

Form 87

In the matter of the Receivership of Mount Baldy Ski Corporation
and Mount Baldy Real Estate, ULC
Of the town of Oliver
In the Province of British Columbia

Notice and Statement of the Receiver
(Subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*)

The Receiver gives notice and declares that:

1. By order ("**Court Order**") of the Supreme Court of British Columbia, pursuant to Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended, on the 19th day of December, 2014, G. Powroznik Group Inc. of G-Force Group, was appointed as Receiver and Manager (the "**Receiver**") of all the assets, undertakings and properties, including all proceeds thereof, of Mount Baldy Ski Corporation and Mount Baldy Real Estate, ULC (collectively, the "**Debtor**").

The known assets (collectively, the "**Ski Resort**") of the Debtor at December 19, 2014 were:

	Estimated net <u>book value (note 1)</u>	<u>Notes</u>
Development lands (44 acres - four subdivisions)	\$unknown	Unclear from books and records what book value is equated to the lands
Ski lifts & maintenance equipment	\$2,051,200	
Computers and other chattels	\$37,200	
Deposits	\$57,600	
Buildings	\$429,500	
Contracts including Master Development Agreement	<u>unknown</u>	See note 2
TOTAL	<u>\$2,575,000</u>	See note 3

Notes:

1 – Estimated values are largely based upon the Receiver's preliminary review of the Debtor's available financial books and records as at December 19, 2014, and upon the Receiver's initial estimates after taking possession of the property. The Debtor's financial books and records are in some cases incomplete. Actual realizable values are unknown at this time.

2 – The Master Development Agreement ("MDA") is held by Her Majesty the Queen in Right of the Province of British Columbia (the "Province") and specifies the terms and conditions permitting the Debtor exclusive use of Crown Land at the Ski Resort, the right to develop the Ski Resort's recreation and real estate development areas, and the right to operate the Ski Resort for recreational activities. The MDA is the critical asset of the Debtor as it is the foundation for the operation and development of the Ski Resort.

3- The net book value of the assets is \$2.575m however the Receiver estimates that the range of value for the assets could be in the \$1m - \$3m range.

2. The Receiver was appointed over the property described above on the 19th day of December, 2014 and immediately entered into an operating agreement with Baldy Operating Corporation ("**Baldy Operating**") who will manage and operate the Ski Resort, and related assets, for the 2015 ski season.

3. Copies of the Court Order and other receivership documents can be viewed on the Receiver's website at <http://www.g-forcegroup.ca/mount-baldy-ski-resort/>

4. The following information relates to the receivership:

(a) Address of the Debtor: 2680 Mount Baldy Road
PO Box 1499
Oliver, BC V0H 1T0

(b) Principal line of business: Ski Resort ,residential & recreational real estate development opportunities

(c) Location of business: same as address listed above

(d) **Secured Creditors**

Amounts owing to secured creditors and deemed trust claimants of the Debtor as at December 19, 2014 have been estimated through the Receiver's preliminary investigations of the Debtor's available books and records and are included below:

Creditor	Estimated Amount (notes 1, 2)
Stark BC Venture, LLC	\$4,700,000
B.C. Opportunity Fund LLC (" Stark Venture ")	\$820,000
Osoyoos Indian Band (" OIB ")	\$525,000
Brent Baker and Laura Leslie Baker	\$2,200,000
Mountain Investments Inc.	\$1,250,000
Vantage One Credit Union	\$285,000
Canada Revenue Agency (deemed trust claims)	\$75,000

Note 1 - Amounts listed above are preliminary estimates only. The Debtor's financial books and records are in some cases incomplete and/or not updated.

Note 2 - At this time the Receiver has not attributed specific secured debt to the various assets. Generally, Stark Venture has a first charge on the Debtor's assets except for a small parcel of land on which the OIB has a first charge which far exceeds the value of the parcel. The value of Stark Venture's secured debt far exceeds the estimated value of its security over the remaining assets.

(e) Unsecured Creditors

A list of known unsecured creditors of the Debtor is attached hereto as Schedule "A". The amounts owing to unsecured creditors have been estimated based on the Receiver's preliminary review of the Debtor's books and records. The Debtor's books and records are not complete and accordingly the attached Schedule may not be an all-inclusive list and additional amounts could surface in the normal course of the receivership and as additional reviews are done.

At this time, a formal claims process has not commenced because it is expected that there will not be any recoveries for the unsecured creditors. We will update our findings in subsequent reports.

(f) The initial plan of action of the Receiver included, without limitation, the following items:

- Secure control of the assets and operations of the Debtor in conjunction with Baldy Operating;
- Execute an Operating Agreement with Baldy Operating. Baldy Operating will prepare and operate the Ski Resort during the 2014-2015 ski season and assume all benefits and obligations relating to its operation;
- Obtain a review of the insurance policies required by Baldy Operating to determine the nature, extent and sufficiency of coverage for the Receiver and Baldy Operating;
- Periodically review the receipts and disbursements of Baldy Operating relating to its operation of the Ski Resort, and review and approve funding requests of Baldy Operating from funds borrowed from lenders and secured by Receiver Certificates pursuant to the Court Order;
- Determine the relative priorities of the claims against the Debtor;
- Obtain an offer to purchase the Ski Resort assets from Baldy Capital Corporation, a related party to Baldy Operating;
- Report our findings and recommendations to the stakeholders and to Court; and
- Perform other actions as activities as required.

(g) Contact person for Receiver:

Chris Sinclair

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Mailing Address: #780-333 Seymour St, Vancouver, B.C., V6B 5A6

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Dated at Vancouver, British Columbia, this 29th day of December, 2014.

G. Powroznik Group Inc.
solely in its capacity of Receiver of Mount Baldy Ski Corporation and
Mount Baldy Real Estate, ULC and not in its personal capacity

A handwritten signature in black ink, appearing to be 'G. Powroznik', written in a cursive style.

Per: Gary Powroznik
Managing Director

Schedule "A"

In the matter of the receivership of Mount Baldy Ski Corporation and Mount Baldy Real Estate, ULC
Preliminary Listing of Unsecured Creditors by Entity
Prepared as at December 19, 2014

Mount Baldy Ski Corporation

Creditor name	\$
Air Liquide Canada Inc.	112.80
Arctech Food Equipment	5,167.25
B.C. Safety Authority	6,567.91
Beanstream Internet Commerce Inc.	65.40
Berry & Smith Trucking Ltd.	10,577.82
Big White Ski Resort Ltd.	302.40
Canadian Restaurant & Foodservice	330.75
Chan - Global BC	4,754.34
Chan Kelkam - Global BC	2,909.26
CHBC - a Div of Canwest Inc.	7,995.59
Connections Call Centre Ltd.	365.40
Elan - Delbello Sports Inc	2,246.95
FortisBC Inc	9,234.68
Foster Pepper	9,301.85
Global BC	515.41
Global Payments	22.44
ICBC	672.66
Interior Health	249.99
Interior Reforestation Co. Ltd	18,437.30
K2 Corporation of Canada	733.94
Mastercard	5,203.80
Minister of Agriculture and Lands	1,050.00
Minister of Finance - Land Lease	8,578.79
Ministry of Finance - Property Tax	18,902.81
Mounsey, Lee	79.47
Oakcreek Golf & Turf Inc.	24,908.90
Okanagan Valley Newspaper	1,600.72
Peak Emergency Response Training	749.21
Prinoth Ltd.	6,887.52
Raymond Lanctot Ltee	2,707.35
Receiver General - Payroll	14,094.20
Sage	717.91
Scott Wills Contracting	9,734.82
SE Group	5,142.95
Shadowfax Communications	3,381.00
Strata KAS 1840	19,487.78
T&A Drilling and Blasting Corp	25,179.03
Telus (Mobility)	651.86
Telus - TAKMTBALDY 1	2,068.79
Tesoro Technologies Inc,	1,050.00
The Summit Group (Sundog Eyewear)	551.25
Thompson Okanagan Tourism	413.44
TNC Publications	2,205.00
Torbram Electric Supply	542.05
True Consulting Group	1,372.58
VitalAire	102.38
Westkey Graphics Ltd.	1,280.16
White Kennedy Chartered Accountants	19,003.63
Whiteboard Law	6,187.88
Workers Compensation Board of BC	7,494.88
Total unsecured creditors - Mount Baldy Ski Corporation	\$ 271,894.30

In the matter of the receivership of Mount Baldy Ski Corporation and Mount Baldy Real Estate, ULC
Preliminary Listing of Unsecured Creditors by Entity
Prepared as at December 19, 2014

Mount Baldy Real Estate, ULC

Creditor name	\$
Blois, Nickerson & Bryson	1,017.59
Brent Harley and Associates Inc.	83,555.57
FortisBC	31,787.24
Minister of Finance - Property Tax	11,387.32
Strata KAS1840	12,386.85
Tobram Electric Supply Corp.	1,136.11
True Consulting Group	28,975.86
Total unsecured creditors - Mount Baldy Real Estate, ULC	\$ 170,246.54