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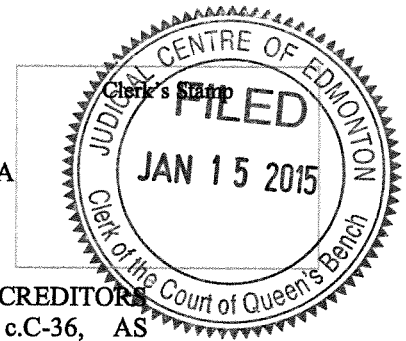
COURT OF QUEEN'S BENCH OF ALBERTA

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

TWENTY NINTH REPORT OF THE MONITOR

JANUARY 14, 2015

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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TABLE OF CONTENTS OF THE TWENTY-NINTH REPORT

INTRODUCTION	3
TERMS OF REFERENCE	4
BACKGROUND	4
RESTRUCTURING UPDATE.....	5
PROFESSIONAL FEES	9
THE PURDY GROUP’S REQUEST FOR AN EXTENSION OF THE STAY PERIOD	10
RECOMMENDATION	10

LISTING OF APPENDICES TO THE TWENTY-NINTH REPORT

APPENDIX A	Half Moon PPR Search Discharge Summary
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INTRODUCTION

1. On December 1, 2011, the Purdy Group sought and obtained protection from its creditors under the Companies' Creditors Arrangement Act, R.S.C. 1985, c.C-36, as amended (the "CCAA") pursuant to an order of the Court of Queen's Bench of Alberta ("Court") (the "Initial Order").
2. Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. was appointed monitor of the Purdy Group (the "Monitor").
3. The purpose of this twenty-ninth report of the Monitor (the "Twenty-Ninth Report" or this "Report") is to provide Creditors and the Court with information in respect of the following:
 - a) CCAA restructuring and proposal activities since the Twenty-Eighth Report of the Monitor and the status of the conditions precedent in the Second Amended and Restated Plan of Compromise and Arrangement of the Purdy Group, as amended from time to time (the "Plan");
 - b) update on outstanding professional fees of the Monitor, counsel to the Monitor and counsel to the Applicants; and
 - c) the Purdy Group's request for an extension to the current stay period until and including February 27, 2015.
4. Capitalized terms not defined in this Report are as defined in the Initial Order, the First Report to the Twenty-Eighth Report inclusive, the Claims Procedure Order, the Dispute Procedural Order, the Sale Order, the Ocean Front Property Sale Order, the Half Moon Vesting and Discharge Order and the BC Properties Vesting and Discharge 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 Twenty-Ninth, the Monitor has relied upon unaudited financial information, company records and discussions with management of the Purdy Group. The Monitor and the Proposal have not performed an audit, review or other verification of such information. An examination of the financial forecast as outlined in the Canadian Institute of Chartered Accountants ("CICA") Handbook has not been performed. Future oriented financial information relied upon in this Report is based on management's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

BACKGROUND

8. The Purdy Group is a group of privately-held companies engaged in the business of property acquisition, development and sale in the provinces of Alberta and British Columbia, as well as the management of operating businesses on the lands. The primary assets are geographically located mainly on the West Coast of Vancouver Island, British Columbia and in or around Edmonton, Alberta.
9. The Purdy Group entities are owned 100% by its sole owner, director and officer, Mr. John (Jack) Kenneth Purdy ("Purdy"), either directly or through holding companies, legally and beneficially. Purdy is operating under the proposal provisions of the BIA. His proposal has been accepted by his creditors and approved by the court (the "Proposal"). On November 10, 2014, Purdy has

completed all of the provisions of the Proposal and accordingly a certificate of full performance has been issued by the Proposal Trustee.

10. The Purdy Group has presented a Plan to its creditors and that Plan has been voted on and accepted by the creditors. The Plan sanction order (the “Sanction Order”) was granted by this Court on July 18, 2014.
11. Further background to the Purdy Group, its operations and property and details of the restructuring and Plan is contained in material filed in these proceedings, including the various affidavits of Purdy and the previous reports of the Monitor and the Proposal Trustee. These documents, together with other information regarding this CCAA and Proposal proceeding, have been posted by the Monitor on its website at: www.alvarezandmarsal.com/purdy.

RESTRUCTURING UPDATE

The Plan

12. On July 4, 2014, an Order was granted by this Honourable Court (the “Plan Amendment Order”) that approved the amendments made to the Plan.
13. On July 18, 2014, the Sanction Order was granted by this Honourable Court with respect to the Plan. A copy of the Sanction Order is attached as an appendix to the Twenty-Sixth Report.
14. On November 24, 2014, an Order was granted by this Honourable Court with respect to an amendment of section 5.3 (New Financing) of the Plan (the “New Financing Plan Amendment”).

Plan Implementation - Achieved milestones

15. Below is a summary of certain Plan implementation milestones that have been achieved since the Twenty-Eighth Report:

- a) On November 19, 2014, this Honourable Court granted the Half Moon Vesting and Discharge Order and the BC Properties Vesting and Discharge Orders. The leave to appeal period on these orders has expired and no leave to appeal was sought.
- b) The Half Moon Vesting and Discharge Order has been filed with the Land Titles Office (“LTO”) in Alberta and the land transfers are currently in progress. When the land transfers are finalized the Half Moon transaction will have closed;
- c) On December 8, 2014, the BC Properties Vesting and Discharge Order was filed and accepted by the Supreme Court of British Columbia. The BC Properties Vesting and Discharge Order has not yet been submitted to the LTO in British Columbia, as it was agreed that this would not be done until the later of January 8, 2015 and the finalization of CRA’s security documents to be granted under the Plan on the various BC properties. We are advised by counsel to CRA that is almost complete its security documentation and accordingly the Applicants have held off submitting the order to LTO;
- d) The lender who is providing the Half Moon Financing to satisfy the condition in 6.1 (c) of the Plan (the “Plan Lender”), delivered the funds to the Applicants counsel, in trust, pursuant to the terms of the Revised Trust Letter. A copy of the Revised Trust Letter is attached as an appendix to the Twenty-Eighth Report;
- e) In early January 2015, the Applicants counsel delivered these funds, to the Monitor’s counsel on the same trust conditions as in the Revised Trust Letter. These should be finalized shortly;
- f) On January 12, 2015, an Order was granted by this Honourable Court authorizing the Monitor and its counsel to discharge any or all of the Half Moon personal property registrations registered at the Alberta

Personal Property Registry (“PPR”) or to postpone or subordinate any or all of the Half Moon PPR registrations to the Plan Lender PPR security registrations (the “PPR Discharge and Subordination Order”). A copy of the PPR Discharge and Subordination Order is attached as Appendix A to this Report;

- g) On January 12, 2015, the Monitor’s Certificate was delivered to the Applicants’ counsel and filed with this Court to confirm that Monitor received the proceeds of the Half Moon Financing in the amount of \$1,663,500. The Monitor’s Certificate was then submitted to LTO in Alberta as required by the Half Moon Vesting and Discharge Order;

Plan Implementation – Milestone not achieved

- 16. Pursuant to the New Financing Plan Amendment, BC Opco Financing is required to be arranged within 170 days of the Plan Sanction Order. In accordance with section 5.4 (b) of the Plan, in the event the Plan Applicants are unable to arrange the BC Opco Financing within 170 days of the Plan Sanction Order, the BC Opco and BC Saleco properties are to be liquidated and the proceeds utilized in pursuant to this section of the Plan. The Monitor understands that the BC Opco Financing was not arranged within 170 days of the Plan Sanction Order (on or before January 4, 2015). The Monitor inquired with the Applicants as to its intention on liquidating the BC Opco and BC Saleco properties and has not yet received a response.
- 17. The Monitor anticipates that the Applicants may apply for an Order to amend section 5.3 (c) of the New Financing Plan Amendment that will extend the date to arrange for the BC Opco Financing within 225 days of the Plan Sanction Order (versus 170 days), pursuant to section 10.11 of the Plan that allows for modification of the Plan for immaterial or de minimus changes. If the Applicants apply for this Order, the Monitor is of the view that it is minor and immaterial in nature and will not materially prejudice the interest of any of the Creditors under the Plan or the Plan Sanction Order and is necessary in order to give effect to the

substance of Plan. Therefore, if the Applicants apply to this Court for an Order to amend section 5.3 (c) as discussed in this paragraph, the Monitor would respectfully support the granting of such an Order by this Honourable Court.

Plan Implementation – Outstanding Conditions Precedent

18. As previously reported, for the Plan to be implemented, the following condition precedents are required to be fulfilled:

- a) Paragraph 6.1(b) – *“the Property Transaction approved by the Court in the Approval and Vesting Order shall have closed”*;
- b) Paragraph 6.1(c) – *“The Half Moon Financing contemplated by Article 5.3 shall have closed and the funds released to the Monitor for distribution as set out in Article 5.3(b)”*;
- c) Paragraph 6.1(d) – *“Payments required by Article 5.3 shall have been made or arrangements for payment of the Unaffected Creditor Claims and Priority Claims made satisfactory to the Unaffected Creditors and the Plan Applicants”*;
- d) Paragraph 6.1(f) – *“all governmental, regulatory or other similar consents and approvals from regulatory authorities having jurisdiction over the companies shall have been received and made”*;
and
- e) Paragraph 6.1(j) – *“The Monitor has filed a certificate with the Court certifying that all conditions precedent have been fulfilled.”*

19. In order to satisfy the above-mentioned conditions precedents to the Plan, the following must be completed:

- a) Discharge of certain Half Moon encumbrances as set out in the Half Moon Vesting and Discharge Order. As previously discussed, the Half Moon Vesting and Discharge Order has been filed by the

Applicants with the LTO in Alberta and the Monitor is advised that the LTO in Alberta is processing the registration;

- b) BC Properties Vesting and Discharge Order submission to the LTO in British Columbia. The submission of this order is currently pending as noted in paragraph 15 (c). CRA advised the Monitor that the security documents are nearly completed and will soon be filed at the LTO; and
- c) Termination of the Half Moon Campsite rental agreements. Evidence is required that the termination of Armac (AB) rights and interests in the various Half Moon recreational lots have been terminated and those rights reverted back to Half Moon. In addition, further evidence is required showing Axxess releasing and discharging its security over 27 of the Half Moon recreational lots.

- 20. The Applicants have been working diligently to satisfy the conditions precedents of the Plan.
- 21. The Monitor is of the view that Plan implementation could take an additional 45 days based on the outstanding items still required to be completed as discussed in this Report. Completion of the substantive matters to implement the plan has already been undertaken and completed and due to other administrative duties required of the Monitor and the Applicants, an extension of approximately 45 days to February 27, 2015 is being requested and supported by the Monitor, CRA and Axxess.

PROFESSIONAL FEES

- 22. Professional fees are continuing to accrue and are not being paid as the Applicants have no liquidity to do so.
- 23. At the date of the Twenty-Eighth Report, the estimated unpaid Monitor fees, Monitor's counsel fees and the Applicants' counsel fees aggregated \$640,000. It

is estimated that as of this Report the aggregate unpaid fees are \$725,000. The professionals continue to rely on the Administration Charge for payment of their fees and are faced with administering the proceedings without being paid on a timely basis.

24. The last date any payments were made on account of the professional fees in these CCAA proceedings was November 27, 2014 in the amount of \$105,000 from the sale proceeds of 8335 Mesher's Road, as discussed in the Monitor's Twenty-Eighth Report.

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

25. The stay period expires at midnight on January 16, 2015 (the "Stay Period"). The Purdy Group is seeking an extension of the Stay Period until and including February 27, 2015 (the "Proposed Stay Extension").
26. The Monitor has been advised that the Applicants require this time in order to satisfy the remaining conditions precedent in the Plan. Therefore, in the Monitor's respectful view, this extension to the current Stay Period is necessary for the Applicants to fulfill the Condition Precedent in the Plan and to successfully exit the CCAA proceedings.
27. The Monitor is of the respectful view that no creditor should be materially prejudiced by the Proposed Stay Extension.

RECOMMENDATION

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

All of which is respectfully submitted this 14th day of January, 2015.

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

A handwritten signature in black ink, appearing to read 'Tim Reid', with a stylized flourish at the end.

Tim Reid, CA•CIRP
Senior Vice-President

A handwritten signature in black ink, appearing to read 'Orest Konowalchuk', with a stylized flourish at the end.

Orest Konowalchuk, CA•CIRP
Vice President

APPENDIX A

Clerk's Stamp:



COURT FILE NUMBER 1103 18646

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
ARRANGEMENT OF ARMAC INVESTMENTS LTD. (AB),
LAKE EDEN PROJECTS INC. (AB), 1204583 ALBERTA INC.
(AB), 1317517 ALBERTA INC. (AB), WESTRIDGE PARK
LODGE DEVELOPMENT CORP. (AB), 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 INVESTMENTS LTD. (BC),
OSTROM ESTATES LTD. (BC), HAWKEYE MARINE
GROUP LTD. (BC), JUBILEE MOUNTAIN HOLDINGS LTD.
(BC), GIANT MOUNTAIN PROPERTIES LTD. (BC) and
CHERRY BLOSSOM PARK DEVELOPMENT CORP (BC)
(collectively, the "Purdy Group")

DOCUMENT

ORDER

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
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File No.: 529227-7

DATE ON WHICH ORDER WAS PRONOUNCED: January 12, 2015
LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta
NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Mr. Justice D.R.G.
Thomas

UPON the application of the Alvarez & Marsal Canada Inc. (the "Monitor"); AND
UPON READING the Twenty-Eighth Report of the Monitor and proof of service thereof, the

Application filed herein and proof of service thereof and the pleadings and proceedings had and taken herein; AND UPON NOTING the Sanction Order dated July 18, 2014 granted by this Honourable Court (the "Sanction Order") which Order sanctioned and approved the Second Amended and Restated Plan of Compromise and Arrangement of the Purdy Group (the "Plan"); AND UPON NOTING that the Plan contemplates new financing (the "Half Moon Financing") to be secured by a first charge on the assets of Half Moon Lake Resort Ltd. ("Half Moon"), being a member of the Purdy Group; AND UPON NOTING the Plan contemplates that on or before the Plan Implementation Date, as such term is defined by the Plan, the real and personal property of Half Moon will be free and clear of all Claims and Charges, as such terms are defined by the Plan, except for certain enumerated permitted encumbrances; AND UPON NOTING that the assets of Half Moon include certain personal property; AND UPON NOTING the registrations filed at the Alberta Personal Property Registry naming Half Moon as debtor (the "Half Moon PPR Registrations"); AND UPON NOTING the registration filed at the Alberta Personal Property Registry naming Half Moon as debtor in respect of the Half Moon Financing (the "Half Moon Financing PPR Registration"); AND UPON NOTING the Sanction Order granted the Monitor leave to apply to this Honourable Court for an Order authorizing the Monitor to execute and file in its own name on behalf of any registrant with the Alberta Personal Property Registry financing change statements or other documents so as to discharge or vary any and all registrations contemplated to be discharged or varied in accordance with the Plan or the Sanction Order; AND UPON NOTING the Plan contemplates that the Half Moon PPR Registrations will be discharged to facilitate the Half Moon Financing;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of the notice of application for this Order is hereby dispensed with and service of this Order is hereby dispensed with.
2. Each of the Monitor and its counsel Dentons Canada LLP are hereby authorized and directed to take such actions as the Monitor deems necessary or appropriate, including without limiting the generality of the foregoing, the execution and submission for registration of any financing statement, financing change statement or other documents in the name of or on behalf of any creditor or secured party registrant with the Alberta Personal Property Registry to effect the discharge of any or all of the Half Moon PPR Registrations registered at the Alberta Personal Property Registry as set out in Schedule "A" to this Order or to effect the postponement or subordination of any or all of the Half Moon PPR Registrations to the Half Moon Financing PPR Registration set out in Schedule "B" to this Order.
3. The Registrar of the Alberta Personal Property Registry is directed to register any registration effected by the Monitor or its counsel in accordance with paragraph 2 above.

4. The Monitor is granted liberty to apply for further directions and relief as may be necessary to carry out this Order.

¹²
D.R.G. THOMAS.
J.C.Q.B.A.

Schedule "A"

The Half Moon PPR Registrations

Registration Number	Registration Type	Registration Holder
05083137413	Writ of Enforcement	Strathcona County Strathcona County Development Authority Joyce Perkins
08101520665	Workers' Compensation Board Charge	Workers' Compensation Board
10102204566	Writ of Seizure and Sale (Federal Writ)	Her Majesty the Queen in Right of Canada
10102204945	Writ of Seizure and Sale (Federal Writ)	Her Majesty the Queen in Right of Canada
10102205822	Writ of Seizure and Sale (Federal Writ)	Her Majesty the Queen in Right of Canada
14110604047	Land Charge	1546201 Alberta Ltd.
14110604184	Security Agreement	1546201 Alberta Ltd.

Schedule "B"

The Half Moon Financing PPR Registrations

Registration Number	Registration Type	Registration Holder
14122314732	Security Agreement	Hillsboro Properties Inc.