

COURT FILE NUMBER

1103-18646

COURT

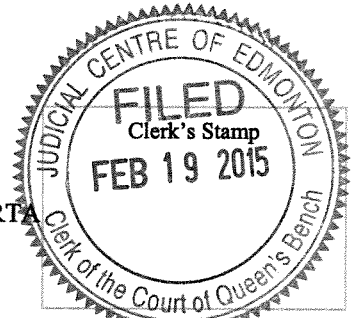
COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

APPLICANTS

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



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

DOCUMENT

**THIRTIETH REPORT OF THE MONITOR**

**FEBRUARY 18, 2015**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**MONITOR**

ALVAREZ & MARSAL CANADA INC.  
Bow Valley Square I  
Suite 570, 202 – 6<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 2R9  
Tim Reid/Orest Konowalchuk  
Telephone: (403) 538-4756 / (403) 538-4736  
Email: [treid@alvarezandmarsal.com](mailto:treid@alvarezandmarsal.com)  
[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)

**COUNSEL**

DENTONS CANADA LLP  
Barristers & Solicitors  
Ray Rutman  
2900 Manulife Place, 10180 – 101 Street  
Edmonton, Alberta T5J 3V5  
Phone: (780) 423-7246  
Fax: (780) 423-7276  
Email: [Ray.Rutman@dentons.com](mailto:Ray.Rutman@dentons.com)  
File: 529227.7/RCR

## **TABLE OF CONTENTS OF THE THIRTIETH REPORT**

INTRODUCTION .....	3
TERMS OF REFERENCE .....	4
BACKGROUND .....	4
RESTRUCTURING UPDATE.....	5
PROFESSIONAL FEES .....	9
MONITOR’S REQUEST FOR USE OF RIVER ROAD FUNDS .....	10
THE PURDY GROUP’S REQUEST FOR AN EXTENSION OF THE STAY PERIOD .....	11
RECOMMENDATION .....	12

## **LISTING OF APPENDICES TO THE THIRTIETH REPORT**

APPENDIX A	Revised New Financing Plan Amendment
APPENDIX B	3425 River Road Property Order

## **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 thirtieth report of the Monitor (the "Thirtieth 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-Ninth 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) the Applicants request from this Honourable Court to grant an Order to amend the BC Properties Vesting and Discharge Order (the "Amended BC Vesting Order");
  - c) the Monitor's request from this Honourable Court to grant an Order to distribute the sales proceeds, held in trust, from the sale of the 3425 River Road Property (as discussed further below);
  - d) update on outstanding professional fees of the Monitor, counsel to the Monitor and counsel to the Applicants; and
  - e) the Purdy Group's request for an extension to the current stay period until and including March 27, 2015.

4. Capitalized terms not defined in this Report are as defined in the Initial Order, the First Report to the Twenty-Ninth 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 Thirtieth Report, 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](http://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”). On January 16, 2015, the New Financing Plan Amendment was further amended by this Court to read that “*the BC Opco Financing will be arranged within 225 days of the Sanction Order*” (the “Revised New Financing Plan Amendment”). A copy of the Revised New Financing Plan Amendment is attached as Appendix A to this Report.

***Plan Implementation - Achieved milestones***

15. Below is a summary of certain Plan implementation milestones that have been achieved since the Twenty-Ninth Report:
- a) BC Opco Financing was arranged pursuant to section 5.3(a)(ii) of the Revised New Financing Plan Amendment. The Monitor received confirmation from counsel to the Applicants and counsel to the existing Interim (DIP) Financing lender (the “DIP Lender”) that the DIP Lender received from the Applicants the executed mortgage security documents to be registered against the properties transferred by the Applicants in accordance with the BC Properties Vesting and Discharge Order. The mortgage security documents will replace the existing Interim (DIP) Financing. The DIP Lender anticipates filing the mortgage security documents with the Land Titles Office (“LTO”) in British Columbia after the BC Properties Vesting and Discharge Order and Amending BC Vesting Order (discussed below) has been filed by the Applicants at the LTO in British Columbia;
  - b) The Half Moon Vesting and Discharge Order have been filed with the LTO in Alberta and the land transfers are completed. The filing of the Half Moon Vesting and Discharge Order at the LTO allowed for the discharge of certain Half Moon encumbrances as set out in the Half Moon Vesting and Discharge Order. In addition, counsel to the Monitor arranged the subordination of certain Half Moon personal

property registrations at the Alberta Personal Property Registry (“PPR”) to Hillsboro Properties Inc. (the Half Moon Financing lender) pursuant to the PPR Discharge and Subordination Order granted by this Court on January 12, 2015; In early February 2015, condition 6.1(c) of the Plan and conditions relating to the Revised Trust Letter (as attached as an appendix to the Twenty-Eighth Report) were satisfied. The Monitor initiated payments of the Half Moon Financing monies pursuant to article 5.3(b) of the Plan (New Financing Plan Amendment), with the exception of \$300,000 relating to the Unsecured Creditor Cash Pool. The dividend distribution of \$300,000 to the Unsecured Creditor Cash Pool will be made within 5 days after the Plan is implemented.

***Plan Implementation – Outstanding Conditions Precedent***

16. 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(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”*;
  - c) Paragraph 6.1 (e) – *“the Plan Applicants shall have taken all necessary corporate actions and proceedings to approve this Plan to enable the Plan Applicants to execute, deliver and perform their obligations under this Plan and any agreements, indentures, documents and other instruments to be executed or delivered pursuant to, or required to give effect to, the terms of this Plan”*;

- 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.”*

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

- a) The BC Properties Vesting and Discharge Order has not yet been submitted to the LTO in British Columbia. The Monitor is advised that due to certain clerical matters found in the BC Properties Vesting and Discharge Order, the Applicants are seeking an Order from this Court to amend the BC Properties Vesting and Discharge Order (the “Amended BC Vesting Order”). If the proposed Amended BC Vesting Order is granted by this Honourable Court, the Applicants advise that it will be in a position to immediately file both the BC Properties Vesting and Discharge Order and the proposed Amended BC Vesting Order to the LTO in British Columbia. The Monitor is further advised that once these respective Orders are recognized at the LTO in British Columbia, the DIP Lender will then register its mortgage security documents provided by the Applicants and the CRA will file its security documents at the LTO with respect to the BC Opco Financing. The Monitor understands that the mortgage security documents have yet to be finalized and executed by CRA.
- b) 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.

c) Confirmation from the Plan Applicants that 6.1 (e) and (f) of the Plan have been satisfied.

18. The Applicants have been working diligently to satisfy the conditions precedents of the Plan.
19. The Monitor is of the view that Plan implementation could take an additional 35 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 35 days to March 27, 2015 is being requested and supported by the Monitor, CRA and Axxess.

#### **PROFESSIONAL FEES**

20. The outstanding invoices relating professional fees and costs incurred by the Monitor, its counsel and the Applicant's counsel up to and including December 31, 2014 totaling \$730,555.70 has now been paid through the use of the Half Moon Financing as discussed above.
21. The Monitor fees, Monitor's counsel fees and the Applicants' counsel fees that are outstanding since January 1, 2015 to the date of this Report now aggregate approximately \$65,000. It is estimated that an additional \$135,000 will be required to be paid to the CCAA professionals to conclude the remaining CCAA matters. Therefore, the CCAA professionals will require an estimated \$200,000 from the Applicants to conclude on the remaining CCAA matters and to allow the Monitor to seek its discharge from these proceedings.
22. As discussed below, the Monitor is requesting from this Honourable Court an Order that will utilize a portion of the proceeds from the sale of the 3425 River

Road to address the incurred and estimated fees of the CCAA professionals to conclude the remaining aspects of the CCAA proceedings.

23. The professionals continue to rely on the Administration Charge for payment of their fees and costs.

#### **MONITOR'S REQUEST FOR USE OF RIVER ROAD FUNDS**

24. Pursuant to paragraph 13(a) of the 3425 River Road Property Order granted by this Honourable Court on November 24, 2014, the net proceeds realized from the sale of the 3425 River Road Property, shall be held by the Monitor and not distributed absent further Order of this Honourable Court. The balance of the net proceeds held by the Monitor is \$347,419.59 (the "3425 River Road Property Monies"). A copy of the 3425 River Road Property Order is attached as Appendix B to this Report.
25. The Monitor is seeking an Order (the "3425 River Road Proceeds Distribution") from this Honourable Court to distribute the 3425 River Road Property Monies in the following manner:
  - a) Professional fees and costs relating to unpaid invoices of the Monitor, its counsel and the Applicant's counsel from January 1, 2015 to the date of this Report and for forecast fees and costs to be incurred to conclude the CCAA proceeding matters of \$200,000. To the extent any funds remain unutilized with respect to professional fees and costs, the Monitor will distribute these funds to the Plan Applicants;
  - b) A reserve held by the Plan Applicants of approximately \$54,000 to either be utilized to pay the property taxes outstanding of approximately \$7,800 and \$46,000 relating to 5968 River Road (Somass Lodge) and 4356 Gertrude Street (the "Subject Properties"), respectively, with the City of Port Alberni or to be utilized as working capital for the Plan Applicants as agreed to between the Plan

Applicants, CRA and Axxess. The Subject Properties were sold through a tax sale conducted by the City of Port Alberni on September 27, 2014 and the Applicants have a one-year redemption period to redeem the Subject Properties by September 27, 2015. The Subject Properties are included in the BC Properties Vesting and Discharge Order; and

- c) the balance of approximately \$93,000 shall be paid to the Applicants for continued working capital in operating the Applicant properties. The Monitor has requested a forecast from the Applicants outlining the use of the working capital to be used for the Applicant's purposes and the Monitor has yet to receive such a forecast.
26. The Monitor has inquired with CRA as to its position on the proposed 3425 River Road Proceeds Distribution Order, if granted by this Honourable Court, and is awaiting a response.

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

27. The stay period expires at midnight on February 27, 2015 (the "Stay Period"). The Purdy Group is seeking an extension of the Stay Period until and including March 27, 2015 (the "Stay Extension").
28. 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.
29. The Monitor is of the respectful view that no creditor should be materially prejudiced by the proposed Stay Extension.

## **RECOMMENDATION**

30. The Monitor respectfully recommends that this Honourable Court approve the proposed:

- a) Stay Extension;
- b) Amended BC Vesting Order; and
- c) 3425 River Road Proceeds Distribution Order

All of which is respectfully submitted this 18<sup>th</sup> day of February, 2015.

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



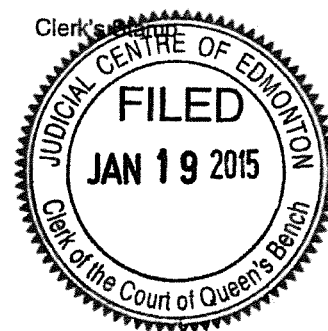
Tim Reid, CA•CIRP  
Senior Vice-President



Orest Konowalchuk, CA•CIRP  
Vice President

# APPENDIX A

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



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

AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT  
OF ARMAC INVESTMENTS LTD. (AB),  
LAKE EDEN PROJECTS INC. (AB),  
1204583 ALBERTA INC. (AB), 1317517  
ALBERTA INC. (AB), WESTRIDGE  
PARK LODGE DEVELOPMENT CORP  
(AB), 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)

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

*[Signature]*  
Clerk of the Court

### ORDER

---

DATE ON WHICH ORDER WAS PRONOUNCED: January 16, 2015

NAME OF MASTER/JUDGE WHO MADE THIS ORDER: THE HONOURABLE MR. JUSTICE D.R.G. THOMAS

LOCATION OF HEARING: Law Courts Building, 1A Sir Winston Churchill Square, Edmonton, Alberta

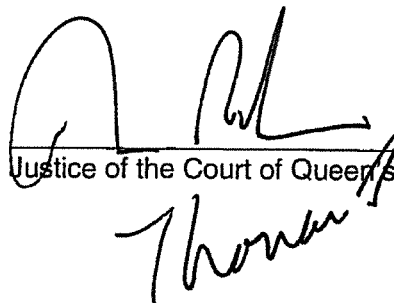
PARTY FILING THIS DOCUMENT: Taylor Law Office, Suite 401, 10722 - 103 Avenue, Edmonton, Alberta, T5J 5G7, Attention: Conan J. Taylor. Phone (780) 428-7770 and Fax (780) 428-7775

---

UPON THE APPLICATION of the Applicants, 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); AND UPON having read the Affidavit of John Kenneth Purdy dated January 14<sup>th</sup>, 2015, filed, AND UPON having read the Twenty-Ninth Report of the Monitor Alvarez & Marsal Canada Inc.; AND UPON having heard counsel for the Applicants and counsel for the Monitor and other interested parties, creditors and stakeholders;

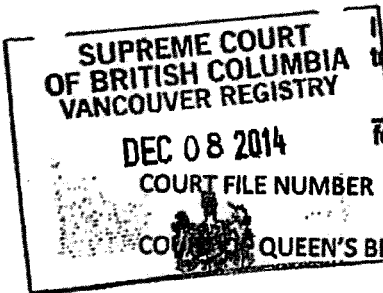
**IT IS HEREBY ORDERED THAT:**

1. Notice of the application for this Order and any material in support is deemed good and sufficient upon all interested persons and the time for service is abridged to the time actually given.
2. Paragraph 13 of the Initial Order dated December 1, 2011, granted in this matter, as further amended by the subsequent Orders of the Honourable Mr. Justice D.R.G. Thomas dated December 20<sup>th</sup>, 2011, February 15<sup>th</sup>, May 2<sup>nd</sup>, June 29<sup>th</sup>, 2012, September 28<sup>th</sup>, 2012, December 18<sup>th</sup>, 2012, February 19<sup>th</sup>, 2013, May 17<sup>th</sup>, 2013, July 26<sup>th</sup>, 2013, October 25<sup>th</sup>, 2013, December 4<sup>th</sup>, 2013, February 12<sup>th</sup>, 2014, April 1<sup>st</sup>, 2014, April 17<sup>th</sup>, 2014, and the Order of the Honourable Mr. Justice Donald Lee on June 5<sup>th</sup>, 2014, the Order of the Honourable Madam Justice Juliana Topolniski on July 18<sup>th</sup>, the Order of the Honourable Madam Justice Joanne B. Veit dated September 22<sup>nd</sup>, 2014, the Order of the Honourable Justice R.P. Belzil dated October 21, 2014, the Order of the Honourable Mr. Justice D.R.G. Thomas dated November 24<sup>th</sup>, 2014, is further amended to extend the "Stay Period" until and including February 27<sup>th</sup>, 2015.
3. Article 5.3(c) of the Second Amended and Restated Plan of Compromise and Arrangement sanctioned by the Sanction Order of the Honourable Madam Justice J. Topolniski dated July 18<sup>th</sup>, 2014, is amended to read that the BC Opco Financing will be arranged within 225 days of the Plan Sanction Order.
4. Service of this Order shall be made on all known creditors who have requested to be on the service list, all such persons who appeared on this application, either by counsel or in person, and on any other interested persons who have requested service, and shall be posted on the website of the Monitor Alvarez & Marsal Canada Inc., but is otherwise dispensed with.

  
Justice of the Court of Queen's Bench of Alberta

# APPENDIX B



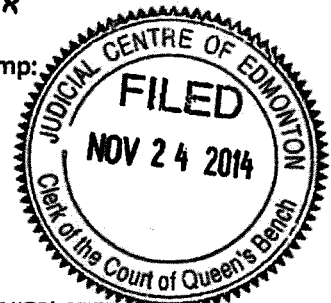


I hereby certify this to be a true copy of the original.

for Clerk of the Court

E-140300

Clerk's Stamp:



1103 18646

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  
DOCUMENT

RAY C. RUTMAN  
Dentons Canada LLP  
2900 Manulife Place  
10180 - 101 Street  
Edmonton, AB T5J 3V5  
Ph. (780) 423-7246 Fx. (780) 423-7276  
File No.: 529227-7

**DATE ON WHICH ORDER WAS PRONOUNCED:**

November 24, 2014

**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 Thirteenth, Fourteenth, Fifteenth, Sixteenth and 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 Order dated July 26, 2013 granted by this Honourable Court which permitted the Monitor to initiate a process (the "Sales Process") to market and sell certain properties held by the Purdy Group (the "Properties"); AND UPON NOTING that the Monitor did initiate the Sales Process as described in its Fifteenth and Sixteenth Reports which Sales Process was approved by Order of this Honourable Court dated September 23, 2013; AND UPON NOTING that during the Sales Process the Purdy Group continued to market the Properties on its own accord; AND UPON NOTING that an offer (the "Offer") has been presented to the Purdy Group by West Coast Pre Fab Ltd. (the "Purchaser") to purchase one of the Properties described as 3425 River Road, Chemainus, B.C. and held by Armac Investments Ltd. being a member of the Purdy Group identified in the style of cause to this action as "Armac Investments Ltd. (BC)" ("Armac BC") which Offer is inclusive of payment of a deposit of \$20,000.00 to Remax Ocean Pacific Realty; AND UPON NOTING that the Offer has been accepted by Armac BC;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

1. The time for service of the notice of application for this Order is hereby abridged and service thereof is deemed good and sufficient and all further service is dispensed with.
2. The sale transaction (the "Transaction") contemplated by the agreement of purchase and sale (the "Sale Agreement") between Armac BC and the Purchaser dated September 29, 2014 together with the Addendum thereto dated October 29, 2014 and attached as Appendix "E" to the Monitor's Twenty-Eighth Report, is commercially reasonable and is hereby approved with the modification that, notwithstanding that the Sale Agreement was entered into by Armac BC in its own name, the Monitor is hereby authorized to do all acts and execute all documents in its own name on behalf of Armac BC for the purpose of implementing the Sale Agreement as provided for in paragraph 4 of this Order and the Monitor may do so in the same manner and to the same extent as if the Sale Agreement had been entered into by the Monitor in its own name on behalf of Armac BC and any such steps taken by the Monitor shall be binding upon Armac BC.
3. The Monitor, on behalf of Armac BC, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
4. The Monitor is hereby authorized and directed to take such additional steps and execute such additional documents in its own name on behalf of Armac BC as may be necessary or desirable for the completion of the transactions contemplated by the Sale Agreement, including without limitation, the Transaction and the conveyance of Armac BC's right, title and interest in and to the land and assets described in the Sale Agreement (collectively, the "Disposed Assets") to the Purchaser.
5. Upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "Monitor's Certificate"), all of Armac BC's right,

title and interest in and to the Disposed Assets shall vest absolutely in Scarva Holdings Ltd., Inc. No. BC1016320, as nominee of the Purchaser (the "Nominee"), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Orders made in these proceedings, including, but not limited to, the Initial Order; and
- (b) liens, including without limitation mechanics' liens, repairers liens, builders' liens and statutory liens

but specifically excluding the permitted encumbrances listed in Schedule "B" hereto (the "Permitted Encumbrances"). For greater certainty, this Court orders that all of the Claims affecting or relating to the Disposed Assets are hereby expunged, discharged, released and deleted as against the Disposed Assets, save and except for the Permitted Encumbrances.

6. Nothing in this Order exempts or relieves the Monitor, in its own name on behalf of Armac BC, or the Purchaser from obtaining any consents or approvals or giving any notices required under any enactment of the Province of British Columbia or any agreement, licence, permit, approval, certificate or other instrument issued under the authority of an enactment of the Province of British Columbia in connection with any transfer or assignment of any of the Disposed Assets as contemplated in the Sale Agreement or this Order or makes an Disposed Asset transferable or assignable if such disposed Asset is not, by virtue of an enactment of the Province of British Columbia, transferable or assignable. Notwithstanding any other provision of this Order the vesting in the Purchaser of Armac BC's right, title and interest in and to any of the Disposed Assets that requires any such consent or approval is not effective unless and until such consent or approval is obtained.
7. The Purchaser shall self assess and remit directly to the Receiver General of Canada the GST payable pursuant to subsection 228(4) of the *Excise Tax Act (Canada)*, in connection with the purchase of the Disposed Assets, if any.
8. The Purchaser shall indemnify and save harmless the Monitor and Armac BC, their officers, directors, successors and assigns, from any GST, penalty, interest or other amounts which may be payable by or assessed against Armac BC under the *Excise Tax Act (Canada)* as a result of or in connection with its failure to collect and remit any GST applicable on the sale and conveyance of the lands to the Purchaser.

9. The Registrar of Victoria Land Title Office is hereby directed to enter Scarva Holdings Ltd. Inc. No. BC1016320 of 201 – 64 Station Street, Duncan, British Columbia V9L 1M4 as nominee of the Purchaser as the owner of the lands, as identified in Schedule "C" hereto, and having considered the interest of third parties to discharge, release, delete and expunge from title the registrations on the lands which are registered in the Victoria Land Title Office and set out in Schedule "D" to this Order and any registrations on the lands subsequent to those set out in Schedule "D", forthwith upon receipt by such person of:
  - (a) a letter from Dentons Canada LLP to such registry authorizing the registration and/or filing of this Order;
  - (b) a certified copy of this Order; and
  - (c) a copy of a Monitor's Certificate.
10. This Court declares that it has been proved to the satisfaction of the Court on investigation that the title of the Purchaser in and to the Lands is a good, safe holding and marketable title and directs the Registrar of Victoria Land Title Office to register indefeasible title in favour of the Nominee as aforesaid.
11. The Monitor is hereby authorized and directed to take such actions as it deems necessary or appropriate in the circumstances to conclude the Transaction.
12. Subject to the terms and conditions of the Sale Agreement, vacant possession of the Disposed Assets shall be delivered to the Nominee as 12:00 noon on the Possession Date (as defined in the Sale Agreement), subject to the Permitted Encumbrances.
13. Upon completion of the Transaction:
  - (a) The Monitor is hereby ordered and directed to retain pending further Order of this Honourable Court the net proceeds of the sale arising from or related to the Transaction and the Disposed Assets after payment of realtor commission and any cost directly attributable to the closing of the Transaction (the "Proceeds"). Subject to paragraph 13(b) of this Order, all Claims (as referenced in paragraph 5 of this Order) that existed in relation to the Disposed Assets immediately prior to the granting of this Order shall attach to and be impressed upon the Proceeds to the same extent and in the same priority as same attached to and were impressed upon the Disposed Assets immediately prior to the granting of this Order;
  - (b) No Claims (as referenced in paragraph 5 of this Order) shall attach to or be impressed upon the Proceeds other than to the extent same is consistent with the terms of the Second Amended and Restated Plan of Compromise and Arrangement sanctioned by this Honourable Court in these proceedings as

amended from time to time and then only in the same priority as specified therein.

14. Notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of any one or more of the Purdy Group and any bankruptcy order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of any one or more of the Purdy Group;
- (d) any applications for an order now or hereafter issued pursuant to the *Winding Up and Restructuring Act* (Canada) in respect of any one or more of the Purdy Group and any winding up order issued pursuant to any such application; and
- (e) any transfer at undervalue or alleged by any person to be at undervalue by any one or more of the Purdy Group,

the vesting of the Disposed Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Armac BC and shall not be void or voidable by creditors of Armac BC, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- 15. This Order shall have full force and effect in all provinces and territories in Canada against all persons, firms, corporations, governmental, municipal and regulatory authorities against whom it may otherwise be enforceable.
- 16. The Monitor and the Purchaser are granted liberty to apply for further directions and relief as may be necessary to carry out this Order.
- 17. This Court requests the aid of other Canadian and foreign Courts, tribunals, regulatory or administrative bodies, including any Court or administrative tribunal of any Federal or State Court or administrative body in the United States of America, (including, without limitation, the United States Bankruptcy Court), to act in aid of this Court in approving the terms of the Transaction as set forth in the Sale Agreement where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to (i) make such orders and to provide such assistance to the Purdy Group and to the Monitor, as an officer of this Court, as may be necessary or desirable to approve the Transaction, (ii) grant representative status to the Purdy Group in any foreign proceeding, and (iii) assist the Purdy Group, the Monitor and the respective

agents of each of the foregoing in carrying out the Transaction as set forth in the Sale Agreement.

"Justice D.R.G. Thomas"  
J.C.Q.B.A.

**Schedule "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**

ADDRESS FOR SERVICE AND CONTACT  
INFORMATION OF PARTY FILING THIS  
DOCUMENT

**MONITOR'S CERTIFICATE**

**MONITOR**

ALVAREZ & MARSAL CANADA INC.  
Bow Valley Square I  
Suite 570, 202 – 6<sup>th</sup> Avenue SW  
Calgary AB T2P 2R9  
Tim Reid/Orest Konowalchuk  
Ph. (403) 538-4756 / (403) 538-4736  
Email: [treid@alvarexandmarsal.com](mailto:treid@alvarexandmarsal.com)  
[okonowalchuk@alvarexandmarsal.com](mailto:okonowalchuk@alvarexandmarsal.com)

**COUNSEL**

DENTONS CANADA LLP  
Barristers & Solicitors  
Ray C. Rutman  
2900 Manulife Place, 10180 – 101 Street  
Edmonton Alberta T5J 3V5  
Ph. (780) 423-7276 Fx. (780) 423-7276  
Email: [ray.rutman@dentons.com](mailto:ray.rutman@dentons.com)  
File: 529227.7/RCR

Pursuant to an Order of the Honourable Justice D.R.G. Thomas of the Alberta Court of Queen's Bench (the "Court") dated December 2, 2011, Alvarez and Marsal Canada Inc. was appointed the monitor (the "Monitor") of the Purdy Group. Pursuant to an order of the Court dated \_\_\_\_\_, 2014, the Court approved the agreement for sale of certain lands and assets (the "Disposed Assets") in British Columbia, Canada, dated September 29, 2014 together with the Addendum thereto dated October 29, 2014, as may be amended from time to time (the "Sale Agreement"), between Armac Investments Ltd. ("Armac BC"), being a member of the Purdy Group, and West Coast Pre Fab Ltd. (the "Purchaser") for Armac BC's right, title and interest in and to the Disposed Assets and ordered that all of Armac BC's right, title and interest in and to the Disposed Assets, as described and defined in the Sale Agreement, shall vest in the Purchaser effective upon the delivery by counsel for the Monitor to the Purchaser of this Certificate.

**THE MONITOR HEREBY CERTIFIES as follows:**

1. The Monitor has received the Proceeds from the Sale Agreement in full.

Dated at the \_\_\_\_\_ of \_\_\_\_\_, in the Province of Alberta, this \_\_\_\_ day of \_\_\_\_\_, 2014.

**ALVAREZ & MARSAL INC.**  
in its capacity as court-appointed  
Monitor of the Purdy Group  
and not in its personal capacity

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**Schedule "B"**

**Permitted Encumbrances**

**PID: 001-160-141**

**LOT 2, SECTIONS 14 AND 15, RANGE 3, CHEMAINUS DISTRICT, PLAN 31422 EXCEPT PART IN PLAN VIP69038**

Nature: Registration Number: Registered Owner: Remarks:	Exceptions and Reservations M76300 Esquimalt and Nanaimo Railway Company A.F.B. 9.693.7434A Section 172(3) For Actual Date and Time of Registration See Original Grant from E & N Railway Company
Nature: Registration Number: Registration Date and Time: Registered Owner: Remarks:	Covenant EB43033 1988-05-26 13:08 Her Majesty the Queen in Right of the Province of British Columbia Section 215 Land Title Act
Nature: Registration Number: Registration Date and Time: Remarks:	Easement EN28842 1999-04-08 09:48 Part in Plan VIP68782, Appurtenant to Lot 1 Plan 41085

**Schedule "C"**

**Description of Lands**

PID: 001-160-141

LOT 2, SECTIONS 14 AND 15, RANGE 3, CHEMAINUS DISTRICT, PLAN 31422 EXCEPT PART IN  
PLAN VIP69038

**Schedule "D"**

**Description of Charges to be Removed**

**PID: 001-160-141**

**LOT 2, SECTIONS 14 AND 15, RANGE 3, CHEMAINUS DISTRICT, PLAN 31422 EXCEPT PART IN PLAN VIP69038**

Nature: Registration Number: Registration Date and Time: Registered Owner: Remarks:	Judgment EV94884 2003-08-20 11:47 The Crown in Right of Canada Inter Alia Renewed by EX99057
Nature: Registration Number: Registration Date and Time: Registered Owner: Remarks:	Mortgage EX13734 2005-02-09 09:39 Tarmac Management Ltd. Incorporation No. 0496408 Inter Alia
Nature: Registration Number: Registration Date and Time: Registered Owner: Remarks:	Judgment EX99057 2005-08-09 12:23 The Crown in Right of Canada Inter Alia Renewal of EV94884 Renewed by FB74761
Nature: Registration Number: Registration Date and Time: Registered Owner: Remarks:	Certificate of Pending Litigation FA113294 2006-09-19 09:57 Kim Galavan Inter Alia Re-instated Pursuant to Section 40(3), Taxation (Rural Area) Act
Nature: Registration Number: Registration Date and Time: Registered Owner: Remarks:	Judgment FB193758 2008-07-18 10:22 The Crown in Right of Canada Renewed by FB359734
Nature: Registration Number: Registration Date and Time: Registered Owner:	Claim of Builders Lien FB210163 2008-09-10 14:56 Ronald Dudley Durrance

<b>Nature:</b> <b>Registration Number:</b> <b>Registration Date and Time:</b> <b>Registered Owner:</b> <b>Remarks:</b>	<b>Judgment</b> <b>FB314787</b> <b>2009-11-24 10:04</b> <b>The Crown in Right of Canada</b> <b>Inter Alia</b> <b>Renewed by FB440888</b>
<b>Nature:</b> <b>Registration Number:</b> <b>Registration Date and Time:</b> <b>Registered Owner:</b> <b>Remarks:</b>	<b>Property Transfer Tax Act Charge</b> <b>FB334737</b> <b>2010-03-09 10:05</b> <b>The Crown in Right of British Columbia</b> <b>Inter Alia</b> <b>Section 28</b>
<b>Nature:</b> <b>Registration Number:</b> <b>Registration Date and Time:</b> <b>Registered Owner:</b> <b>Remarks:</b>	<b>Judgment</b> <b>LB381165</b> <b>2010-04-23 11:27</b> <b>Byron Loewen</b> <b>Inter Alia</b>
<b>Nature:</b> <b>Registration Number:</b> <b>Registration Date and Time:</b> <b>Registered Owner:</b> <b>Remarks:</b>	<b>Judgment</b> <b>FB359734</b> <b>2010-07-13 14:50</b> <b>The Crown in Right of Canada</b> <b>Renewal of FB193758</b> <b>Renewed by FB457819</b>
<b>Nature:</b> <b>Registration Number:</b> <b>Registration Date and Time:</b> <b>Registered Owner:</b> <b>Remarks:</b>	<b>Judgment</b> <b>FB421840</b> <b>2011-07-06 09:58</b> <b>The Crown in Right of Canada</b> <b>Inter Alia</b> <b>Renewal of FB281646</b> <b>(FB74761, EX99057 and EV94884)</b>
<b>Nature:</b> <b>Registration Number:</b> <b>Registration Date and Time:</b> <b>Registered Owner:</b> <b>Remarks:</b>	<b>Judgment</b> <b>FB440888</b> <b>2011-10-28 11:29</b> <b>The Crown in Right of Canada</b> <b>Inter Alia</b> <b>Renewal of FB314787</b>
<b>Nature:</b> <b>Registration Number:</b> <b>Registration Date and Time:</b> <b>Registered Owner:</b> <b>Remarks:</b>	<b>Judgment</b> <b>FB457819</b> <b>2012-06-28 14:00</b> <b>The Crown in Right of Canada</b> <b>Renewal of FB359734</b>

<b>Nature:</b>	<b>Judgment</b>
<b>Registration Number:</b>	<b>FB476986</b>
<b>Registration Date and Time:</b>	<b>2014-01-30 14:24</b>
<b>Registered Owner:</b>	<b>The Crown In Right of Canada</b>
<b>Remarks:</b>	<b>Inter Alla</b>
<b>Nature:</b>	<b>Tax Sale Notice</b>
<b>Registration Number:</b>	<b>CA4009996</b>
<b>Registration Date and Time:</b>	<b>2014-10-08 12:53</b>