estimate all Common Costs annually, Common Costs will be collected monthly from the renters on the basis of the estimated annual budget. At the end of the period of which payments have been estimated and paid to the Owner, the owner shall deliver to the Renter, a statement of the actual amount of Common Costs incurred by the Owner together with a refund or an invoice for the Renter's Pro Rata Share of the difference between the budgeted and actual Common Costs.
8. If the Renter:
 - (a) fails to pay his pro Rata Share of Common Costs;
 - (b) fails to observe, perform and keep any one or more of the terms entertained in the Agreement;
 - (c) substantially and continually fails to observe the rules and regulations governing the use, operation and administration of the campsites and Common areas, set by the Owner as amended from time to time;
 - (d) becomes bankrupt or insolvent or files any proposal for the benefit or creditors; or
 - (e) if the Renter is a Corporation, an order is made for the winding up or receivership of the Renter;the Owner may, in addition to any other right or remedy the Owner may have under this Agreement or at law
 - (a) terminate this Agreement upon ten (10) days written notice to the Renter and returning one half (½) of the rent paid by the Renter for the rental of the Campsite for the proportionate number of years remaining in the term of this Agreement;
 - (b) re-enter the Campsite and remove all persons and properties at the cost of the Renter; and
 - (c) re-rent the Campsite.
9. At the expiration of the term of this Agreement or termination in accordance with the provisions of this Agreement, the Campsite shall revert to the Owner and the Renter shall vacate and surrender the Campsite. Provided that the Renter is not in default under this agreement, the Renter may remove all of its improvements and personal property from the Campsite, and must reasonably restore the Campsite to the state it was at the time of its rental to the Renter.
10. The Renter will indemnify and save harmless the other renters and the Owner, from any and all claims, costs and expenses in any manner arising by the neglect, default and misconduct of the Renter or the Renter's invitee on the Land, or out of the Renter's occupancy, use of or operation on his Campsite or the Common Areas. The Renter hereby waives any right of set-off he may have against the Owner. The Renter shall be liable to the Owner for the legal costs on a solicitor and own client basis, incurred by the Owner in enforcing any of the provisions of this Agreement against the Renter.
11. All notices, requests, demands, or communications (Collectively "Notices") required by the terms hereof or permitted to be given by one party to any other party, shall be given in writing by personal delivery or by registered mail, postage prepaid, or by facsimile transmission to such party at the address first above written or at such other address as may be given by the Renter to the other parties in writing from time to time. All such Notices shall be deemed to have been received when delivered or transmitted or, if mailed, seven (7) days after 12:01 a.m. on the day following the mailing. If any such notices shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such notice shall not be effective until given by personal delivery or by facsimile transmission.
12. Subject to paragraph 6 on the first page of this Agreement, this Agreement shall be fully assignable by the Owner to any subsequent registered owner(s) of the Land.
13. Should there be a disagreement or dispute between the parties hereto or the other renters with respect to this Agreement or the interpretation of it, it shall be referred to and finally resolved by arbitration administered in accordance with applicable legislation in the Province of Alberta.
14. This Agreement contains the entire agreement between the parties so that they shall forever be estopped from asserting to the contrary that there is any additional condition, term, representation, warranty or collateral agreement either than as expressed herein. This Agreement may only be altered or amended when such changes are reduced to writing and signed by the parties. The parties hereto shall execute and deliver all such further documents and instruments and do all acts and things as may be reasonably required to carry out the full intent and meaning of this Agreement.
15. Every provision of this Agreement is intended to be severable. If any form or provision contained in this Agreement is declared to be illegal or invalid for any reason whatsoever, such legality or invalidity shall not affect the validity of the remainder of this Agreement. If this Agreement is declared to be illegal or invalid for any reason whatsoever, the parties hereto agree to the cancellation of this Agreement, and any amounts paid by the Renter to the Owner, with the exception of the Renter's Pro-Rata Share of the Rent and Common Costs, shall be returned to the Renter in full and final settlement of any claims either party has against the other.
16. Time shall be of the essence to this Agreement. In this Agreement, the masculine gender shall be construed as the feminine or a corporation and the singular shall be construed as the plural, where the context requires. This Agreement shall be construed in accordance with the government by the laws of the Province of Alberta. This Agreement shall endure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, successors and assigns.

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

for Clerk of the Court

APPENDIX D



COURT FILE NUMBER 9903 22441, 1203 09399

COURT
JUDICIAL CENTRE Court of Queen's Bench of Alberta
Edmonton

JUDICIAL CENTRE IN THE MATTER of the *Municipal Government Act*, S.A. 1994, c. M-
26, 1 AND IN THE MATTER OF the *Land Titles Act*, R.S.A. 1980, c.
L-5 AND IN THE MATTER OF the Lands within the South East
Quarter of Section 6, Township 52, Range 21, West of the Fourth
Meridian, and within the Boundaries of Strathcona County

BETWEEN:

Docket: 9903 22441

Strathcona County

Applicant/Respondent

- And -

Half Moon Lake Resort Ltd., Apple Auction Corporation operating a
business under the firm name and style of Apple Auction Ltd., and
Brian Lovig

Respondents/Applicant

- And -

Armac Investments Ltd., Jack Purdy also known as John Purdy and
John Kenneth Purdy, Registrar of Land Titles

Respondents

AND BETWEEN

Docket: 1203 09399

Registrar of Land Titles

Applicant

- and -

Half Moon Lake Resort Ltd., Armac Investments Ltd., Jack Purdy also
known as John Purdy, Strathcona County

FIAT: Please file notwithstanding R.9.5(2)

J.C.B.A.

- 2 -

DOCUMENT

Order of Judgment

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

Taylor Law Office, Suite 401, 10722 – 103 Avenue, Edmonton,
Alberta, T5J 5G7 Phone (780) 428-7770 Fax (780) 428-7775
Email – ctaylor@taylorlawservices.com

DATE ON WHICH ORDER WAS PRONOUNCED: July 17, 2013

NAME OF MASTER/JUDGE WHO MADE THIS ORDER: The Honourable Mr. Justice B. R. Burrows

LOCATION OF HEARING: Law Courts Building, Edmonton, Alberta

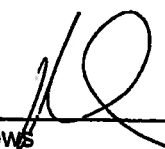
UPON the applications made by Half Moon Lake Resort Ltd., and Strathcona County in Action 9903 22441 and by the Registrar of Land Titles in Action 1203 09399;

IT IS HEREBY ORDERED, DECLARED AND DIRECTED THAT:

1. Half Moon Lake Resort Ltd. is granted leave to enter into Campsite Rental Agreements with a term described as "35 years, more or less, ending on August 31 of the 35th year after the year in which the lease is granted".
2. The renewal option provisions contained in the Campsite Rental Agreements entered since the Amended and Restated Consent Order of R.P. Belzil J. granted and entered on Tuesday, January 15, 2002 in Action 9903 22441 are invalid and deemed severed from the Campsite Rental Agreements.
3. Half Moon Lake Resort Ltd.'s application to approve the proposed renewal option is dismissed. Half Moon Lake Resort Ltd. is directed not to include a renewal option provision in future Campsite Rental Agreements.
4. Half Moon Lake Resort Ltd. is in contempt for breaching the Consent Order referenced in paragraph 2 of this Order by entering into Campsite Rental Agreements with renewal option provisions without first obtaining a court order on notice to Strathcona County.
5. Strathcona County's application for a declaration that Armac Investments Ltd., Jack Purdy and the Registrar of Land Titles are in contempt is dismissed.
6. The Registrar of Land Titles is required to ensure that any Campsite Rental Agreement submitted for registration is in the form approved and attached as Schedule "B" to the court order which has resulted from these applications, and which replaces the consent orders, but the Registrar is not required to assess the merits of any deviation from that exact form.

- 3 -

7. Having found Half Moon Lake Resort Ltd. in contempt, Half Moon Lake Resort Ltd. shall pay by way of fine \$1000.00 to the Clerk of the Court by August 31, 2013.
8. Both Half Moon Lake Resort Ltd. and Strathcona County shall bear their own costs in this matter.
9. The Registrar of Land Titles is entitled to costs as against Strathcona County in the sum of \$2,500.00 plus disbursements.



B. R. Burrows
Justice of the Court of Queen's Bench of Alberta

APPROVED AS TO FORM AND CONTENT:
Brownlee LLP
Per:



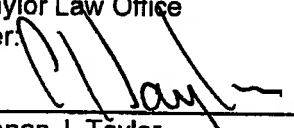
Alvin R. Kosak
Solicitors for Strathcona County

APPROVED AS TO FORM AND CONTENT:
Alberta Justice, Civil Litigation
Per:



Shelley J. MacDonald
Solicitors for the Registrar of Titles

APPROVED AS TO FORM AND CONTENT:
Taylor Law Office
Per:



Conan J. Taylor
Solicitors for Half Moon Lake Resort Ltd.