



This is the 3rd affidavit of Gary D. Powroznik
In this case and was made on June 17, 2021 Estate No. 11-254135
Court No. B-186288
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE RECEIVERSHIP OF
MORNINGSTAR GOLF CLUB LTD.**

AFFIDAVIT IN SUPPORT OF RECEIVER-MANAGER'S REMUNERATION

I, Gary D. Powroznik, Licensed Insolvency Trustee and CIRP, of the City of Vancouver, do hereby make oath and say:

1. I am a Licensed Insolvency Trustee and Managing Director with G. Powroznik Group Inc. ("GPGI") of G-Force Group, who was appointed the Receiver-Manager ("Receiver") for Morningstar Golf Club Ltd. ("Morningstar") on June 1, 2018, and as such, am authorized to make this Affidavit in this proceeding, and have personal knowledge of the facts deposed to in this Affidavit, except where stated to be based on information and belief, in which case, I believe that such information is true and accurate.
2. I make this Affidavit in support of an interim approval of the passing of the accounts of G. Powroznik Group Inc. in respect of the services provided by GPGI as Receiver of Morningstar during the month of April 2021.
3. In support of the passing of the accounts, I prepared the Third Report of the Receiver, dated May 19, 2021, that provides details of its investigations, findings, activities and results of its administration and operations during the Receivership and the challenges it faced. The facts and matters in these reports are within my own knowledge true.
4. In support of the passing of the accounts, the Receiver's Statement of Receipts and Disbursements for its HSBC Account for the Period June 1, 2018 to May 19, 2021, is included in the Third Report as Appendix "G". The facts and matters referred to in the Receiver's Statements of Receipts and Disbursements are true and accurate in all material respects.
5. In support of the passing of the accounts, the Receiver's Statement of Receipts and Disbursements for its Operations Account for the Period June 1, 2018, to April 30, 2021, is included in the Third Report as Appendix "H". The facts and matters referred to in the Receiver's Statements of Receipts and Disbursements are true and accurate in all material respects.
6. In support of the passing of the accounts, the Statement of Fees, Disbursements and Taxes for the Month of April 2021, is included in the Receiver's Third Report as Appendix "I" (the "Receiver's Accounts"). The Receiver's Accounts at Appendix "I" are true and

accurate and reflect the attendances made on this Estate. The Receiver's Accounts represent total fees of \$47,204.30, disbursements of \$1,034.03 and taxes of \$2,407.92 incurred in the administration of the Receivership.

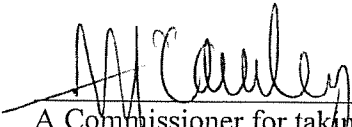
7. The Receiver's Accounts at Appendix "I" include a true and accurate account of each time entry reflecting the actual time spent by each of the Receiver's staff in preparation for and on the administration of the Receivership.
8. In support of the passing of accounts, a Summary of the Receiver's Time and Fees for the Month of April 2021 is included in the Receiver's Third Report as Appendix "J" ("**Receiver's Time and Fee Analysis**"). The Receiver's total fees relate to 136.29 hours of time spent by the Receiver's engagement team members at their standard hourly charge out rates for an average blended hourly rate of \$346.35. In my experience the Receiver's normal hourly rates are significantly lower than many of the larger firms, who perform similar complex commercial insolvencies in the British Columbia market due to its low overhead structure and use of experienced industry and insolvency professionals on a seamless basis.
9. The Receiver's statutory obligations have been complied with.
10. The Third Report describes the activities, administration, strategy and results of the Receiver's activities, the challenges it has faced in the Receivership and its communications with the two primary secured creditors.
11. I verily believe that all of the time and disbursements incurred by the Receiver with respect to the planning and administration of the Receivership and restructuring and improving Morningstar's operations and assets were in the best interests of all the creditors, and that they were properly and necessarily incurred in order to protect the interests of the creditors in respect of the assets administered by the Receiver and to enable the Receiver to carry out its other statutory duties.
12. The Third Report states that the Asset Purchase Agreement between the Receiver and the Purchaser, contemplates a closing date of the later of 10 days following the issuance of the Vesting Order or June 30, 2021, or on such other date as the Seller and the Buyer may mutually agree upon in writing. The Purchaser intends to be proactive in assuming responsibility for MGC Assets and operations from the Receiver as quickly as possible to help minimize remaining receivership costs. The Receiver intends to work closely with management and the Purchaser to facilitate a smooth and quick transition to the Purchaser and also complete its remaining statutory and administrative activities quickly as reasonably possible after the Closing. Based upon these assumptions and barring any unforeseen events, interruptions or requirements, the Receiver has estimated that its fees for completing its activities from May 1, 2021 to the Discharge Date will not exceed \$80,000 before disbursements and taxes. In addition, an amount of \$100,000 is expected to be held in trust to cover the cost of a taxing of its accounts, including those of its counsel, should it occur.

Experience and Qualifications

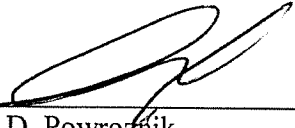
- 13. I led the activities for the Receiver for the Morningstar Receivership and drew on the Receiver's staff who have had previous experience on other files with similar businesses, assets, restructuring of operations and realization of going-concern assets compared to Morningstar.

- 14. I have been practicing in the corporate restructuring and commercial insolvency practices for over forty years. I received my Trustee's license in 1978 and later managed one of the largest corporate insolvency practices in Canada with Coopers & Lybrand ("Coopers") in Vancouver prior to its merger with Price Waterhouse in 1998 to form PwC. I was a partner for 27 years at Coopers and PwC before founding G-Force Group in 2008. G-Force Group is a boutique that includes GPFI, that specializes in workouts/restructuring of businesses, commercial insolvencies and distress Mergers & Acquisitions. Many of the senior professional resources of G-Force Group have worked with me in my practices in Coopers and PwC.

SWORN BEFORE ME at Vancouver)
British Columbia on June 17 2021)



A Commissioner for taking Affidavits)
within British Columbia)



Gary D. Powroznik

ALEXANDRA McCAWLEY
Barrister & Solicitor
DLA Piper (Canada) LLP
666 Burrard Street, Suite 2800
Vancouver, BC V6C 2Z7
604.687.9444