

Form 87

In the matter of the Receivership of Portage Trail Properties Ltd.
Of the Village of Pemberton
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 of the Supreme Court of British Columbia, pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act* and Section 39 of the *Law and Equity Act*, on the 28th day of November, 2011, G. Powroznik Group Inc. of G-Force Group, was appointed as Receiver (the "**Receiver**") of all the assets, undertakings and properties, including all proceeds thereof, of Portage Trail Properties Ltd. (the "**Debtor**" or the "**Company**").

The known assets of the Company at November 28, 2011 were:

	Estimated <u>Value (note 1)</u>	<u>Source</u>
Cash on hand	\$1,400	Bank records
Accounts Receivable	\$2,500	Result of Receiver's preliminary review
Hotel furniture and other chattels	\$75,000	Receiver's preliminary estimate upon inventorying chattels on site
Computer equipment & software	\$1,000	Receiver's preliminary estimate upon inventorying computer equipment on site
Land and building	See note 2	

Notes:

1 – Estimated values are largely based upon the Receiver's preliminary review of the Debtor's available financial books and records as at November 28, 2011, 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 – Based upon review of the most recent appraisal performed in January 2011, the land and building are valued at, in sum, a range of approximately \$6,300,000 to \$7,500,000. The Receiver has not, to date, performed any market study to be able to adequately comment on the appropriateness of the suggested values presented in the appraisal. The Receiver intends to perform updated market valuation work to better assess the current estimated realizable values of the land and building.

2. The Receiver took control of the property described above beginning on the 28th day of November, 2011.

3. Copies of the Court Order and other receivership documents can be viewed on the Receiver's website at <http://www.g-forcegroup.ca/current-projects/portage-trail>

4. The following information relates to the receivership:

(a) Address of the Debtor: 7330 Arbutus Street
Pemberton, British Columbia
V0N 2L0

(b) Principal line of business: Development and operation of Pemberton Gateway Village Suites which has ground floor commercial space available for lease and 22 residential units on floors 2 and 3 currently available for nightly, weekly or monthly rental as hotel suites

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

(d) Secured Creditors

Amounts owing to secured creditors of the Debtor as at November 28, 2011 have been estimated through the Receiver's preliminary investigations of the Debtor's available books and records and are included below:

Creditor	Amount (note 1)
1110274 Alberta Ltd.	\$6,800,000
Clarion Property Corp.	\$275,000
Serin Investments Ltd.	\$275,000
Horizon Charters Ltd.	\$173,400
Canadian Western Trust Co.	\$81,600
Other secured creditors	unknown

Note 1 - Amounts listed above are preliminary estimates only. The Debtor's financial books and records are in some cases incomplete and there is no reliable listing of secured creditors and amounts owing to them at this time.

(e) Unsecured Creditors

A list of known unsecured creditors of the Debtor is attached 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 Company's books and records are not complete and accordingly the attached Schedule may not be an all-inclusive list as 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 unknown whether there are any available assets for the unsecured creditors. We will update our findings in subsequent reports.

(f) The initial plan of action of the Receiver includes:

- Secure control of the assets and operations of the Debtor;
- Complete an inventory of the Debtor's assets;
- Complete a review of the Debtor's insurance policies to determine the nature and extent of coverage;
- Obtain the cash held in the Debtor's bank accounts as at the date of the receivership, and collect any rents outstanding from commercial tenants or hotel customers;
- Meet with certain former contractors of the Debtor and enter into new contractor agreements to help maintain the Debtor's going concern hotel operations and also to finish construction of the commercial units so that they can be leased to third parties;
- Assess options to maximize the values and recoveries from the assets, and conduct a sales process to find a purchaser for the Debtor's business and/or assets;
- Continue to operate the hotel on a short-term basis while assessing the options discussed above;
- Determine the relative priorities of the claims against the Debtor;
- 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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Email: csinclair@g-forcegroup.ca

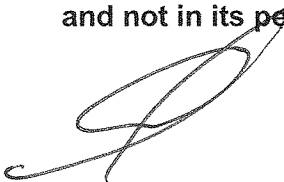
Mailing Address: #780-333 Seymour St, Vancouver, B.C., V6B 5A6

Dated at Vancouver, British Columbia, this 12th day of December, 2011.

G. Powroznik Group Inc.

solely in its capacity of Receiver of Portage Trail Properties Ltd.

and not in its personal capacity



Per: Gary Powroznik

Managing Director

Schedule "A"
In the matter of the receivership of Portage Trail Properties Ltd.
List of Unsecured Creditors as at November 28, 2011 (note 1)

Creditor	\$
Apline Paving	Unknown
BC Hydro	3,271.40
Carney's Waste Systems	950.00
Canada Revenue Agency	Unknown
CJ Anderson Engineering	Unknown
Flow Irrigation Sales and Services	140.00
Harvey's Furniture & Appliances	8,699.38
Irene Wong	Unknown
Pemberton Valley Hardware - Rona	2,517.81
Point Grey Projects Inc.	Unknown
Razor Manufacturing	1,408.80
Richmond Elevator	1,663.58
Rockingham Engineering	1,998.99
Rutt Contracting Ltd	366.24
Telus	Unknown
Twin Rivers Gravel	Unknown
Village of Pemberon	Unknown
Shaw Cablesystems GP	Unknown
Western Filmmaker Publications	432.32

Note 1 - The list above has been generated from the Receiver's preliminary review of the Debtor's books and records which are in some cases incomplete. Additional creditors may surface as additional information is received.