

Pursuant to the order
of Justice Walker
made on June 25, 2025



No. S-243389

Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE RECEIVERSHIP OF
ECOASIS DEVELOPMENTS LLP AND OTHERS**

BETWEEN

SANOVEST HOLDINGS LTD.

PETITIONER

AND

**ECOASIS DEVELOPMENTS LLP,
ECOASIS BEAR MOUNTAIN DEVELOPMENTS LTD.,
ECOASIS RESORT AND GOLF LLP,
0884185 B.C. LTD., 0884188 B.C. LTD.,
0884190 B.C. LTD., 0884194 B.C. LTD.,
BM 81/82 LANDS LTD., BM 83 LANDS LTD.,
BM 84 LANDS LTD., BM CAPELLA LANDS LTD.,
BM HIGHLANDS GOLF COURSE LTD.,
BM HIGHLANDS LANDS LTD.,
BM MOUNTAIN GOLF COURSE LTD., and
BEAR MOUNTAIN ADVENTURES LTD.**

RESPONDENTS

**FIRST REPORT OF THE RECEIVER
ALVAREZ & MARSAL CANADA INC.**

October 25, 2024



ALVAREZ & MARSAL

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1.0 INTRODUCTION

- 1.1 On September 18, 2024, upon the application of Sanovest Holdings Ltd. (the “**Petitioner**”) in the Supreme Court of British Columbia (the “**Court**”) Action No. S-243389, Vancouver Registry, the Court granted an order (the “**Receivership Order**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended appointing Alvarez & Marsal Canada Inc. as receiver and manager (in such capacity, the “**Receiver**”) without security, of certain lands of the Respondent Bear Mountain Adventures Ltd. (“**BMA**”), any interests in real property of Ecoasis Resort and Golf LLP (“**Resorts**”) and all of the assets, undertakings and property of the Respondents Ecoasis Developments LLP (“**EDL**”), Ecoasis Bear Mountain Developments Ltd. (“**EBMD**”), 0884185 B.C. Ltd., 0884188 B.C. Ltd., 0884190 B.C. Ltd., 0884194 B.C. Ltd., BM 81/82 Lands Ltd., BM 83 Lands Ltd., BM 84 Lands Ltd., BM Capella Lands Ltd., BM Highlands Golf Course Ltd., BM Highlands Lands Ltd. and BM Mountain Golf Course Ltd. (collectively, “**Developments**” and together with BMA and Resorts, the “**Ecoasis Entities**”). Developments and Resorts are hereinafter referred to as “**Ecoasis**” and these proceedings are referred to as the “**Receivership Proceedings**”.
- 1.2 Pursuant to paragraph 2(b) of the Receivership Order, Resorts’ operations and business (the “**Resorts Business**”), subject to further order of this Court, shall continue to be managed by EBMD, provided that EBMD and Resorts are required to provide access and cooperation to the Receiver pursuant to paragraphs 7 to 10 of the Receivership Order, including in respect of Resorts and the Resorts Business. For greater clarity, the Resorts Business does not include the ownership, disposition or encumbrance of any interests in real property.
- 1.3 Pursuant to paragraph 4 of the Receivership Order, the Receiver is to deliver, on or before October 25, 2024, a report (the “**Resorts Report**”) and recommendation regarding Resorts, including the inclusion of other assets, undertakings and properties of Resorts, management by EBMD of the Resorts Business and whether EBMD ought to continue to manage the Resorts Business and, if so, on what terms, if any.
- 1.4 The Receivership Order, along with other materials filed with the Court in these Receivership Proceedings (the “**Filed Materials**”) are available on the Receiver’s website (the “**Receiver’s Website**”) at www.alvarezandmarsal.com/ecoasisdevelopments.

2.0 PURPOSE OF THE FIRST REPORT

- 2.1 This first report (the “**First Report**”) has been prepared to provide the following information:

- a) certain background information with respect to Ecoasis including its corporate and operating structure and the events leading up to these Receivership Proceedings;
- b) a summary of the composition of the assets and the creditor profile of Developments;
- a) a summary of the initial activities of the Receiver since being appointed by this Honourable Court on September 18, 2024 (the “**Receivership Date**”);
- b) the Receiver’s interim statement of cash receipts and disbursements as it relates to Developments’ operations;
- c) the first cash flow statement for the period from October 19, 2024, to January 31, 2025;
- d) the Resorts Report as required pursuant to paragraph 4 of the Receivership Order; and
- e) the Receiver’s concluding comments and recommendations relating to the above.

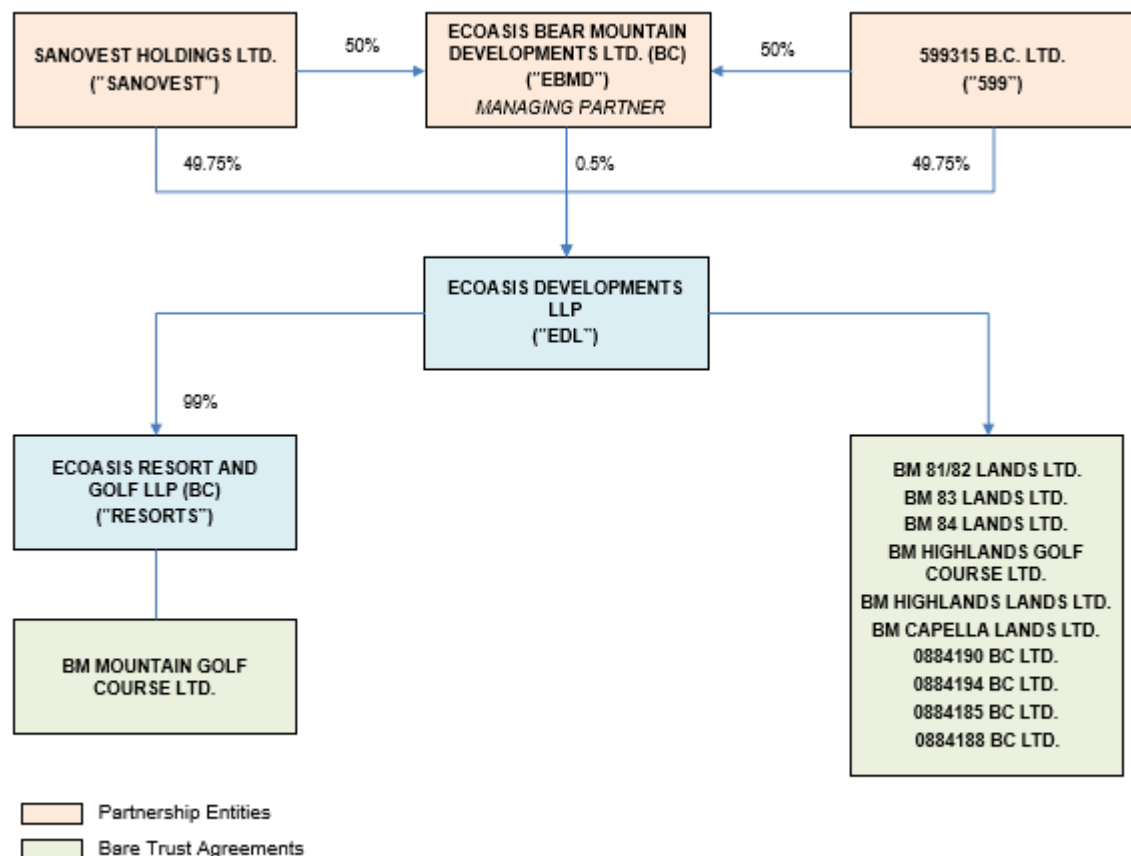
3.0 **TERMS OF REFERENCE**

- 3.1 In preparing the First Report, the Receiver has relied upon the representations of certain management and employees of Developments as well as unaudited financial information contained in the books and records of Developments.
- 3.2 The Receiver has undertaken preliminary reviews and investigations in respect of the assets and liabilities of Developments; however, it has not performed an audit, review or otherwise substantiated the completeness or accuracy of the financial position of Developments that would wholly or partially comply with the Canadian Auditing Standards (“**CASs**”) pursuant to the Chartered Professional Accountants Canada Handbook, and accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CASs in respect of the information.
- 3.3 This First Report has been prepared as (i) general information relating to these Receivership Proceedings and (ii) specific information relating to the Resorts Business. Accordingly, the reader is cautioned that this First Report may not be appropriate for any other purpose.
- 3.4 Capitalized terms not defined in this First Report have the meanings ascribed to them in the Receivership Order and the Filed Materials.
- 3.5 All monetary amounts in the First Report are expressed in Canadian dollars unless stated otherwise.

4.0 **BACKGROUND**

- 4.1 Ecoasis collectively owns 28 parcels of land, ranging from undeveloped to fully developed, and operates two golf courses and a golf practice facility, a tennis club, a Pro Shop as well as food and beverage services in a semi-private urban resort community (“**Bear Mountain Resort**”) which straddles the City of Langford and the District of Highlands on Vancouver Island, B.C.

- 4.2 Since 2013, the Bear Mountain Resort has been owned and operated by Sanovest Holdings Ltd. (“**Sanovest**”, also the secured lender and petitioner in these Receivership Proceedings), 599315 B.C. Ltd. (“**599**”) and EBMD through a limited liability partnership known as Ecoasis Developments LLP. Collectively, Sanovest, 599 and EBMD are referred to as the “**Partnership**”.
- 4.3 The ownership interests in the Partnership are as follows: Sanovest (49.75%), 599 (49.75%) and EBMD (0.5%).
- 4.4 Mr. Tian Kusumoto is a director of Sanovest and EBMD, as well as the CFO of EBMD. Mr. Daniel Matthews is the director and president of 599 as well as the President, CEO and director of EBMD. Both Mr. Kusumoto and Mr. Matthew are directors of Developments and BMA.
- 4.5 As shown in the figure below, EBMD is the managing partner of EDL. Sanovest and 599 each own 50% of the issued and outstanding shares of EBMD.



Note: BMA is excluded from the above and EBMD has the remaining 1% ownership interest in Resorts.

- 4.6 Bear Mountain Resort consists of 1100 acres of land, of which approximately 350 acres of land have been sold to developers over the years and range from undeveloped to fully developed. The remaining approximately 750 acres of land, owned by Developments and Resorts, are used for the Resorts Business or are undeveloped to partially developed and have undergone varying stages of sales and marketing over the past 20 years. Approximately 3,000 residents reside at Bear Mountain Resort's approximately 1,600 single-family residences, townhomes and condominiums.
- 4.7 Ecoasis has two primary operations:
- a) the Resorts Business, which operates the two golf courses, a regulation-size driving range and 10,000 sq.ft. putting greens, indoor/outdoor tennis courts, food and beverage outlets and the Pro Shop and golf club storage. The Pro Shop, club storage and limited food and beverage offerings are operated out of the Bear Mountain activity center (the "**BMAC**") facility. The BMAC, which includes a gym and heated outdoor pool and hot tub, is not subject to these Receivership Proceedings and is owned by BMA; and
 - b) the Developments Business, which is the real estate sales and development arm (the "**Developments Business**"). The Developments Business's assets include the land (the "**Development Lands**") from which the Resorts Business operates and all the developable land (the "**Development Sites**"). Development Sites have been identified into six distinct neighborhoods including (i) the Village; (ii) Victoria Peak; (iii) Cypress; (iv) Augusta; (v) Players Drive; and (vi) Highlands. Highlands contemplates the development of 150 residential units that have been zoned in the District of Highlands and does not at this time contemplate the potential for future rezoning or changes to unit entitlements. Attached herewith as **Appendix "A"** is the list of the real property holdings and corresponding ownership and attached as **Appendix "B"** are the legal site plans.
- 4.8 With the exception of select lot closings, the Developments Business has not conducted any real estate transactions since 2021 due to several shareholder disputes and a lack of shared vision between the shareholders resulting in subsequent and ongoing litigation proceedings (the "**Litigation Proceedings**"). Certain of the Litigation Proceedings, hereinafter referred to as the "**Oppression Litigation**", between 599 and Sanovest in respect of, among other things, loan balances and allegations of undervalue transactions, are excluded from these Receivership Proceedings pursuant to paragraphs 1 and 2(a) of the Receivership Order.
- 4.9 The Developments Business is managed by EBMD, and Mr. Kusumoto and Mr. Matthews are the CFO and CEO, respectively. The Developments Business employs three individuals: (i) a Developments Manager who is a civil engineer by background, (ii) a Real Estate Director, and (iii)

a Legal/Executive Assistant (collectively, the “**Developments Staff**”). Neither Mr. Matthews nor Mr. Kusumoto are paid for their roles with EBMD with Mr. Matthews being unpaid since late 2022. It is noted that the partner of Mr. Matthews, Ms. Michele Stannard, is actively involved in supporting the Developments Business and Resorts Business, as required, despite not having a formal title or receiving salary or wages for her services.

- 4.10 Due to vacant staff positions including that of a corporate controller, and the ongoing Litigation Proceedings which have halted real estate sales and land development activities, the Developments Staff have been redeployed to assist with other departments and roles in the Resorts Business, which is further described in this Resorts Report in section 8.0. The Receiver has informed EBMD of the need to separate the Developments Staff’s responsibilities away from the Resorts Business (the latter of which is not subject to these Receivership Proceedings).

Events Leading up to these Receivership Proceedings

- 4.11 It is the Receiver’s understanding that since 2021 or thereabouts, Sanovest and 599 have had conflicting views on the strategic direction of the Resorts Business and Developments Business, among other disagreements. In May 2024, 599 filed an application with the Court seeking, among other matters, approval to appoint a marketing agent to have exclusive conduct of sale over certain of the Development Lands, with the objective of repaying certain secured debt due to Sanovest from the sale proceeds and retaining a portion of sale proceeds for the Resorts Business and Developments Business. On May 23, 2024, Sanovest filed a petition to Court seeking appointment of a receiver, which ultimately led to these Receivership Proceedings.
- 4.12 The dispute between Sanovest, 599 and related parties, as parties to a number of the other Litigation Proceedings and the Oppression Litigation, collectively appear to have impacted the Resorts Business and the Developments Business.

Summary of Assets and Liabilities

- 4.13 As at the Receivership Date:
- a) Developments’ assets consisted of (i) cash of approximately \$4,925, and (ii) 28 parcels of land with a combined 2024 B.C. Assessment Value of \$85 million; and
 - b) Developments’ liabilities totaled approximately \$64.5 million consisting of (i) secured claims approximating \$62 million claimed by Sanovest and five potential lessors (having security against certain motor vehicles and electronic office equipment and peripherals) for which the claim amounts are currently not estimated, and (ii) unsecured claims of approximately \$2.5 million and due to 66 unsecured creditors.

- 4.14 On September 27, 2024, a notice and statement of the Receiver (the “**Receiver’s Statement**”), which outlines the assets and liabilities of Developments and includes a preliminary list of known creditors, was issued to all known creditors of Developments. A copy of the Receiver’s Statement is attached hereto as **Appendix “C”**.

5.0 INITIAL ACTIVITIES OF THE RECEIVER

- 5.1 Since the Receivership Date, the initial activities of the Receiver have included, among other things, the following:

Appointment and Preservation of Assets

- a) holding an initial virtual meeting with Mr. Matthews, Ms. Stannard, and 599’s legal counsel to discuss the Receivership Proceedings and coordinate a site visit;
- b) holding an initial virtual meeting with Mr. Kusumoto and Sanovest’s legal counsel to discuss the Receivership Proceedings;
- c) attendance by the Receiver and its legal counsel at Bear Mountain Resort on September 20, 2024, to meet with Mr. Matthews, the Developments Staff, and certain Resorts Staff, to discuss the Receivership Proceedings and current status of the Developments Business and Resorts Business;
- d) issuing a letter to the Developments Business’ financial institution to freeze the bank account and to cancel the Developments Business credit card;
- e) sending a notice of the Receivership Proceedings to Ecoasis’ insurance broker requesting to add the Receiver as named insured and loss payee on the insurance policies;
- f) holding numerous discussions with the Developments Staff to understand the information technology environment with respect to security and server backups of books and records;
- g) establishing the Receiver’s Website and posting the Filed Materials to same pursuant to the Receivership Order;

Statutory Duties

- h) attending to discussions with the Developments Staff and reviewing accounts payable information to develop a list of creditors;
- i) preparing the Receiver’s Statement;
- j) making available and disseminating the required statutory notices including:
 - i. dispatching the Receiver’s Statement to all known creditors pursuant to the BIA;
 - ii. posting the Receiver’s Statement on the Receiver’s Website; and

- iii. on September 27, 2024, posting a notice of the Receivership Proceedings in the Times Colonist pursuant to the *Personal Property Security Act* (British Columbia);
- k) holding meetings with the Developments Staff and the Developments Business' external accountant to understand the status of government reporting, including PST, GST, source deductions and other required filings;

Retention of Legal Counsel

- l) retaining Blake, Cassels & Graydon LLP ("**Blakes**") to act as independent counsel to the Receiver;
- m) instructing Blakes to attend the first site visit on September 20, 2024, as well as accompanying the Receiver to numerous meetings held with counsel to Sanovest and 599, respectively, to discuss the Litigation Proceedings and other matters;
- n) instructing Blakes to review relevant Litigation Proceedings materials and assist the Receiver with other ad hoc legal matters and review materials regarding same;

Stakeholder and Other Parties Engagement and Communication

- o) responding to various inquiries from brokers, consultants, creditors, and other stakeholders;
- p) attending various meetings with the Developments Staff, Mr. Matthews and Ms. Stannard, Mr. Kusumoto, and legal counsel to Sanovest, legal counsel to 599, and the Resorts Staff;

Management of the Developments

- q) attending various meetings with the Developments Staff to discuss ongoing operations and processes;
- r) reviewing ongoing monthly expenses and establishing a protocol to pay invoices in the normal course and reconcile shared costs between the Developments Business and the Resorts Business;
- s) requesting a comprehensive list of information ("**Developments Information Request List**") with respect to, among other things, short and long terms forecasts, accounting, cash management, corporate governance, appraisals, masterplan or other development planning;
- t) reviewing the current status of development projects, including parcels sold to third-parties, unfinished projects and related matters;

Report on Resorts Business

- u) requesting a comprehensive list of information (“**Resorts Information Request List**”), and attending to follow up correspondence with EBMD, with respect to, among other things, short and long terms forecasts, accounting, cash management, and management functions;
- v) holding meetings with Resorts Management (subsequently defined) to understand certain forecast assumptions and the Resorts Business’ current operational and financial situation;
- w) preparing this First Report including the Resorts Report;

Developments Business Marketing and Sales Plan

- x) pursuant to paragraph 6 of the Receivership Order, the Receiver is to deliver, on or before December 2, 2024, a report (the “**Developments Report**”) in respect of a marketing and sales process, to be approved by this Court;
- y) since the Receivership Date, the Receiver has engaged in, among other things, the following activities with respect to the Developments Report:
 - i. conducted site visits at Bear Mountain Resort;
 - ii. held various discussions with Developments Staff with respect to historic and existing marketing and sale plans, if any;
- z) reviewed appraisals and other documents prepared in respect of the Developments Business;
- aa) in consultation with Developments Staff, compiled a list of consultants with experience in design, consultation and implementation of master planned communities; and
 - i. held initial discussions with five consultants and received proposals from certain of those consultants; and
 - ii. on October 22, 2024 the Receiver selected and advanced engagement with one of the consulting firms.

6.0 RECEIVER’S INTERIM STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

- 6.1 The Receiver’s interim statement of cash receipts and disbursements for the period from September 18, 2024, to October 18, 2024 (the “**Reporting Period**”) is summarized in the table below:

Ecoasis Developments LLP et al. Receiver's Interim Statement of Cash Receipts and Disbursements For the Period September 18, 2024 to October 18, 2024		
Receipts		
Receiver's certificates	\$	250,000
Reimbursement from Resorts		-
Interest on Deposits		162
Total Receipts		<u>250,162</u>
Disbursements		
Payroll costs		81,432
Computer, subscriptions and IT		776
Leases		921
Statutory		75
Office supplies, cleaning and other misc.		501
Utilities		182
Bank fees		22
Bear Mountain Legacy Homes		4,276
Total Disbursements		<u>88,184</u>
Cash on hand in trust	\$	<u>161,979</u>

6.2 As at October 18, 2024, cash held in trust by the Receiver totaled \$161,979.

6.3 Total receipts during the Reporting Period totaled \$250,162 and consisted primarily of the Receiver's borrowings of \$250,000.

6.4 Total disbursements during the Reporting Period totaled \$88,184 consisting primarily of payroll costs (inclusive of regular wages and salaries, source deductions and third-party payroll provider fees) totaling \$81,432 and payments to Bear Mountain Legacy Homes totaling \$4,276 for site security, insurance and storage in respect of two partially completed duplexes in the residential neighborhood 'Cypress Gates'.

7.0 FIRST CASH FLOW FORECAST

7.1 The Receiver has prepared the First Cash Flow Forecast for the period from October 19, 2024, to January 31, 2025 ("Forecast Period"). The First Cash Flow Forecast is appended herewith as **Appendix "D"** and is summarized in the table below:

Ecoasis Developments LLP et al.
First Cash Flow Forecast
For the 15-week period October 19, 2024 to January 31, 2025
\$CAD'000s

Cash operating receipts	
Receiver's certificates	\$ 800
Reimbursement from Resorts	4
	804
Cash operating disbursements	
Payroll costs	126
Repairs and maintenance	2
Utilities	5
Insurance	10
Computer, subscriptions and IT	11
Office supplies, cleaning and other misc.	4
Regulatory compliance	5
Bear Mountain Legacy Homes	2
	164
Net operating cash flow	640
Other cash disbursements	
Professional fees - Receiver, counsel	575
Other professional fees	143
	718
Net cash flow (deficit)	\$ (78)
Cash continuity	
Opening cash balance	\$ 162
Net cash flow (deficit)	(78)
Ending cash balance	\$ 84
Receiver's borrowings	
Opening balance	250
Receiver's borrowings (repayments)	800
Ending Receiver's borrowings	\$ 1,050

7.2 Net cash outflows of \$78,000 are expected during the Forecast Period and a closing cash balance of \$84,000 as at January 31, 2025.

7.3 Key assumptions in respect of the First Cash Flow Forecast include the following:

- cash receipts totaling \$804,000 primarily consist of Receiver's borrowings;
- cash operating disbursements totaling \$164,000 consists primarily of payroll costs (\$126,000) and other routine operating expenses such as insurance, utilities, IT, and repairs and maintenance, among other things; and
- other cash disbursements totaling \$718,000 consists of the Receiver's and its legal counsel's fees (\$575,000) and other consulting fees (\$143,000).

- 7.4 The Receiver's borrowings are estimated to total \$1.05 million at the end of the Forecast Period. Pursuant to paragraph 28 of the Receivership Order, the Receiver is permitted to borrow up to \$2.5 million in these Receivership Proceedings.

8.0 REPORT ON RESORTS BUSINESS

- 8.1 As described in section 1.3, pursuant to paragraph 4 of the Receivership Order, the Receiver has conducted a review of the Resorts Business, specifically with respect to the inclusion of other assets and undertakings and properties of Resorts, and management of the Resorts Business by EBMD, to make recommendations on whether EBMD ought to continue to manage the Resorts Business and if so, on what terms.

Disclaimer

- 8.2 In preparing this Resorts Report, the Receiver has necessarily relied upon unaudited financial and other information supplied, and representations made to the Receiver, by Management of the Resorts Business ("**Resorts Management**"). The Receiver has not independently verified the accuracy or completeness of the information provided by Resorts Management nor conducted an audit and accordingly, the Receiver is not providing any form of assurance thereon. The procedures the Receiver performed are limited in nature and as such, the work may not necessarily disclose all significant matters about the Resorts Business, or any errors, misstatements, irregularities, if such exist, on the part of the Resorts Business, its officers, employees, or advisors, or in the underlying information.
- 8.3 The Receiver has not completed procedures recommended by CPA Canada for the examination of a financial forecast. The financial forecasts referred to herein are those of Resorts and are based on Resorts Management's assumptions that accompany them, which are not always capable of objective verification or validation. To the extent that actual conditions vary from those projected by Resorts, the results predicted can be expected to change; such changes may be material.

Scope of the Review and Review Procedures

- 8.4 The scope of the Receiver's report on the Resorts Business included, among other things, an assessment of the following:
- a) Resorts' current and historical financial performance and an assessment of Resorts' financial position;
 - b) Resorts' near-term liquidity outlook through to January 3, 2025 and 11-week cash flow forecast and a review of the underlying assumptions relating to same;

- c) Resorts' one year (2025) forecast including Resorts' near-term transition plan, three-year capital expenditure plan and proposed pay down strategy of aged accounts payable/proposed potential advances from the Receiver;
- d) financial reporting, budgeting and cash management practices; and
- e) general management of the Resorts Business.

8.5 As part of its review the Receiver performed the following:

- a) attended multiple in-person and virtual meetings with the directors and CEO and CFO of EBMD, Mr. Matthews and Mr. Kusumoto, respectively;
- b) held meetings with key staff and department leaders including the General Manager of Resorts (the “**Resorts GM**”), Head Pro, Supervisor of Golf Services, Superintendent of Agronomy, as well as the Developments Staff who support accounting functions for the Resorts Business and have a deep understanding and knowledge of the lands and real property holdings;
- c) conducted two site visits over three days to meet with Resorts Management and Developments Staff to further understand the Resorts Business; and
- d) requested the Resorts Information Request List and held multiple follow-up calls and correspondence in respect of same.

8.6 Certain areas of the review were partially limited due to ongoing Litigation Proceedings and the Hotel Arbitration, which the Receiver understands may have redirected Resorts Management's time and attention to litigation hearings and limited Management's ability to respond to the Receiver's information requests in a more expedient manner. The Receiver has worked with Resorts Management personnel around these competing deadlines.

Overview of the Resorts Business

8.7 During the period from 2013 to 2019, the Partnership also owned and operated the 'Westin Bear Mountain Golf Resort and Spa' (the “**Hotel**”) in addition to the assets comprising the Golf Courses and the Development Lands. In 2019, the Partnership sold the Hotel (the “**Hotel Sale**”) to an investor not related to Ecoasis but continued to use certain of the Hotel facilities and amenities through various commercial leases and shared services agreements, which is further described below in section 8.37 to 8.39.

8.8 As described above in section 4.7, Bear Mountain Resort has two operating arms: (i) the Developments Business which carries on all real estate sales and development; and (ii) the Resorts

Business which operates all the golf, tennis and recreation activities on portions of the Development Lands.

8.9 The Resorts Business consists of the following operations:

- a) two 18-hole golf courses with one course located in the City of Langford (the “**Mountain Course**”) which opened in 2003 and the second course located in the Municipal District of Highlands (the “**Valley Course**”) which opened in 2009. To complement the Mountain Course and Valley Course, there is a Nicklaus Design practice facility including a Golf Canada short game complex, regulation driving range and a 10,000 Sq. Ft. putting green (collectively, the “**Practice Facilities**” and together with the Valley Course and Mountain Course, the “**Golf Courses**”).;
- b) eight (8) red clay tennis courts (the “**Tennis Courts**”) built in 2018, of which four (4) of the Tennis Courts are converted to heated indoor courts during the fall/winter season; and
- c) certain other related recreational amenities and services including the Pro Shop, food and beverage outlets, club storage and trail access network.

Employees and Management

8.10 The Resorts Business is overseen by its managing partner, EBMD.

8.11 Resorts employs approximately 80 to 130 staff (the “**Resorts Staff**”) at any given time depending on the season. Resorts Staff consist of salaried and hourly employees and a mixture of full-time, part-time staff and seasonal staff. As at September 10, 2024, there were 103 Resorts Staff allocated to the departments tabled below:

Ecoasis Resort & Golf LLP Staff by Department As at September 10, 2024	
Department	Count
Administration	4
Agromony	24
Food And Beverage	20
Golf	43
Horticulture	3
Tennis	9
Total Staff	103

Administration

8.12 The administration department is responsible for administrative management, member sales and accounting functions. Currently, there are four employees including one accounting clerk, one

administrative staff and two employees tasked with membership matters and sales. The accounting clerk is responsible for managing all accounts payables and receivables and daily accounting functions for both the Resorts Business and Developments Business. The prior controller resigned in April 2024 and no replacement has been hired. Resorts Management explained that due to the uncertainty surrounding the Litigation Proceedings no steps were taken to hire a controller subsequent to April 2024.

- 8.13 The Resorts Business utilizes a third-party payroll provider, Payworks, to calculate and process payroll for Resorts Staff. The accounting clerk is responsible for inputting the payroll information and ensuring payroll is processed correctly each pay period.
- 8.14 Developments Staff have been redeployed to assist with various administrative functions of the Resorts Business on an as-needed basis as the Developments Business has not executed any real estate transactions since 2021. In particular, the Developments Manager (a civil engineer by background as noted in section 4.9) has been assisting with accounting functions of Resorts including, but not limited to, reconciling cash and preparing cash forecasts. The Developments Real Estate Director has been assisting the Resorts Business with marketing and sales, and membership and administrative functions, among other things, on an as-needed basis.
- 8.15 With reallocation of the Developments Staff by the Receiver to Developments there is a likely need for an additional administrative resource at Resorts. Other areas where additional resources are likely required include:
 - a) HR: a part-time external HR director is utilized for certain tasks. In discussions with Resorts Management it was considered whether a more full-time resource may be beneficial considering annual hiring needs and overall staff size; and
 - b) Marketing/social media: No dedicated resource is available to fill this role.
- 8.16 With limited funding and headcount, and assistance from Ms. Stannard, who is not on staff, job roles and responsibilities have become less clear in the past two years. An HR leader would also be able to assist in defining roles and responsibilities with a view to normalizing management structure and operations.

Agronomy

- 8.17 The agronomy department is responsible for maintaining the Golf Courses' landscape including turfgrass and bunker maintenance through calculated water and chemical management, among other things. The agronomy department currently employs 24 staff led by the Agronomy Superintendent who has worked at Bear Mountain Resort for over a decade. Agronomy is the largest cost center of

Bear Mountain Resort, but is recognized as a key driver of value in maintaining high quality playability of the Golf Courses.

Food and Beverage

- 8.18 The food and beverage (“**F&B**”) department currently employs 20 staff inclusive of one F&B supervisor, one cook and 18 F&B support staff and servers. F&B services are offered adjacent to the rooftop pool in the BMAC; at the driving range; at the Mountain Course’s comfort station located at the 10th hole; and at various F&B carts on the Golf Courses.
- 8.19 The Receiver understands that the Resorts Business has not had a full-time F&B Manager to oversee the department since August 2023 and the Resorts GM oftentimes supports the F&B department by performing various tasks including cooking and picking up supplies, among other things. Resorts Management has indicated the need for a dedicated F&B Manager to allow the Resorts GM to focus on the overall strategy and operations of the Resorts Business rather than expending time and energy on tasks meant for more junior level staff.

Golf Services

- 8.20 The golf services department is responsible for all golf-related services and amenities (such as golf cart services and the Pro Shop) as well as the golf academy and related golf programs. The golf services department employs 43 staff, which is led by the Resorts GM and supported by the Golf Services Supervisor and Head Pro who collectively lead a team of 40 players assistants and marshals, Pro Shop staff and golf services personnel. The Resorts GM, Golf Services Supervisor and Head Pro have collectively been employed at Bear Mountain Resort for more than 40 years and have relationships with residents, community members and vendors, and have extensive knowledge relating to Bear Mountain Resorts’ overall operations.

Horticulture

- 8.21 The horticulture department is responsible for the cultivation of foliage at Bear Mountain Resorts and employs three staff consisting of the horticulture supervisor and two support staff.

Tennis Services

- 8.22 The tennis services department is responsible for all tennis services and programs including coaching Tennis Canada certified professionals. The tennis services department includes nine employees led by its Director of Tennis and supported by eight tennis concierges and a facility manager.
- 8.23 The Receiver notes that Resort Management’s knowledge of the Resorts Business and Bear Mountain Resorts overall is robust as many have been employed at Bear Mountain Resort for more than a

decade. Staff appeared to have considerable knowledge and understanding of their respective roles and responsibilities. Management and many full-time staff expressed interest in supporting the growth of the Resorts Business and demonstrated their dedication by stepping into roles outside of their assigned roles and expertise.

8.24 It is the Receiver’s understanding that there is consensus amongst Resorts Management that for the Resorts Business to operate at its highest level, there is a need to strengthen the workforce by doing the following:

- a) hiring additional agronomy staff who are key to adding value to the Resorts Business, but are currently operating with the bare minimum level of staff to maintain Bear Mountain Resorts’ current conditions; and
- b) filling two key vacant positions: (i) corporate controller, and (ii) the F&B manager.

Memberships

8.25 The Golf Courses, Tennis Courts and Other Services are accessible to the general public and paid members through annual membership dues. Dues may be paid by members in two ways: (i) pre-paid annually at a discounted rate; or (ii) in monthly instalments.

Golf Memberships

8.26 As at October 1, 2024, the Resorts Business had 445 golf memberships that generate annual revenues of approximately \$1.6 million. The golf memberships are summarized by category in the table below:

Ecoasis Resort & Golf LLP Summary of Golf Memberships As at October 1, 2024			
Membership Type	No. of Memberships	Initiation Fees	Monthly Dues
Golf Membership Eligible Address	197	\$60,000 - \$70,000	\$595 - \$945
1B Golf Membership Eligible Address	6	\$60,000 - \$70,000	\$595 - \$945
Corporate	100	Upon request	\$490 - \$595
Regular	114	Upon request	\$595 - 945
Individual - National	28	\$5,000	\$225
Total	445		

8.27 Golf memberships include certain standard member benefits (“**Standard Member Benefits**”), such as 60-day advance booking to the Golf Courses and Practice Facilities; club storage and valet; complementary junior membership for children under the age of 19; members-only events such as tournaments and club fittings; discounts at the Pro Shop and F&B outlets; and reduced rates for green fees for member guests and at BMAC.

- 8.28 Golf Membership Eligible Address (“GMEA”) are memberships attached to properties located at Bear Mountain Resort and are transferable at the time of re-sale of the property. Active GMEA memberships include an initiation fee starting at \$60,000 for individuals (monthly dues of \$595) and \$70,000 for couples (monthly dues of \$945). Dormant memberships (which represent approximately 100 out of the 197 total GMEA memberships) have the same initiation fee as active memberships, but have lower monthly dues approximating \$100 per month. The cost to transfer the GMEA membership at the time of re-sale of property ranges from \$6,000 (individuals) to \$7,000 (couples). There is an option to upgrade memberships from individual status to couple status for \$10,000. 1B GMEA memberships are GMEA memberships that are attached to the One Bear Mountain property located at the Bear Mountain Resort which is not owned by Ecoasis.
- 8.29 Corporate memberships can include two to six designees and initiation fees are provided upon request. A corporate membership with six designees charges monthly dues of \$490 per member; whereas, a corporate membership with two designees charges monthly dues of \$595 per member. Corporate memberships include a range of benefits similar to the Standard Member Benefits.
- 8.30 Regular memberships’ initiation fees are provided upon request and monthly dues are \$595 for individuals or \$945 for couples.
- 8.31 Individual National memberships are available, at the discretion of Resorts Management, to a person whose principal place of residence is located (i) more than 100km away from Bear Mountain Resort or (ii) off of Vancouver Island. Initiation fees are \$5,000 and monthly dues are \$225 and requires a supplemental fee each time of play.
- 8.32 Golf memberships are further subcategorized into various statuses such as intermediate, junior, leave of absence, medical, and student, each with varying membership rates.

Tennis Membership

- 8.33 As at October 1, 2024, there are a total of 198 tennis memberships generating annual revenues of approximately \$275,000. The tennis memberships are summarized in the table below:

Ecoasis Resort & Golf LLP Summary of Tennis Memberships As at October 1, 2024				
Membership Type	No. of Memberships	Initiation Fees	Monthly Dues	
Individual	83	\$4,000	\$199	
Couple	56	\$5,000	\$299	
Family	40	\$5,000	\$299 + \$35 per Junior	
Junior	19	N/A	\$85	
Total	198			

8.34 Tennis memberships’ benefits include, among other things, six-day advance bookings; 90-minute court bookings; full-time tennis concierge; discounts at the Pro Shop and F&B outlets; reciprocal program with clubs throughout Canada; and reduced rates for member guests.

8.35 Individual memberships have an initiation fee of \$4,000 and monthly dues of \$199. Couples and family memberships have an initiation fee of \$5,000 and monthly dues of \$299 (plus an additional \$35 per Junior membership for families). Standalone junior memberships have monthly dues of \$85.

Other Activity Fees

8.36 The Resorts Business also includes access to certain multi-use cycling, hiking and walking trails that are accessible via the Bear Mountain Resort. BMA collects trail entry fees from guests in exchange for access or trail access may be packaged and included in the fee to access the BMAC.

Amenities and Other Services

8.37 Prior to the sale of the Hotel in 2019, the Resorts Business had historically used certain of the Hotel facilities for amenities’ offerings to members including a members’ lounge, locker rooms, golf club storage, golf cart storage and Pro Shop (the “**Amenities**”).

Hotel Amenities and Shared Services – 2019 to June 30, 2024

8.38 Following the sale of the Hotel and in an effort to provide members and guests with continuity of services and access to the Amenities, Ecoasis Resort and Golf LLP (“**Ecoasis Golf**”), as tenant, and BM Management Holdings Ltd. (formerly 2600 Viking Way Limited) and BM Resort Assets Ltd. (together, the “**Hotel Operator**”), entered into a number of hotel lease and operating agreements (collectively, the “**Hotel Leases**”) over an initial term of five years ending in June 2024 with extension options for up to 25 years.

- 8.39 The Hotel Leases allowed the Resorts Business to do the following:
- a) continue offering guests access to the Amenities from the Hotel facilities (the “**Leased Premises**”); and
 - b) access various services (the “**Shared Services**”) using Hotel resources including on-call repairs and maintenance services for the Leased Premises, on-call IT support for systems, workstations and point-of-sale terminals, and accounting services (including processing of daily revenue, bi-weekly payroll, accounts payable and event billing). The Hotel accounting department employed most of the Resorts Business’ former accounting staff who were transferred to the Hotel as part of the Hotel Sale.
- 8.40 The Resorts Business offered Hotel guests reciprocals including discounts to the Golf Courses and Tennis Courts.
- 8.41 It is the Receiver’s understanding that cooperation between Resorts and the Hotel Operator deteriorated in or around 2020 and arbitration proceedings (the “**Hotel Arbitration**”) commenced that same year. A partial final award was granted in favor of Resorts in February 2021. The damages portion of the Hotel Arbitration is continuing and it is the Receiver’s understanding that closing arguments are to be completed in November 2024. The Hotel Arbitration is carved out from these Receivership Proceedings.
- 8.42 As a result of the deteriorating relationship between Resorts and the Hotel Operator, and other factors, F&B service and alcohol service ceased in the members lounge in the Leased Premises. Additional challenges occurred in the relationship including portions of the Leased Premises were left in a state of disrepair, which together with the changes at the members lounge created dissatisfaction with existing members and, in the view of Resorts Management, discouraged new member applications.
- 8.43 Shared Services including accounting support from the Hotel accounting department ceased soon after the sale of the Hotel in 2019. This created enduring challenges for Resorts to finalize financial reporting from this period. Resorts hired a series of controllers with the last individual resigning in April 2024. After this resignation, Resorts subsequently retained an external accounting firm, Dale Matheson Carr-Hilton LaBonte LLP (“**DMCL**”), to support certain accounting and reporting functions. DMCL’s role was not adequately defined and, in part, due to unpaid invoices, certain financial reporting was not completed in 2024. Resorts Management did not undertake a process to hire a new controller after April 2024. Lack of coordination in the accounting function has resulted in several challenges, which are discussed below in section 8.55 to 8.58.

Amenities and Other Services – 2024 to Present Day

- 8.44 On July 1, 2024, upon expiry of the Hotel Leases, Ecoasis Golf vacated the Leased Premises and relocated certain of the Amenities onto the Development Lands and into the BMAC. An interim transition plan was implemented, which included:
- a) the Pro Shop and club storage were relocated to the BMAC;
 - b) F&B offerings at the BMAC were enhanced;
 - c) golfers now arrive at the BMAC for check-in, and members and public guests are permitted access to the change rooms in the BMAC; and
 - d) the golf cart storage and charging (with installation of charging stations) was relocated adjacent to the tennis courts and driving range.
- 8.45 Resorts does not pay rent to lease space in the BMAC and there is no lease agreement in place between BMA and Resorts.
- 8.46 Resorts Management has confirmed that despite the exit from the Hotel, which has impacted overall member and golf experience, certain improvements have been noted including: (i) improved receiving of guests at the BMAC prior to parking at the driving range area, which offers free parking; (ii) members commencing their visits at the driving range; and (iii) general improvements to the efficiency for golf services to manage the flow of golfers and their bags, on to carts, at the site.
- 8.47 The new golf cart storage area (previously up to 90 carts were stored indoors at the Hotel with approximately 40 carts outdoors) including charging stations is on a gravel surface and is uncovered. Management advises that golf cart covers have been purchased. The cart manufacturer has indicated that outdoor storage will negatively impact ultimate trade-in values for the carts.
- 8.48 With relocation of certain Amenities, Resorts Management developed a transition plan (the “**Transition Plan**”) outlining certain near-term essential capital improvements, primarily for the golf cart storage area, bag storage, Pro Shop and enhanced F&B facilities, that would offer members and guests an enhanced customer experience until such time that a full scale semi-private golf clubhouse can be planned and constructed. The Transition Plan, which would plan to have facilities in place for approximately the next five years, is further discussed below in section 8.90 to 8.96.

Cash Management

- 8.49 The Accounting Staff prepare weekly cash forecasts for the following two to four weeks and daily bank reconciliations to understand the amount of cash available and what payments can be made in the upcoming week. Payments are prioritized to fund each upcoming bi-weekly payroll followed by

employee expenses, leases, insurance (collectively, “**Priority Payables**”) and lastly, any excess cash that remains after paying the Priority Payables is paid to select vendors upon discussion with Resorts Management.

- 8.50 As at October 16, 2024, the Resorts Business had \$1.6 million of outstanding accounts payables dating as far back as 2020. As payables age, Resorts Management collectively identify vendor invoices to be paid and cheques and/or wires are cut and signed by the Dual Signatories (subsequently defined). However, the signed cheques are not immediately issued to vendors. Only after the Priority Payables are paid does Resorts Management select certain of the signed cheques and/or wires to be released and paid. Decisions around payment releases also include consideration around criticality of services [REDACTED]
- 8.51 The Resorts GM further supports cash management efforts by initiating promotions and other sales programs to increase revenues when there is a forecasted near-term shortfall of cash to support Priority Payables or other critical payments.
- 8.52 The Resorts Business uses one Mastercard for certain autopayments and urgent costs. It is the Receiver’s understanding that the Mastercard is circulated to various Resorts Staff to pay urgent costs related to the Resorts Business without formal control procedures in place.
- 8.53 Cash receipts are generally not deposited into the bank to permit cash-out of tips for F&B staff and for petty cash usage and purchases where vendors are not delivering to the site due to account holds.
- 8.54 Ultimately, it is the Receiver’s understanding that the Resorts Business is operating to maintain afloat in the very near term in an effort to make the next payroll and satisfy Priority Payables.

Financial Reporting and Budgeting

- 8.55 Resorts does not have a complete accounting team. The sole accounting clerk is supported by one Developments Staff member (collectively, the “**Accounting Staff**”), while the corporate controller position is currently vacant. The current CFO, Mr. Kusumoto, executes payment approvals but is not active in financial reporting, forecasting or general oversight of the Accounting Staff.
- 8.56 Due to the limited Accounting Staff and vacant controller role, financial reporting and budgeting related to the Resorts Business is lacking. Key concerns noted by the Receiver with respect to financial reporting and budgeting include the following:
- a) monthly financial statements were not prepared from April 2024 until early October 2024, and limited budget versus actual analysis is prepared. Without timely and complete reporting

the Resorts GM and department heads were unable to adequately assess performance and develop operating plan amendments (if required);

- b) while preliminary steps were planned to have DMCL fulfill certain reporting functions, there appeared to be no cohesive plan in place to ensure coordination and execution of tasks;
- c) balance sheet reporting is unavailable for fiscal years 2022 and 2023 and year to date 2024;
- d) key performance indicators tracking and reporting is ad hoc, again resulting in less optimal reporting and business planning;
- e) statutory filings (GST, PST, BC EHT and Worksafe BC) for the Resorts Business for the months of March 2024 through to August 2024 were not filed until October 10, 2024;
- f) without a financial reporting cadence in place, monthly accounting cut-off procedures are not being implemented which limits the completeness of historical financial reporting;
- g) adequate near-term liquidity management tools are not in place requiring the Resorts GM and Accounting Staff to monitor very near-term daily cash flow thus requiring active management of payment releases, and implementing golf specials, as required, to increase short term collections to fund upcoming payroll and other critical payables; and
- h) financial statements for certain years (2019-2021) have been prepared (not requested by the Receiver) to varying levels but certain information is incomplete and/or there are certain Litigation Proceeding matters that require conclusion prior to financial statements being finalized.

8.57 Although certain statutory filings have been brought up to date, amounts due totaling approximately \$333,000 have not been paid to the respective governmental authorities.

8.58 In the Receiver's view, financial reporting and budgeting of the Resorts Business is generally inadequate and there does not appear to be a plan in place to hire a controller and rectify noted deficiencies in the near term. Upon hiring a controller, a general review of various administrative processes and controls should be undertaken and likely improved as required.

Historical Financial Performance

8.59 It is the Receiver's understanding that certain of the financial statements (i.e. income statement, balance sheet and cash flow statement) of the Resorts Business since 2019 have not been prepared.

Profit and Loss

8.60

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

8.61

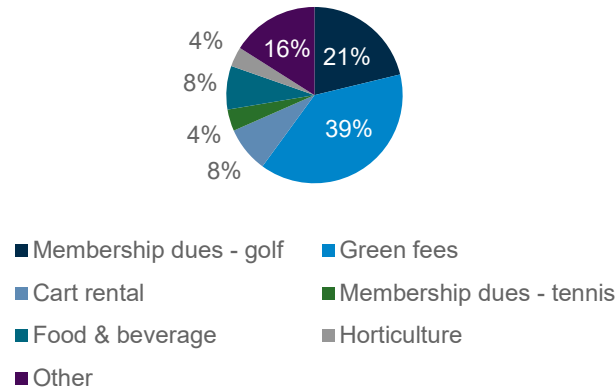
[REDACTED]

8.62

[REDACTED]

8.63 Resorts' revenues consist of six (6) main categories, which are summarized as a percentage of total revenue in the chart below:

YTD24 Resorts Revenue by Major Category



8.64 As indicated in the chart above, green fees and cart rentals represent approximately 47% of total revenues as compared to golf membership dues representing 21% of total revenue. The Receiver notes that Resorts plans to continue to increase the number of memberships as developments are advanced, which will likely result in a more balanced sales mix of green fees and membership dues.

8.65 Green fees for the Mountain Course are \$249 (starting at \$130 for Vancouver Island residents) and for the Valley Course are \$219 (starting at \$110 for Vancouver Island residents). All green fees require a cart rental, which is \$26 per round. Management has advised that combined green fee and cart rental rates have been trending upwards since 2021.

8.66 The Receiver held various discussions with Resorts Staff in respect of the Resorts Business, its financial statements and financial reporting and was made aware of, among other things, the following:

- a) due to a variety of reasons noted above, including accounting services not being completed by the Hotel and issues with how to record certain transactions, the Resorts Business has not finalized financial statements for tax purposes since 2019;
 - b) since 2022 a significant amount of legal fees have been incurred, which is primarily a result of the Hotel Arbitration and not reflective of typical legal expenses required to operate the Resorts Business;
 - c) annual rent payments were made to the Hotel through to the period ended June 30, 2024;
 - d) FY24 property taxes were budgeted at \$172,000 and to date have not been paid or accrued;
- and

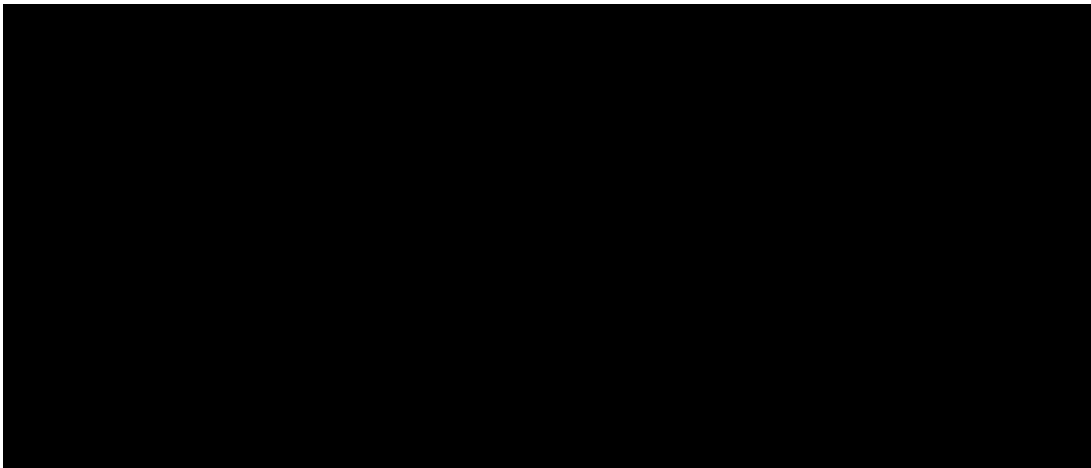
- e) certain Developments Business costs have been paid for by Resorts in the past three years, which may have negatively impacted the availability of cash to be used in the Resorts Business. However, certain of these costs relate to Developments Staff that were assisting the Resorts Business.

Financial Position

8.67 Resorts Management has not provided historical balance sheets.

8.68 The Receiver understands that assets of the Resorts Business would primarily consist of cash, inventories, machinery and equipment, and furniture and fixtures.

8.69



8.70 The aged accounts payables were categorized by Resorts Staff and are described as follows:

- a) invoices approved for payment pending release represent aged accounts payable amounts that have been approved to be paid by the two signing authorities (Mr. Matthews and Mr. Kusumoto) (the “**Dual Signatories**”) but not released. Once approved, the cheques and/or wires are signed by the Dual Signatories and held by Resorts Management until there is sufficient funds to release the cheques and/or wires. The 11-Week Forecast (subsequently defined) contemplates payment of the outstanding amount of \$56,000 (the “**Outstanding Amounts**”). These Outstanding Amounts include, among other things, costs related to chemicals, fertilizers and turf care; food and beverage costs; equipment repairs and maintenance; painting and restoration; and commercial cleaning and supplies. [REDACTED]

[REDACTED]

[REDACTED]

- b) accounts payable supplier invoices not yet approved for payment represent amounts owing to various suppliers for landscaping services, IT services, golf cart services, golf cart provider and the Ministry of Finance in respect of 2023 PST owing;

- c) Hotel Arbitration – legal fees represent legal costs associated with the Hotel Arbitration;
- d) government remittances represent amounts owing to various statutory creditors; and
- e) Resorts Master Card represents certain monthly autopayments to vendors and F&B and urgent costs that are paid via credit card.

- 8.71 Attached as **Appendix “E”** is a copy of the accounts payable register and unreleased cheques summary as at October 9, 2024.
- 8.72 Resorts Management has requested that the Receiver fund the “Critical” amounts noted in the aged payables summary table above, totaling \$1.26 million (the “**Resorts Loan**”). The Receiver has not approved the Resorts Loan as of the date of the First Report. The Receiver understands it is the Resorts Management’s intention to repay the Resorts Loan during the second half of FY25. Refer to the 2025 Annual Budget for repayment timing and quantum details of the Resorts Loan.
- 8.73 Resorts Management is confident that the accounts payable register is complete. However, no claims process has been initiated to assess all claims and there does not appear to be detailed accounting cut-off procedures in place to ensure completeness of the liabilities.
- 8.74 As noted above in section 4.8 and 8.41, the Oppression Litigation and Hotel Arbitration, respectively, are proceedings related to the Resorts Business and are excluded from these Receivership Proceedings. Accordingly, absent a compelling and justifiable reason, it is the Receiver’s view that the Hotel Arbitration costs would not be funded by these Receivership Proceedings.

Financial Forecasts of the Resorts Business

- 8.75 Resorts Management advises that each department is responsible for initiating their own budgeting process in the fall of each year and provide their budgets to the Resorts GM, who subsequently reviews and refines the budgets to develop an overall budget for the Resorts Business by mid-December each year. The forecast for FY25 was developed earlier in the year and more rapidly to line up with the Receiver’s information request.
- 8.76 As part of the Receiver’s review of the Resorts Business, the Receiver had requested a copy of (i) a short-term weekly cash flow forecast for the 11-week period from October 19, 2024 to January 3, 2025 (the “**11-Week Forecast**”) as well as a longer term monthly cash flow forecast for the period January 1, 2025 to December 31, 2026. A forecast for of the one fiscal year ending on December 31, 2025 (“**FY25**”) was provided to the Receiver.

11-Week Forecast

- 8.77 On October 18, 2024, Resorts Management provided a draft copy of the 11-Week Forecast (the “**11-Week Forecast**”). The 11-Week Forecast was not accompanied by written assumptions or analysis and was prepared using prior year results that were adjusted based on the current views of Resorts Management. Without supporting analysis for revenues and expenses the 11-Week Forecast was challenging to assess.
- 8.78 A copy of the 11-Week Forecast is attached herewith as **Appendix “F”** together with a weekly summary prepared by the Receiver and summarized in the table below:

Ecoasis Resort and Golf LLP		
Cash Flow Forecast		
For the period October 19, 2024 to January 3, 2025		
SCAD'000s		
Cash operating receipts		
Initiation sales - Golf	\$	215
Initiation sales Tennis		28
Transfer fees		18
Green fees and cart rentals		96
Pro shop sales		40
Tennis sales		24
Food & beverage sales		25
Dues & initiation fees		943
Member account payments (golf, tennis, food & beverage)		49
Interim financing		-
		1,437
Cash operating disbursements		
Pro shop		50
Tennis		5
Horticulture		2
Food & beverage		19
Agronomy		103
Administration		755
Accounts payable catch-up		56
		990
Net cash flow (deficit)	\$	447
Cash continuity		
Opening cash balance	\$	176
Net cash flow (deficit)		447
Ending cash balance	\$	623

- 8.79 At the end of the 11-Week Forecast Period, it is estimated that the closing cash balance will be \$623,000.
- 8.80 Key assumptions of the 11-Week Forecast were derived in discussions by A&M with Resorts Management, and confirmed by Resorts Management, and are summarized as follows:

- a) green fees are based on prior year and have been adjusted to account for better October 2024 weather, and reduced for December 2024 to account for higher green fee collections in the prior year due to unusually warm weather in late 2023;
- b) membership collections from the unit closings at One Bear Mountain property are included in the cash flow forecast and total \$160,000;
- c) prepaid member fees are assumed to be consistent with the prior year and assumes Resorts continues to operate under EBMD's control and members will elect to prepay their annual dues for FY25;
- d) payroll is consistent with the prior year except horticulture has been reduced to account for reduced staff in 2024;
- e) tennis, horticulture, F&B and agronomy disbursements are consistent with historical costs over the same period last year; and
- f) approximately \$56,000 of current accounts payable catch-up payments are included in the forecast and expected to be paid.

8.81 Select highlights of the 11-Week Forecast are as follows:

- a) receipts totaling \$1.4 million include memberships, golf, tennis, and F&B revenues based on historical run rates over the same period in FY23, and dues and initiation fees and golf revenues collectively represent 82% of total revenues;
- b) cash operating disbursements totaling \$990,000 consists primarily of administration costs (\$755,000) of which \$520,000 represents payroll costs, costs associated with the maintenance of Golf Courses (\$103,000), costs of goods sold with respect to F&B and member services, and other operating expenses including, among other things, cleaning, insurance, utilities, IT and repairs and maintenance;
- c) The 11-Week Forecast does not include the Resorts Loan to support payment of aged payables (including litigation costs), the Transition Plan or a capital expenditure plan, all of which are further described separately below;
- d) as at January 3, 2025, member account payments receivables are forecast to total \$102,000 and assumed to be collected on January 8, 2025 (outside of 11-Week Forecast); and
- e) the 11-Week Forecast appears to account for critical costs and routine maintenance of the Golf Courses in the near term.

FY25

8.82 On October 22, 2024, Resorts Management provided a draft copy of the 2025 annual budget (the “**2025 Annual Budget**”), which is attached as **Appendix “G”** and summarized in the table below:

Ecoasis Resort and Golf LLP	
Annual Budget - 2025	
\$CAD'000s	
Operating revenue	
Golf	\$ 6,485
Tennis	651
Food & beverage	747
GMEA Real Estate Revenue	900
	<u>8,784</u>
Costs of goods sold	
Retail	259
Food & beverage	240
	<u>499</u>
Gross profit	<u>\$ 8,285</u>
Expenses	
Expenses	6,861
	<u>6,861</u>
Operating profit (loss)	<u>\$ 1,424</u>
Other revenue	
Other expenses	
Accounts payable - catch up payments	72
Legal fees	542
Repayment of Receiver funds advanced	1,625
	<u></u>
Cash from operations	<u>\$ </u>

8.83 The 2025 Annual Budget estimates cash from operations of \$516,000 and is based on assumptions prepared by Resorts Management, which are summarized as follows:

- the Resorts Business will remain under its current management structure and will continue to be carved out of the Receivership Proceedings;
- golf and tennis member dues are forecast to remain generally consistent with 2024;
- golf memberships are forecast to increase from 451 members in 2024 to 506 members in 2025, representing an increase of 12%;
- golf initiation fees are assumed to increase due to new members joining in 2025 and it is assumed all new members will take advantage of pay-in-full pricing discounts;
- tennis memberships are forecast to increase from 205 members to 250 members, representing an increase of 22%;
- tennis membership initiation fees are assumed to be paid in full with no discount applied to the full payments;
- Pro Shop sales and club rentals are assumed to be a function of the number of rounds played;

- h) F&B offerings are expected to remain consistent with the prior year and revenues forecast as a function of the number of rounds played and do not include BMAC F&B sales;
 - i) GMEA revenue of \$900,000 assumes sales from prior bulk land sales;
 - j) labour costs are generally consistent with prior year and have been adjusted to reflect changes in minimum wage and the addition of a controller (\$90,000) and an entry level F&B Manager starting April 1, 2025 (\$55,000) and assumes burden costs (EHT, WCC, CPP, etc.) are 18% of total labour costs;
 - k) accounts payable – catch up payments assumes the final payment to Landscapes Unlimited for work completed in 2021;
 - l) legal fee costs contemplate the payment of all invoiced amounts and forecast amount with respect to the Hotel Arbitration;
 - m) repayment of Receiver funds advanced assumes that the proposed Resorts Loan (\$1.26 million) and proposed funds loaned to Resorts to fund the Transition Plan (\$367,000) are repaid in the second half of 2025; and
 - n) it is assumed a total of \$180,000 of property taxes will be paid during 2025.
- 8.84 Agronomy costs assume the addition of a mower and sprayer noted in Capex Plan that have been ordered and leased. However, the 2025 Annual Budget does not include an increase to agronomy staff, which the Receiver understands is currently operating with the bare minimum level of staff to maintain the Golf Courses. Additionally, vendors appear unlikely to provide favorable credit terms into 2025 thus increasing the need for COD/prepayments, which will impact timing of payments.
- 8.85 No other headcount increases are forecast to account for transition of the Developments Staff back to Developments or other potential needs (such HR and marketing).

Capital Expenditure Plan

- 8.86 Resorts Management has provided a three-year capital expenditures plan (the “**Capex Plan**”) to upgrade and/or replace certain equipment which is anticipated to improve the operating efficacy of the agronomy department and golf services.
- 8.87 The Capex Plan estimates spending a total of \$1.5 million over a three-year period starting in 2025, which is summarized below:
- a) Year 1 (2025) estimates expenditures of \$416,000 for the replacement of mowers, the purchase of a second mower and aerator, fairway drainage and equipment storage;
 - b) Year 2 (2026) estimates expenditures of \$435,000 for replacement of mowers, cutting heads, and a work vehicle, as well as paving the maintenance yard; and

- c) Year 3 (2027) estimates expenditures of \$641,000 for the replacement of the split fuel tanks, chemical storage, cutting heads, a turbine blower, a sprayer and a greens aerator.

8.88 Generally lease financing facilities are secured for such purchases as equipment is delivered.

8.89 A copy of the Capex Plan is attached as **Appendix “H”**.

Transition Plan

8.90 In order to improve customer experience for members and guests, promote new member applications and guest visits, and ultimately improve profitability, Resorts Management has developed the Transition Plan as part of a medium term operating plan (approximately five years) until a more permanent solution with a semi-private clubhouse can be achieved in the future.

8.91 Accordingly, on October 15, 2024, Resorts Management provided the Receiver with a Transition Plan detailing the key improvements, costs and timelines, which is attached herewith as **Appendix “I”** and is summarized in the table below:

Ecoasis Resort and Golf LLP Transition Plan As at October 15, 2024		
Phase	Timeline	Cost
Phase 1- Vacate Hotel	Completed	\$ -
Phase 2 - Outdoors	7 to 10 weeks	
Obtain permits from District of Highlands		5,000
Golf cart yard upgrades		119,000
Outside services and take-out window		91,300
F&B hub		23,500
Total Phase 2 - Outdoors		238,800
Phase 2 - Indoors	6 to 8 weeks	
Pro Shop tenant improvements		53,000
Pro Shop custom finishes		75,000
Total Phase 2 - Indoors		128,000
Total	3 to 4.5 months	\$ 366,800

8.92 The Transition Plan has been separated into two key phases, with Phase 1 being the exit from the Hotel which was completed on July 1, 2024. Costs related to Phase 1 have been incurred with the most significant cost being golf cart charging stations at an approximate cost of \$35,000, which was funded by Mr. Matthews.

8.93 Phase 2 is separated into two main parts:

- a) Phase 2 (Outdoors) includes upgrades to the golf cart storage yard including obtaining the required permits to construct on and pave the lands, and building a fence for added security.

Additional outdoors works include purchasing sea-cans and installing the necessary electrical, trenching and piping to provide storage for golf clubs and F&B inventory. Completion of the outdoors Phase 2 is estimated to range from seven to ten weeks and cost approximately \$238,800.

- b) Phase 2 (Indoors) includes performing upgrades to expand and redesign the Pro Shop which consists of costs for, among other things, new flooring, electrical, finishings and millwork. Completion of the indoor Phase 2 is estimated to require six to eight weeks and cost approximately \$128,000.

- 8.94 Ultimately, the Transition Plan is estimated to cost \$366,800 and require three to four and half months to complete. Resorts Management has advised that the estimates and timelines represent actual quotes received from vendors. No general contingencies have been included for potential cost overruns or other execution challenges that may be encountered in implementing the Transition Plan.
- 8.95 Developments Management confirmed that in November 2021, the District of Highlands issued a stop work order (“**Stop Work Order**”) to Ecoasis due to the construction of certain structures near the Tennis Courts and other improvements in the maintenance works yards that were completed without the appropriate permits and/or required inspections. Permits have not been obtained to rectify this situation. A preliminary estimate of the soft costs (i.e. design, engineering, etc.) to obtain these permits has been estimated at \$60,000 to \$90,000. An estimate of costs to rectify the current installations has not been completed.
- 8.96 The Transition Plan appears to be carefully considered by Resorts Management; however, there does not appear to be a cost contingency built into the estimate nor does it consider potential costs to rectify the issues related to the Stop Work Order issued by the District of Highlands.

Receiver’s Findings and Comments

- 8.97 The Receiver’s key findings and comments include the following:
 - a) Resorts Management appear dedicated and knowledgeable; however, certain personnel are being stretched beyond their area of expertise and responsibilities;
 - b) there are employment vacancies for key roles including corporate controller and F&B manager;
 - c) the agronomy department is managing adequately with available resources but that may not be sustainable to maintain the Golf Courses at optimal levels over an extended period;
 - d) implementation of the Transition Plan will likely be impacted due to the Stop Work Order issued by the District of Highlands;

- e) Resorts Management appear to be making strategic decisions for short-term cash-flow needs to fund payroll and Priority Payables, but are not able to make longer term decisions absent enhanced forecasting tools and additional liquidity;
- f) statutory filings have not been kept current for March 2024 to August 2024 with filings submitted on October 10, 2024 (following discussions between the Receiver and Resorts Management);
- g) there is a lack of control procedures for use of the Resorts Mastercard;
- h) a lease agreement or rental arrangement between Resorts and BMA is not in place for use of BMAC for the Pro Shop and club storage;
- i) Resorts does not have a lease or rental agreement in place to pay rent to Developments for use of office spaces or the Golf Courses;
- j) financial reporting is not done on a timely or regular basis thus limiting Resorts Management's ability to implement corrective strategies;
- k) annual budgets are prepared by department leaders, but a cohesive annual integrated forecast that incorporates all departments and administration, and capital needs is not being prepared;
- l) as at October 2, 2024, there was approximately \$1.6 million of outstanding payables; and
- m) the Resorts Business is unable to pay its debts as they become due.

8.98 Ultimately, the Receiver is of the view that key Resorts Management are knowledgeable and capable, but their roles have been stretched and the Resorts Business is in need of additional staff, processes, and capital to handle its current challenges.

8.99 The Receiver will be preparing the Developments Report in due course. While that work is at a preliminary stage the concern of the Receiver that the Resorts Business be stable and well managed is likely to be highlighted in the Developments Report with a view to promoting overall value of the Bear Mountain Resort.

9.0 RECEIVER'S RECOMMENDATIONS ON THE RESORTS BUSINESS

9.1 The Receiver is of the view that it would be reasonable in the circumstances to grant Resorts Management a period of 45 days to commence immediate implementation of corrective measures to address deficiencies and challenges that are noted in this report, or prepare a plan (the "**Resorts Plan**") where such steps cannot be implemented in the very near term. After receipt of the Resorts Plan the Receiver will require additional time to consider and report on both the Resorts Plan and the actionable progress towards the corrective measures, all prior to a final determination from the Court as to whether the Resorts Business should continue to operate under EBMD.

9.2 The corrective measures should address issues, or the Resorts Plan where such steps cannot be implemented in the immediate near term should detail near term steps, time frames and milestones to address issues, such as, but not limited to:

- a) hiring a qualified corporate controller, and F&B manager;
- b) considering the need for a full-time HR manager and other roles that will not be filled by Developments Staff in the future;
- c) planning for increased agronomy staffing needs in 2025;
- d) revisiting roles and responsibilities for certain Resorts staff to ensure responsibilities are appropriately allocated;
- e) clarifying the Resorts Business' governance and leadership structure;
- f) finalizing historical financial statements for at least FY24 (income statement, balance sheet and cash flow statement) with reconciled reporting of transactions between the Resorts Business and the Developments Business;
- g) keeping current and funding all statutory filings including GST, PST, BC EHT, and Worksafe BC;
- h) implementing appropriate lease arrangements with BMAC and the Developments Business (office space and the Golf Courses);
- i) implementing control procedures for Mastercard use by Resorts Staff;
- j) advancing the Transition Plan including rectification of the Stop Work Order from the District of Highlands and ensuring permitting costs are fully budgeted;
- k) developing a financing plan to address current working capital needs and pending capital requirements;
- l) preparing and maintaining a rolling 13-week cash flow forecast; and
- m) preparing a robust FY25/26 integrated (balance sheet, income statement and cash-flow statement) financial forecast incorporating the Transition Plan, the Capex Plan and a strategy to manage aged payables.

9.3 Funding is required in the near term for the Resorts Business with a recent funding request of approximately \$1.26 million submitted to the Receiver (the Resorts Loan), and the unfunded Transition Plan of approximately \$367,000. As part of the Resorts Plan, EBMD should provide its plan to fund its liquidity needs. If a path to fund the Resorts Business from the Receiver's borrowings is set after consultation with Sanovest, the Receiver would need to ensure that appropriate monitoring and reporting protocols are established to ensure the stability of the Resorts Business.

All of which is respectfully submitted to this Honourable Court this 25th day of October, 2024.

Alvarez & Marsal Canada Inc.,
in its capacity as Receiver of Developments
and not in its personal capacity

A handwritten signature in black ink, appearing to read 'Anthony Tillman', written in a cursive style.

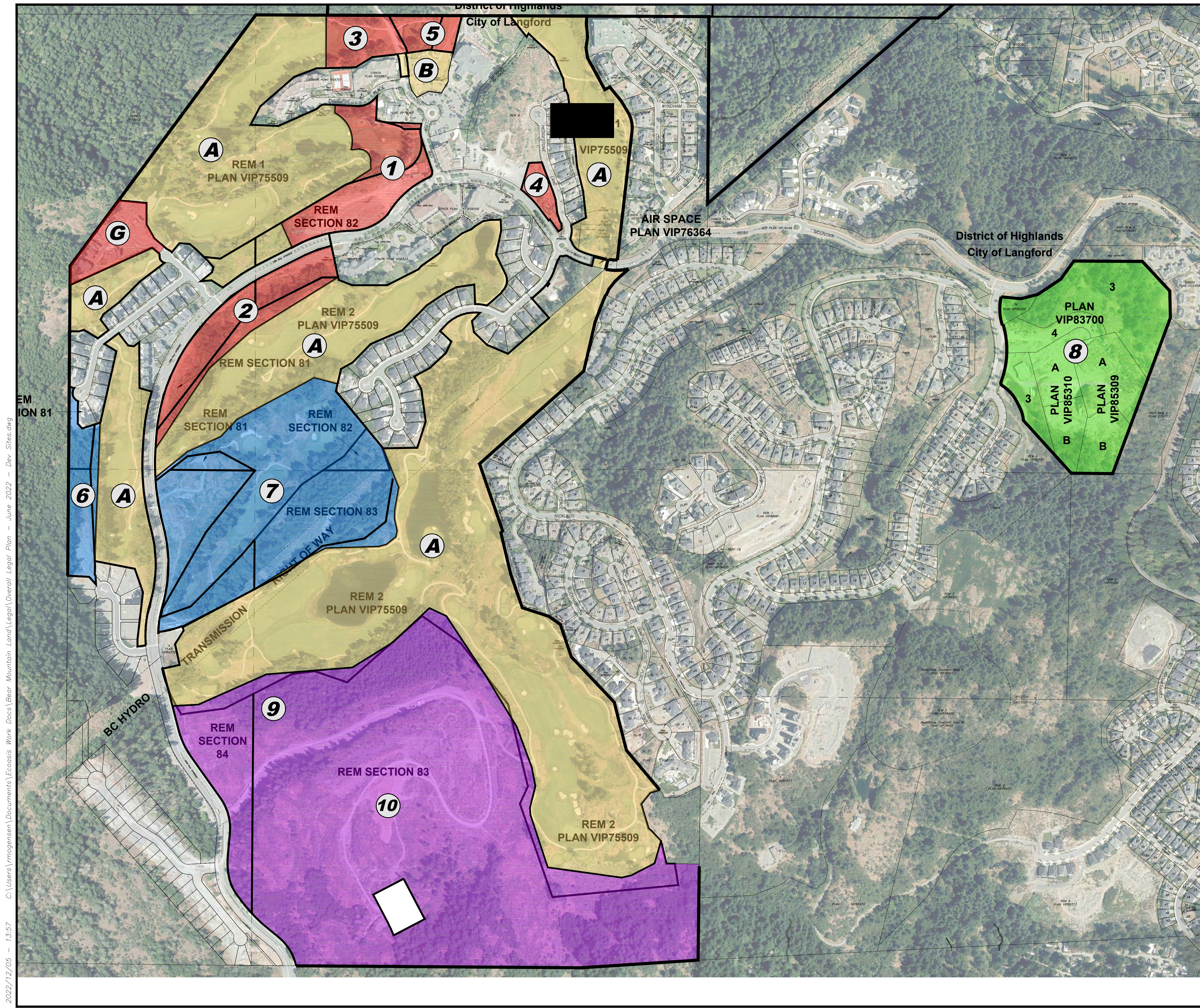
Per: Anthony Tillman
Senior Vice President

Appendix A – Development Lands and Ownership

Ecoasis Developments LLP et al.
Development Lands and Ownership

Owner	PID	Legal Description
0884185 B.C. Ltd.	027-205-207	Lot 3, Section 3, Range 4W, Highland District, Plan VIP83700
0884188 B.C. Ltd.	027-205-215	Lot 4, Section 3, Range 4W, Highland District, Plan VIP83700
0884190 B.C. Ltd.	027-567-907	Lot A, Section 3, Range 4W, Highland District, Plan VIP85309
0884194 B.C. Ltd.	027-567-915	Lot B, Section 3, Range 4W, Highland District, Plan VIP85309
Bear Mountain Adventures Ltd.	030-726-123	Lot A District Lot 82 Highland District Plan EPP70640
	025-838-555	Lot 1 Section 82 Highland District Plan VIP76365 except Part in Plan VIP79028 and VIP85324
	009-853-103	Section 81 Highland District except Part in Plans VIP72556 VIP75509, EPP63084 and EPP80460
BM 81/82 Lands Ltd	025-088-106	Section 3 Range 4 West Highland District except Parts in Plans 27507, VIP76196, VIP76988, VIP80330, VIP80743, VIP81146, VIP82127 and VIP88981, EPP27392
	009-858-636	Section 82 Highland District except Part in Plans VIP75509 VIP76197 VIP76364 VIP76365 VIP76988 VIP77878 VIP80330 VIP81135 VIP88981 EPP27392 EPP46993 EPP54046 and EPP63084
	027-590-127	Lot A Section 82 Highland District Plan VIP85331
BM 83 Lands Ltd.	009-858-652	Section 83 Highland District except Parts in Plans VIP75509 VIP77878, VIP78873, VIP80330, VIP82040, VIP82483, VIP82960, VIP88981, VIP88983, EPP33056, EPP80460, EPP68922 and EPP86748
BM 84 Lands Ltd.	009-853-081	Section 84 Highland District except Plans VIP72556, VIP75509, VIP89370, EPP72419, EPP80460, EPP86748, EPP101117 and EPP111201
BM Capella Lands Ltd.	026-575-680	Lot 34 Section 3 Range 4 West Highland District Plan VIP80330
	027-568-849	Lot A, Section 3, Range 4W, Highland District, Plan VIP85310
	027-568-857	Lot B, Section 3, Range 4W, Highland District, Plan VIP85310
	024-672-092	Lot A Section 4 Range 4W Highland District Plan VIP70021 (see Plan as to Limited Access) except that Part in Plan VIP75586
	009-861-831	Section 12 Highland District except Parts in Plans 10853,11134 and 45402
BM Highlands Golf Course Ltd. and BM Highlands Lands Ltd.	009-861-815	Section 5 Range 4 West Highland District except Part in Plans VIP60675, VIP67875 and VIP75584
	009-861-823	The South 60 Acres of Section 6 Range 4 West Highland District except Part in Plan VIP67875
	009-861-866	Section 16 Highland District except that Part in Plan VIP72555,
	025-088-092	Block B Section 75 Land District 24
	005-438-187	Lot 24, Section 17, Highland District Plan 4128 Except Part in Plan 45401
	025-695-126	Lot 2 Sections 81, 82, 83 and 84 Highland District Plan VIP75509 except Parts in Plans VIP76365, VIP78873, VIP81135, VIP81958, VIP82040, VIP89370, EPP42751, EPP46993, EPP80460, EPP68922 and EPP111201
BM Mountain Golf Course Ltd.	025-838-466	Air Space Lot A District Lot 82 Highland District Air Space Plan VIP76364
	025-695-118	Lot 1 Sections 81, 82 and 84 Highland District Plan VIP75509 except Plans VIP76365, VIP79028, VIP82848, VIP82851, VIP85324, EPP19660, EPP63084, EPP72419, EPP80460 and EPP70640
	029-938-490	Lot 29 Section 81 Highland District Plan EPP63084 except Strata Plan EPS5110 (Phase 1)
	030-616-956	Strata Lot 4 Section 81 Highland District Strata Plan EPS5110
	030-616-948	Strata Lot 3 Section 81 Highland District Strata Plan EPS5110

Appendix B – Legal Site Plans



BCGS 92B.000
80 40 0 80 160 240 320
All distances are in metres and decimals thereof.
The intended plot size of this plan is 864mm in width by 560mm in height (D size) when plotted at a scale of 1:4000.

This plan is an illustrative compilation of registered plans for the Bear Mountain properties within the District of Highlands. Refer to current property titles and plans for detailed information.

DISCLAIMER:
THE INFORMATION ON THIS MAP IS FROM A DIGITAL DATABASE ACCESSED USING PARCEL MAP BC. WHILE THIS INFORMATION IS THE BEST INFORMATION AVAILABLE, NEITHER ECOASIS DEVELOPMENTS LLP NOR ECOASIS RESORT & GOLF LLP (COLLECTIVELY, "ECOASIS") CAN GUARANTEE THE ACCURACY OF THE INFORMATION, INCLUDING, WITHOUT LIMITATION, THE LOT BOUNDARIES AND AREA REFERENCES CONTAINED ON THIS MAP. ECOASIS SHALL HAVE NO LIABILITY FOR THE ACCURACY OF THE DATA, OR ANY DECISIONS MADE OR ACTION NOT TAKEN IN RELIANCE UPON THIS MATERIAL

- 1 VILLAGE CORE**
- 2 HOLE 8 MULTI**
- G CYPRESS GATES PH2&3**
- 3 HOLE 1 FAIRWAYS SITE**
- 4 HEDGESTONE CORNER**
- 5 GONDOLA**
- 6 HOLE 5 MULTI**
- 7 AUGUSTA**
- 8 PLAYERS DRIVE**
- 9 SHADOW CREEK**
- 10 VICTORIA PEAK**
- A MOUNTAIN GOLF COURSE**
- B BM ACTIVITY CENTRE**

SHEET TITLE		
BEAR MOUNTAIN – LANGFORD LANDS		
DRAWN	DATE	SHEET No.
RJM	2022.12.05	
	SCALE	FIG 1
	1:4000	

Appendix C – Receiver’s Statement dated September 27, 2024

Form 87

Notice and Statement of the Receiver

(Subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*)

IN THE MATTER OF THE RECEIVERSHIP OF ECOASIS DEVELOPMENTS LLP ET AL.

The receiver hereby gives notice and declares that:

1. On the 18th day of September, 2024, Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed receiver and manager (the “**Receiver**”) without security, of certain lands of Bear Mountain Adventures Ltd., any interests in real property of Ecoasis Resort and Golf LLP (“**Resorts**”) and all of the assets, undertakings and property of Ecoasis Developments LLP, Ecoasis Bear Mountain Developments Ltd., 0884185 B.C. Ltd., 0884188 B.C. Ltd., 0884190 B.C. Ltd., 0884194 B.C. Ltd., BM 81/82 Lands Ltd., BM 83 Lands Ltd., BM 84 Lands Ltd., BM Capella Lands Ltd., BM Highlands Golf Course Ltd., BM Highlands Lands Ltd. and BM Mountain Golf Course Ltd. (collectively, the “**Company**”), being insolvent persons, that is described below.

The property (collectively the “**Property**”) consists of the following:

- a) 28 parcels of property and land located in the land title district of Victoria, BC and legally described as:
 1. Lot 3 Section 3 Range 4 West Highland District Plan VIP83700, PID: 027-205-207;
 2. Lot 4 Section 3 Range 4 West Highland District Plan VIP83700, PID: 027-205-215;
 3. Lot A Section 3 Range 4 West Highland District Plan VIP85309, PID: 027-567-907;
 4. Lot B Section 3 Range 4 West Highland District Plan VIP85309, PID: 027-567-915;
 5. Section 81 Highland District except Part in Plans VIP72556 VIP75509, EPP63084 and EPP80460, PID: 009-853-103;
 6. Section 82 Highland District except Part in Plans VIP75509 VIP76197 VIP76364 VIP76365 VIP76988 VIP77878 VIP80330 VIP81135 VIP88981 EPP27392 EPP46993 EPP54046 and EPP63084, PID: 009-858-636;
 7. Lot 1 Section 82 Highland District Plan VIP76365 except Part in Plan VIP79028 and VIP85324, PID: 025-838-555;
 8. Lot A Section 82 Highland District Plan VIP85331, PID: 027-590-127;
 9. Section 3 Range 4 West Highland District except Parts in Plans 27507, VIP76196, VIP76988, VIP80330, VIP80743, VIP81146, VIP82127 and VIP88981, EPP27392, PID: 025-088-106;
 10. Section 83 Highland District except Parts in Plans VIP75509 VIP77878, VIP78873, VIP80330, VIP82040, VIP82483, VIP82960, VIP88981, VIP88983, EPP33056, EPP80460, EPP68922 and EPP86748, PID: 009-858-652;
 11. Section 84 Highland District except Plans VIP72556, VIP75509, VIP89370, EPP72419, EPP80460, EPP86748, EPP101117 and EPP111201, PID: 009-853-081;

12. Lot 34 Section 3 Range 4 West Highland District Plan VIP80330, PID: 026-575-680;
13. Lot A Section 3 Range 4 West Highland District Plan VIP85310, PID: 027-568-849;
14. Lot B Section 3 Range 4 West Highland District Plan VIP85310, PID: 027-568-857;
15. Lot 24 Section 17 Highland District Plan 4128 except Part in Plan 45401, PID: 005-438-187;
16. Section 5 Range 4 West Highland District except Part in Plans VIP60675, VIP67875 and VIP75584, PID: 009-861-815;
17. The South 60 Acres of Section 6 Range 4 West Highland District except Part in Plan VIP67875, PID: 009-861-823;
18. Section 12 Highland District except Parts in Plans 10853, 11134 and 45402, PID: 009-861-831;
19. Section 16 Highland District except that Part in Plan VIP72555, PID: 009-861-866;
20. Block B Section 75 Highland District, PID: 025-088-092;
21. Lot A Section 4 Range 4W Highland District Plan VIP70021 (see Plan as to Limited Access) except that Part in Plan VIP75586, PID: 024-672-092;
22. Lot 2 Sections 81, 82, 83 and 84 Highland District Plan VIP75509 except Parts in Plans VIP76365, VIP78873, VIP81135, VIP81958, VIP82040, VIP89370, EPP42751, EPP46993, EPP80460, EPP68922 and EPP111201, PID: 025-695-126;
23. Air Space Lot A Section 82 Highland District Air Space Plan VIP76364, PID: 025-838-466;
24. Lot 1 Sections 81, 82 and 84 Highland District Plan VIP75509 except Plans VIP76365, VIP79028, VIP82848, VIP82851, VIP85324, EPP19660, EPP63084, EPP72419, EPP80460 and EPP70640, PID: 025-695-118;
25. Strata Lot 3 Section 81 Highland District Strata Plan EPS5110, PID: 030-616-948;
26. Strata Lot 4 Section 81 Highland District Strata Plan EPS5110, PID: 030-616-956;
27. Lot 29 Section 81 Highland District Plan EPP63084 except Strata Plan EPS5110 (Phase 1), PID: 029-938-490; and
28. Lot A District Lot 82 Highland District Plan EPP70640, PID: 030-726-123; and

b) Cash on hand.

2. The estimated book value of the Company's assets is listed below:

	Estimated Book Value (CAD\$)
Cash and equivalents	\$4,924.82
Property and land (*)	85,144,700.00
Total	<u>\$85,149,625.00</u>
(*) amount represents the approximate 2024 tax assessed values of the 28 parcels of property and land	

Please Note: Realizable values may be materially different from the above. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy of the foregoing.

3. A&M became a receiver by virtue of being appointed by the Supreme Court of British Columbia (the "Court") pursuant to the receivership order granted on September 18, 2024, a copy of which may be found on the Receiver's website at: www.alvarezandmarsal.com/ecoasisdevelopments.
4. The Receiver took possession or control of the property described above on the 18th day of September, 2024.
5. The following information relates to the receivership:

Address of insolvent persons: 2050 Country Club Way, Victoria BC, V9B 6R3 Canada

Principal line of business: Real estate development

Location of business: 2050 Country Club Way, Victoria BC, V9B 6R3 Canada

Amounts owed by the Company to each creditor, according to the books and records as at September 18, 2024, are shown below:

<u>Creditor Type</u>	<u>Claim Amount (CAD\$)</u>
Secured creditors	\$62,000,000.00
Unsecured creditors	<u>2,486,801.54</u>
Total	<u>\$64,486,801.54</u>

Attached as Appendix "A" is a list of all known creditors of the Company as at the date of receivership.

6. The intended plan of action of the Receiver during the receivership, to the extent that such a plan has been determined, is as follows:
- preserve and maintain the Property;
 - complete a review of Resorts' operations and prepare a report of same; and
 - prepare a report in respect of a marketing and sales process, to be approved by the Court.
7. For further information, please contact the Receiver at the following address:
- Alvarez & Marsal Canada Inc.
Licensed Insolvency Trustee
Cathedral Place Building
925 West Georgia Street, Suite 902
Vancouver, BC V6C 3L2
- Telephone: (604) 639-0852
Facsimile: (604) 638-7441
Email: tpoirier@alvarezandmarsal.com
8. To date, no claims procedure has been approved by the Court that instructs creditors to prove their claims against the Company. As a result, creditors are not required to file a proof of claim with the Receiver at this time. The Receiver will notify each known creditor if a claims procedure order has been granted by the Court that instructs creditors to prove their claim(s).

Dated at Vancouver, British Columbia this 27th day of September, 2024.

ALVAREZ & MARSAL CANADA INC.
in its capacity as Receiver of the Company
and not in its personal capacity



Per: Anthony Tillman
Senior Vice President

APPENDIX A
IN THE MATTER OF THE RECEIVERSHIP OF ECOASIS DEVELOPMENTS LLP ET AL.
PRELIMINARY LIST OF CREDITORS
AS AT SEPTEMBER 18, 2024

Name of Creditor	Address	City	Province	Postal Code	Country	Amount (\$)
Secured Creditors						
Coast Capital Savings Federal Credit Union	800-9900 King George Blvd	Surrey	BC	V3T 0K7	Canada	\$0.00
CWB National Leasing Inc.	1525 Buffalo Place	Winnipeg	MB	R3T 1 L9	Canada	0.00
Jenner Chev Olds Ltd.	1730 Island Hwy	Victoria	BC	V9B 1H8	Canada	0.00
Jenner Chevrolet Buick Gmc Ltd.	1730 Island Highway	Victoria	BC	V9B 1H8	Canada	0.00
Meridian OneCap Credit Corp.	Suite 1500, 4710 Kingsway	Vancouver	BC	V5H 4M2	Canada	0.00
Sanovest Holdings Ltd.	224 West 5H Avenue	Vancouver	BC	V5Y 1J4	Canada	62,000,000.00
Total Secured Creditors						\$62,000,000.00
Unsecured Creditors						
Abell Pest Control Inc	2231 McGarrigue Road Unit H	Nanaimo	BC	V9S 4M5	Canada	0.00
Access	PO Box 4090 Station A	Toronto	ON	M5W 0E9	Canada	0.00
Amex Bank of Canada	PO Box 3204 Stn F	Toronto	ON	M1W 3W7	Canada	4,419.19
BC Employer Health Tax	1225 Douglas Street	Victoria	BC	V8W 2E6	Canada	0.00
BC Hydro	PO Box 9501, Stn Terminal	Vancouver	BC	V6B 4N1	Canada	3,090.63
Canada Revenue Agency	274 Pope Road	Summerside	PEI	C1N 6A2	Canada	0.00
Capital Regional District	Integrated Water Services 479 Island Highway	Victoria	BC	V9B 1H7	Canada	5,762.24
Charest Legal Solutions Inc	885 West Georgia Street 4th & 5th Floors	Vancouver	BC	V6C 3E8	Canada	0.00
City of Langford	2nd Floor - 877 Goldstream Ave.	Victoria	BC	V9B 2X8	Canada	1,900,000.00
Compass Electric Ltd	110 - 1039 Langford Parkway	Victoria	BC	V9B 0A5	Canada	0.00
Cunningham & Rvvard Appraisals Ltd	70 Prideaux Street	Nanaimo	BC	V9R 2M5	Canada	10,080.00
Dan Matthews	2050 Country Club Way	Victoria	BC	V9B 6R3	Canada	934.32
District of Highlands	1980 Millstream Road	Victoria	BC	V9B 6H1	Canada	0.00
DLA Piper (Canada) LLP	2700 - 1133 Melville Street	Vancouver	BC	V6C 4E5	Canada	117,979.85
DMCL	700 - 2755 Lougheed Highway	Port Coquitlam	BC	V3B 5Y9	Canada	26,271.52
E.A.R. Prints	PO Box 534	Sooke	BC	V9Z 1H5	Canada	0.00
ECI Software Solutions Canada Inc	PO Box 12176, Station A	Toronto	ON	M5W 0K5	Canada	0.00
Eclipse Creative Inc	200 - 602 Broughton Street	Victoria	BC	V8W 1C7	Canada	0.00
Ecoasis Innovative Communities Inc.	3480 Ripon Rd	Victoria	BC	V8R 6H2	Canada	294,250.00
Employees						0.00
Fleming & Company	2234 Sooke Road	Victoria	BC	V9B 1X1	Canada	0.00
Floyd Hansen	2568 Thompson Avenue	Victoria	BC	V8R 3L3	Canada	0.00
FortisBC	PO Box 6666 Stn. Terminal	Vancouver	BC	V6B 6M9	Canada	242.44
Fraser Litigation Group	1100 - 570 Granville Street	Vancouver	BC	V6C 3P1	Canada	0.00
GFL Environmental Inc	PO Box 150	Concord	ON	L4K 1B2	Canada	243.66
Group Source	15315 31st Ave #400	Surrey	BC	V3Z 6X2	Canada	8,005.56
HSBC Mastercard	PO Box 11749 Station Main	Montreal	QC	H3C 6T4	Canada	11,178.72
ICBC	151 Esplanade W,	North Vancouver	BC	V7M 3H9	Canada	0.00
Innov8 Digital Solutions Inc	809 Finns Road	Kelowna	BC	V1X 5B8	Canada	1,722.47
J. E. Anderson and Associates	4212 Glanford Avenue	Victoria	BC	V8Z 4E7	Canada	0.00
Jani-King Vancouver Island	202 - 2750 Quadra Street	Victoria	BC	V8T 4E8	Canada	2,860.46
Jenner Chev Olds	1730 Island Highway	Victoria	BC	V9B 1H8	Canada	0.00
Jones Emery Hargreaves Swan	1212 - 1175 Douglas Street	Victoria	BC	V8W 2E1	Canada	3,076.10
Koffman Kalef LLP	19th Floor - 885 West Georgia Street	Vancouver	BC	V6C 3H4	Canada	6,202.74
Megson Fitzpatrick Inc.	3561 Shelbourne Street	Victoria	BC	V8P 4G8	Canada	15,466.58
Method Engineering & Building Services Ltd	220 - 4252 Commerce Circle	Victoria	BC	V8Z 4M2	Canada	0.00
Minister of Finance	Mineral, Oil & Gas Revenue Branch, 2nd Floor, 1810 Blanshard Street	Victoria	BC	V8T 4J1	Canada	0.00
Ministry of Finance	PO Box 9328 Stn Prov Govt	Victoria	BC	V8W 9N3	Canada	0.00
Monk Office Supply Ltd.	800 Viewfield Road	Victoria	BC	V9A 4V1	Canada	792.93
Pattison Outdoor Advertising LP	2700 Matheson Blvd E Suite 500 West Tower	Mississauga	ON	L4W 4V9	Canada	0.00
Purolator Inc	PO Box 4800 STN Main	Concord	ON	L4K 0K1	Canada	30.37
Quench Canada Inc	PO Box 12225 Station A	Toronto	ON	M5W 0K5	Canada	0.00
Receiver General for Canada	9755 King George Highway	Surrey	BC	V3T 5E6	Canada	0.00
RedBlue Heating & Refrigeration	617 Brandy Place	Victoria	BC	V9B 6C3	Canada	0.00
Royal Bank of Canada	6168 No. 3 Road,	Richmond	BC	V6Y2B3	Canada	21,381.67
Shaw Cable	PO Box 2468 Stn Main	Calgary	AB	T2P 4Y2	Canada	0.00
Shaw Satellite Services Inc.	PO Box 2530 Stn M	Calgary	AB	T2P 0C2	Canada	799.56
Sheen Design Ltd	2946 Munn Road	Victoria	BC	V9E 1C8	Canada	0.00
Sterling Capital Brokers -	Unit 47/48 - 209 Wicksteed Avenue	Toronto	ON	M4G 0B1	Canada	7,597.26
Strata Plan EPS5110, c/o Stevenson Luchies & Legh Barristers and	Suite 300 - 736 Broughton Street	Victoria	BC	V8W 1E1	Canada	0.00
Telus	PO Box 7575	Vancouver	BC	V6B 8N9	Canada	1,562.60
Think Communications Inc.	302 - 1221 Broad Street	Victoria	BC	V8W 2A4	Canada	29,087.57
UDI Capital Region	PO Box 30249	Renolds PO	BC	V8X 5E1	Canada	0.00
Uline Canada Corporation	Box 3500 RPO Streetsville	Mississauga	ON	L5M 0S8	Canada	0.00
Urban Development Institute	PO Box 31119 University Hts	Victoria	BC	V8N 6J3	Canada	0.00
Victoria Residential Builders Association	1 - 3690 Carey Road	Victoria	BC	V8Z 4C2	Canada	0.00
W. Jan Jarmula	964 Seamist Rise	Victoria	BC	V8Y 3K7	Canada	0.00
West Shore Environmental	103 - 859 Orono Avenue	Victoria	BC	V9B 2T9	Canada	0.00
Wes-Tech	893 Vanisle Way	Langford	BC	V9B 5R8	Canada	0.00
Western Water Associates Ltd	1003 Kalamalka Lake Road	Vernon	BC	V1T 6V4	Canada	12,387.04
Westside Instaprint	2811 Jacklin Road	Langford	BC	V9B 3X8	Canada	0.00
WorkSafe BC	PO Box 5350 Stn Terminal	Vancouver	BC	V6B 5L5	Canada	0.00
WSDA Development Group Society	PO Box 28052 RPO Westshore	Victoria	BC	V9B 6K8	Canada	750.00
WSP Canada Inc.	c/o CX2520 C PO Box 2591 Stn Main	Calgary	AB	T2P 0A3	Canada	626.06
Total Unsecured Creditors						2,486,801.54
Total Creditors						\$64,486,801.54

Appendix D – First Cash Flow Forecast for the period from October 19, 2024, to January 31, 2025

Ecoasis Developments LLP et al.

First Cash Flow Forecast¹

For the period October 19, 2024 to January 31, 2025

\$CAD'000s

Week		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Total
Week ending	Notes	25-Oct-24	01-Nov-24	08-Nov-24	15-Nov-24	22-Nov-24	29-Nov-24	06-Dec-24	13-Dec-24	20-Dec-24	27-Dec-24	03-Jan-25	10-Jan-25	17-Jan-25	24-Jan-25	31-Jan-25	
Cash operating receipts																	
Receiver's certificates	2	\$ -	\$ -	\$ 250	\$ -	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ -	\$ -	\$ 250	\$ -	\$ -	\$ -	\$ 800
Reimbursement from Resorts	3	-	1	-	-	-	-	1	-	-	-	1	-	-	-	1	4
		-	1	250	-	-	-	301	-	-	-	1	250	-	-	1	804
Cash operating disbursements																	
Payroll costs	4	14	-	14	3	14	-	14	3	14	3	14	-	18	-	15	126
Repairs and maintenance	5	-	0	-	-	-	-	0	-	-	-	0	-	-	-	0	2
Utilities	5	-	1	-	-	-	-	1	-	-	-	1	-	-	-	1	5
Insurance	6	-	3	-	-	-	-	3	-	-	-	3	-	-	-	3	10
Computer, subscriptions and IT	7	0	4	-	-	0	-	2	-	0	-	2	-	-	-	2	11
Office supplies, cleaning and other misc.	7	-	1	0	-	-	-	1	-	-	-	1	0	-	-	1	4
Regulatory compliance	8	-	-	-	-	-	-	-	-	-	-	5	-	-	-	-	5
Bear Mountain Legacy Homes	9	-	0	-	-	-	-	0	-	-	-	-	-	-	-	2	2
		14	10	14	3	14	-	21	3	14	3	26	0	18	-	24	164
Net operating cash flow		(14)	(9)	236	(3)	(14)	-	280	(3)	(14)	(3)	(25)	250	(18)	-	(23)	640
Other cash disbursements																	
Professional fees - Receiver, counsel	10	-	-	-	225	-	-	-	175	-	-	-	-	175	-	-	575
Other professional fees	11	-	-	-	-	-	-	-	88	-	-	-	55	-	-	-	143
		-	-	-	225	-	-	-	263	-	-	-	55	175	-	-	718
Net cash flow (deficit)		\$ (14)	\$ (9)	\$ 236	\$ (228)	\$ (14)	\$ -	\$ 280	\$ (266)	\$ (14)	\$ (3)	\$ (25)	\$ 195	\$ (193)	\$ -	\$ (23)	\$ (78)
Cash continuity																	
Opening cash balance		\$ 162	\$ 148	\$ 139	\$ 375	\$ 147	\$ 133	\$ 133	\$ 413	\$ 147	\$ 133	\$ 130	\$ 105	\$ 300	\$ 107	\$ 107	\$ 162
Net cash flow (deficit)		(14)	(9)	236	(228)	(14)	-	280	(266)	(14)	(3)	(25)	195	(193)	-	(23)	(78)
Ending cash balance		\$ 148	\$ 139	\$ 375	\$ 147	\$ 133	\$ 133	\$ 413	\$ 147	\$ 133	\$ 130	\$ 105	\$ 300	\$ 107	\$ 107	\$ 84	\$ 84
Receiver's borrowings																	
Opening balance		250	250	250	500	500	500	500	800	800	800	800	800	1,050	1,050	1,050	250
Receiver's borrowings (repayments)		-	-	250	-	-	-	300	-	-	-	-	250	-	-	-	800
Ending Receiver's borrowings		\$ 250	\$ 250	\$ 500	\$ 500	\$ 500	\$ 500	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 1,050	\$ 1,050	\$ 1,050	\$ 1,050	\$ 1,050

Ecoasis Developments LLP et al.
First Cash Flow Forecast
Notes and Assumptions

1. The cash flow forecast (the “**First Cash Flow Forecast**”) is presented on a weekly basis from October 19, 2024 to January 31, 2025 (the “**Forecast Period**”) and was prepared by the Receiver based on unaudited financial information, and estimates of projected receipts and disbursements. Readers are cautioned that since the estimates are based on future events and conditions that are not ascertainable, the actual results achieved will vary, even if the assumptions materialize, and such variations may be material. There are no representations, warranties or other assurances that any of the estimates, forecasts, or projections will be realized. The projections are based upon certain estimates and assumptions discussed below and may be amended from time to time.

The First Cash Flow Forecast is presented in Canadian dollars.

2. Receiver’s certificates are estimated to total \$800,000 over the Forecast Period. Pursuant to paragraph 28 of the Receivership Order the Receiver is authorized to borrow up to \$2.5 million.
3. Reimbursement from Resorts approximating \$4,000 represents the anticipated reimbursements from Ecoasis Resort and Golf LLP (“**Resorts**”) paid to Ecoasis Developments LLP (“**Developments**”) for shared costs initially paid in full by Developments.
4. Payroll costs approximating \$126,000 represent bi-weekly payroll costs including employee benefits and source deductions related to Developments staff.
5. Repairs and maintenance and utilities costs are for minor repairs and ongoing maintenance and utilities costs in respect of the office space shared by Resorts and Developments. A portion of these costs are reimbursed to Developments by Resorts.
6. Insurance represents monthly installments for insurance, among other things, property, cyber, and general insurance liability policies related to Developments.
7. Computer, subscriptions IT, office supplies, cleaning and other miscellaneous includes IT services, internet, software subscriptions, weekly office cleaning, alarm monitoring, and general office supplies.
8. Regulatory compliance represents costs associated with groundwater sampling mandated by the District of Highlands.
9. Bear Mountain Legacy Homes represents costs associated with site security for two construction projects.
10. Professional fees approximating \$575,000 represent fees and disbursements of the Receiver and its legal counsel.
11. Other professional fees approximating \$143,000 represent anticipated fees and disbursements for consultants, retained by the Receiver, to review and assess the developable lands to inform an overall masterplan community vision.

Appendix E – Resorts Accounts Payable list as at October 9, 2024

October 9th 2024 Accounts Payable Summary				
	Total due	Critical	Outstanding	Notes
Unreleased Cheques	\$ 507,322	\$ 450,826	\$ 56,496	See Schedule A for detailed listing - cheques approved and signed by both EBMD directors
Aging Accounts Payable				
Miscellaneous Suppliers	\$ 227,490	\$ 145,701	\$ 81,790	See Schedule B - Aging accounts payable predominantly relate to amounts dating back to 2020 in respect of the following: <div></div>
EHT (2023) - Resort	\$ 64,785	\$ 64,785	\$ -	
PST - Resort				
Jan - March 2024	\$ 12,903	\$ 12,903	\$ -	
April - Current 2024	\$ 74,641	\$ 74,641	\$ -	
GST - Resort				DMCL Email Oct 10 2024
Jan - Current	\$ 146,315	\$ 146,315	\$ -	
WCB - Resort				Estimate based on 2023 filings
Jan - Current	\$ 34,200	\$ 34,200	\$ -	
Master Card	\$ 11,844		\$ 11,844	
			\$ -	

SCHEDULE A
UNRELEASED CHEQUES
02-Oct-24

[REDACTED]	
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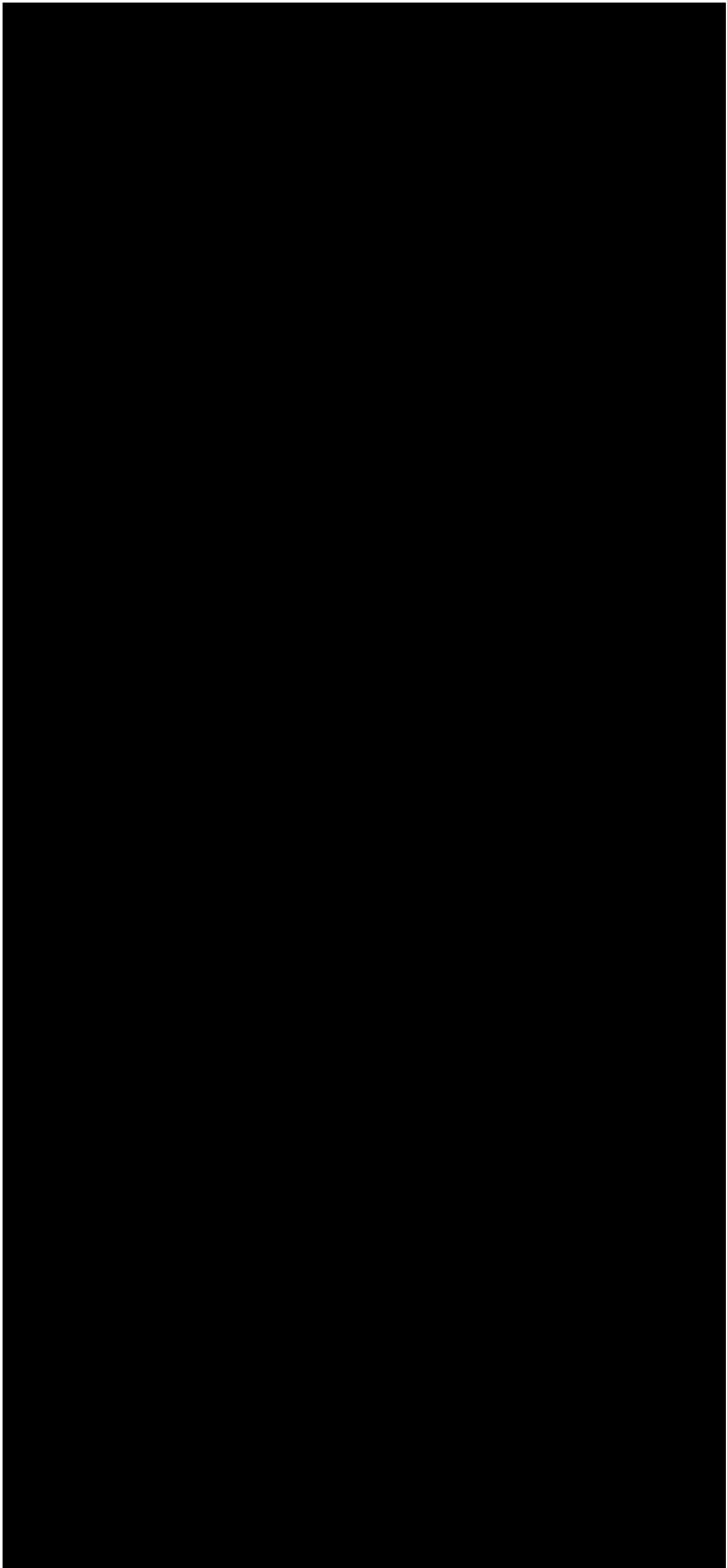
Notes

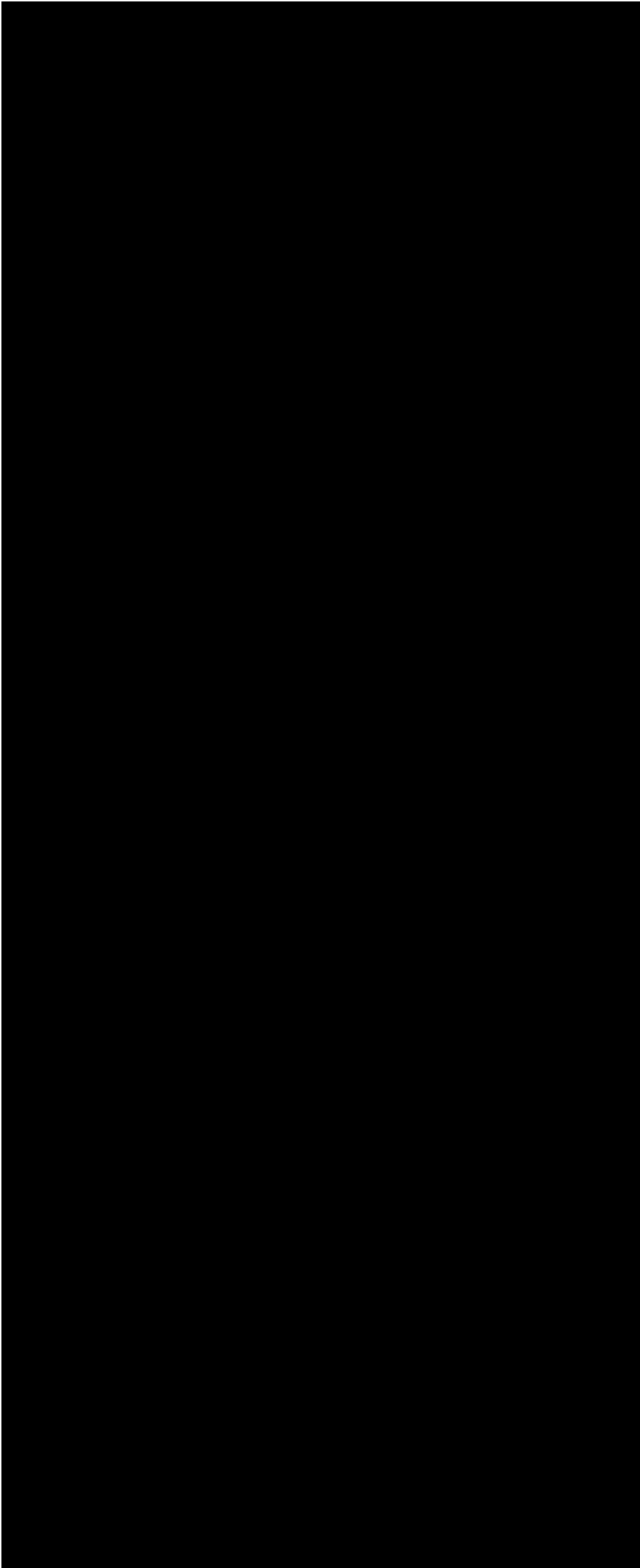
Appendix F – Resorts Cash Flow Forecast for the period from October 19, 2024, to January 3, 2025

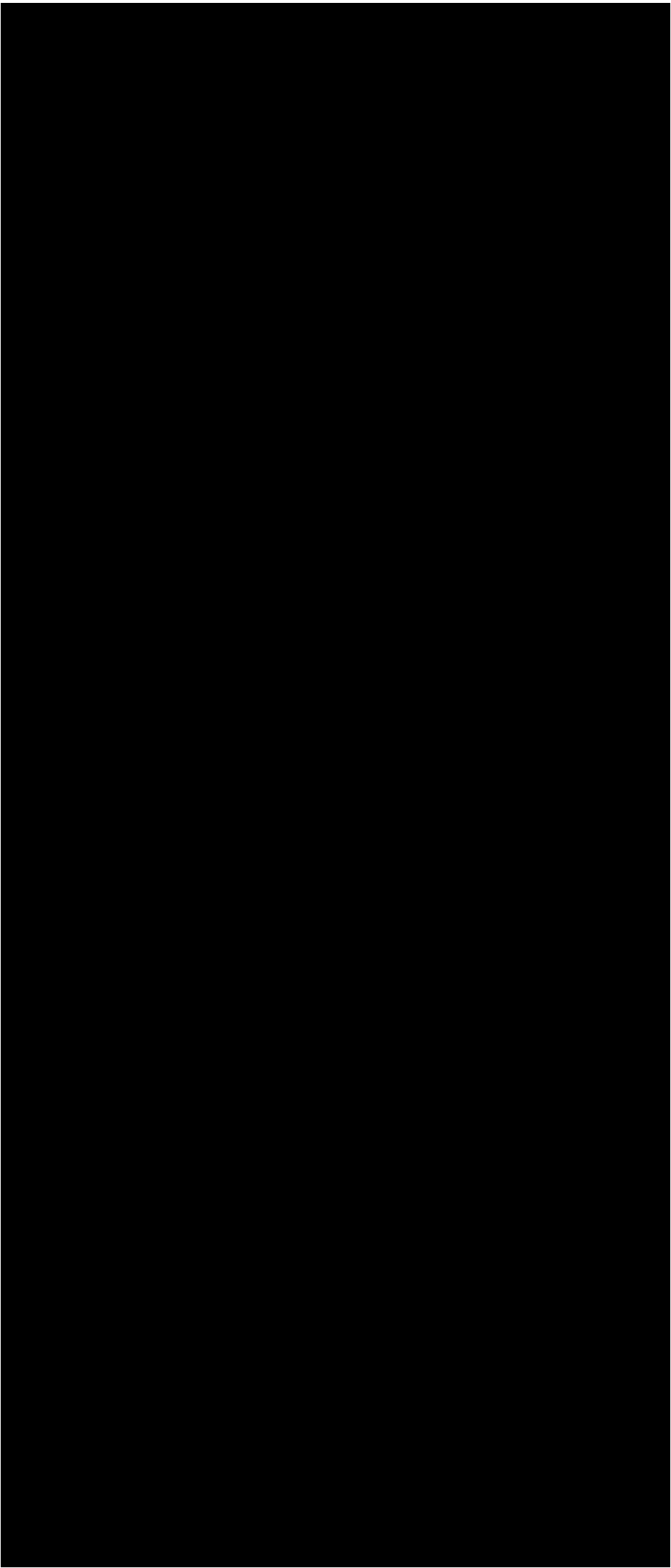
Ecoasis Resort and Golf LLP¹
Cash Flow Forecast
For the period October 19, 2024 to January 3, 2025
\$CAD'000s

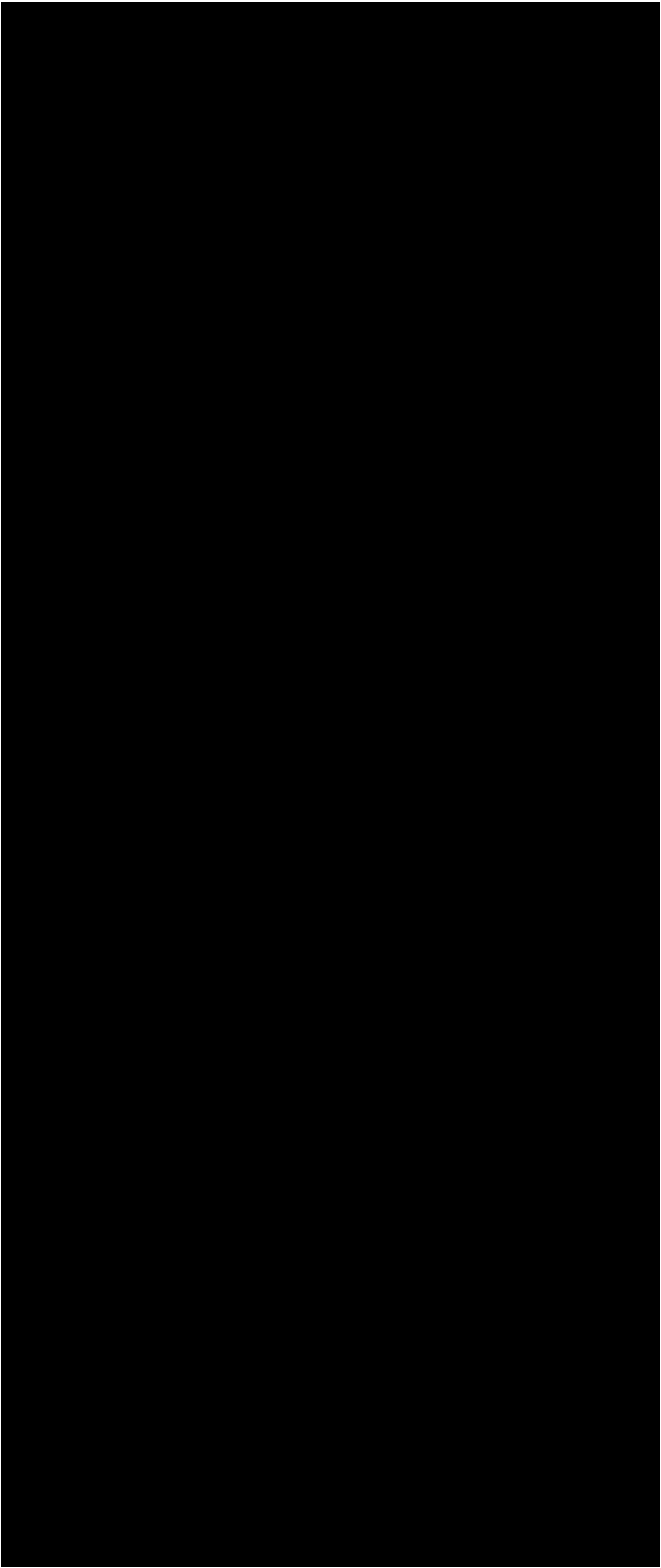
Week		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	
Week ending	Notes	25-Oct-24	01-Nov-24	08-Nov-24	15-Nov-24	22-Nov-24	29-Nov-24	06-Dec-24	13-Dec-24	20-Dec-24	27-Dec-24	03-Jan-25	Total
Cash operating receipts													
Initiation sales - Golf	\$	-	\$ 100	\$	-	\$ 55	\$	-	\$ 30	\$	-	\$	215
Initiation sales Tennis		4	4	4	4	-	8	4	-	-	-	-	28
Transfer fees		-	-	-	-	6	6	6	-	-	-	-	18
Green fees and cart rentals		23	8	10	12	12	3	4	2	8	6	8	96
Pro shop sales		5	4	1	3	7	4	5	3	3	4	2	40
Tennis sales		3	2	2	3	1	2	1	2	2	2	4	24
Food & beverage sales		3	2	2	3	3	1	1	1	3	2	3	25
Dues & initiation fees		-	-	91	-	-	-	48	138	95	190	380	943
Member account payments (golf, tennis, food & beverage)		-	-	34	-	-	-	-	15	-	-	-	49
Interim financing		-	-	-	-	-	-	-	-	-	-	-	-
		38	120	144	80	29	54	99	162	111	204	397	1,437
Cash operating disbursements													
Pro shop		10	4	5	7	2	15	3	1	1	2	0	50
Tennis		0	1	1	0	1	0	-	0	-	1	-	5
Horticulture		0	0	-	1	-	-	0	-	0	-	-	2
Food & beverage		5	2	1	2	2	1	1	1	1	2	2	19
Agronomy		15	14	10	8	3	22	3	3	2	23	-	103
Administration		121	25	132	9	119	3	116	30	89	26	86	755
Accounts payable catch-up		36	12	-	8	-	-	-	-	-	-	-	56
		188	58	150	36	127	41	122	35	93	54	88	990
Net cash flow (deficit)		(149)	62	(5)	44	(98)	13	(23)	127	18	151	309	447
Cash continuity													
Opening cash balance	\$	176	\$ 27	\$ 89	\$ 84	\$ 127	\$ 30	\$ 42	\$ 19	\$ 146	\$ 164	\$ 315	\$ 176
Net cash flow (deficit)		(149)	62	(5)	44	(98)	13	(23)	127	18	151	309	447
Ending cash balance	\$	27	\$ 89	\$ 84	\$ 127	\$ 30	\$ 42	\$ 19	\$ 146	\$ 164	\$ 315	\$ 623	\$ 623

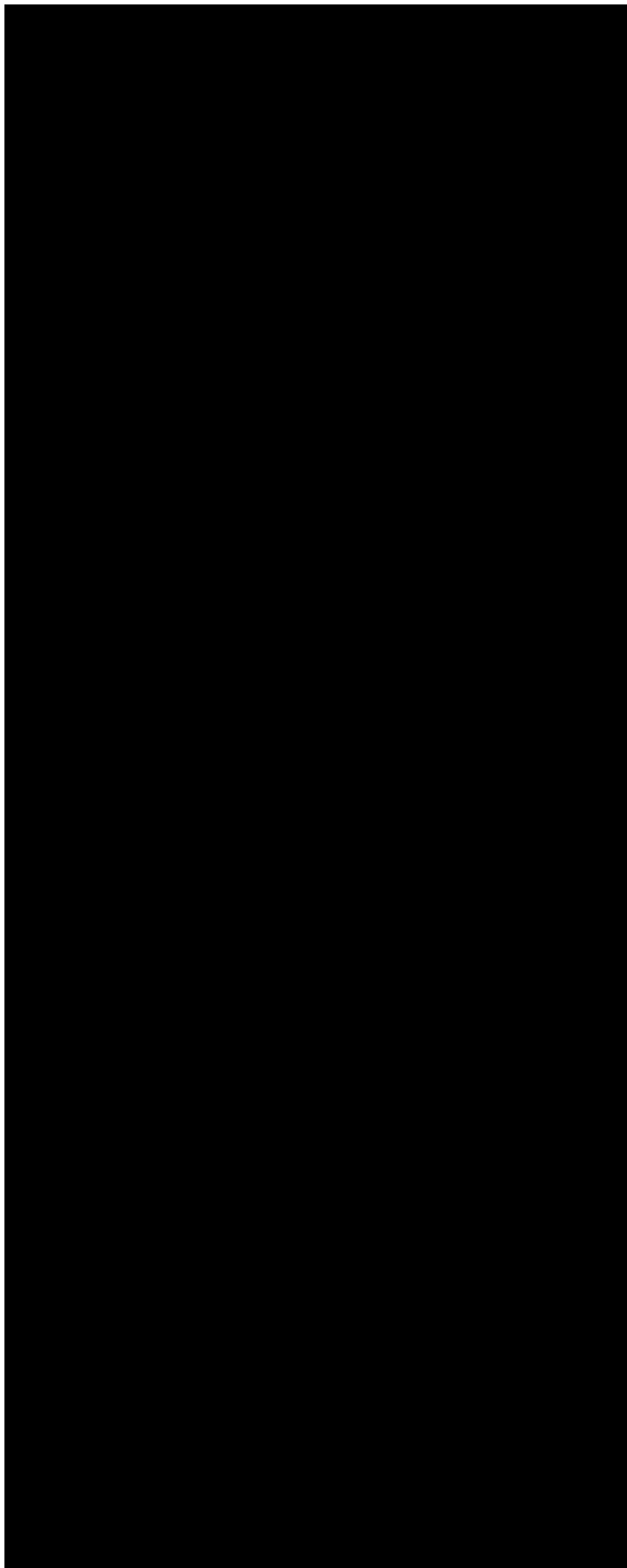
Note 1: The 11-Week Forecast was not accompanied by written assumptions from Resorts Management. Key assumptions were derived in discussions by A&M with, and confirmed by, Resorts Management, which are presented in section 8.80 of the First Report.

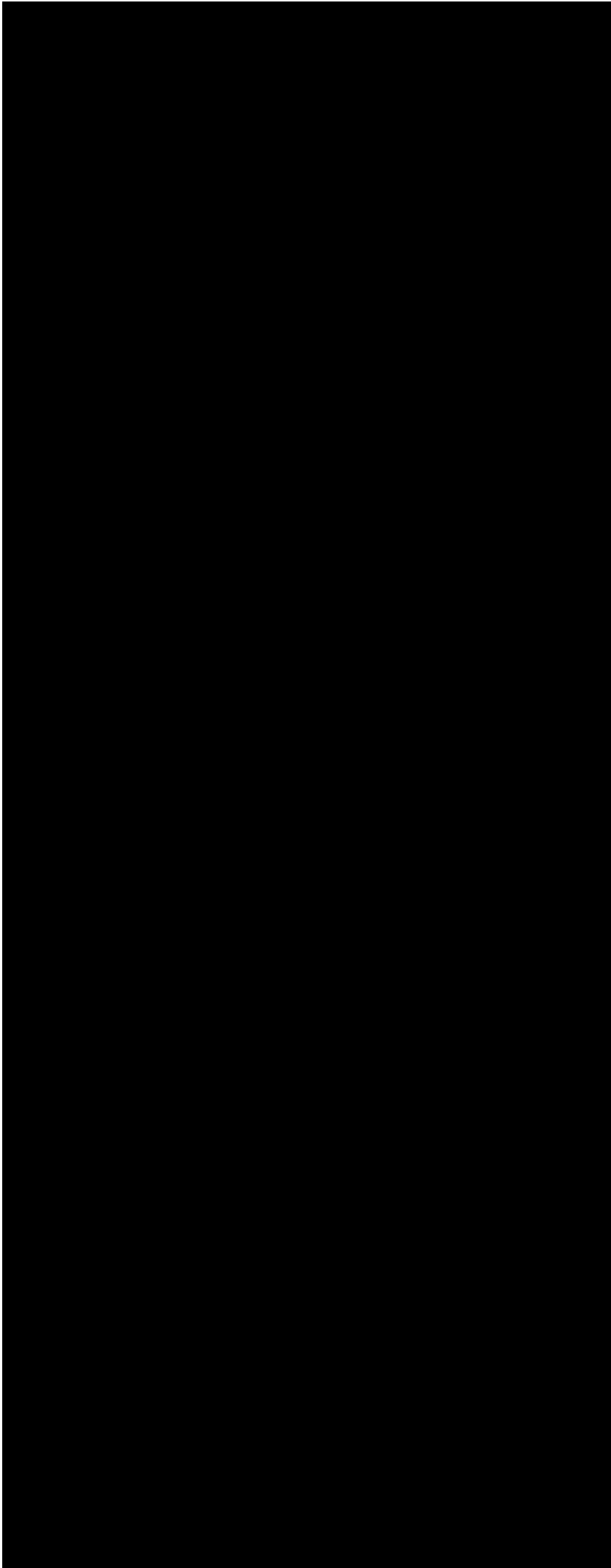


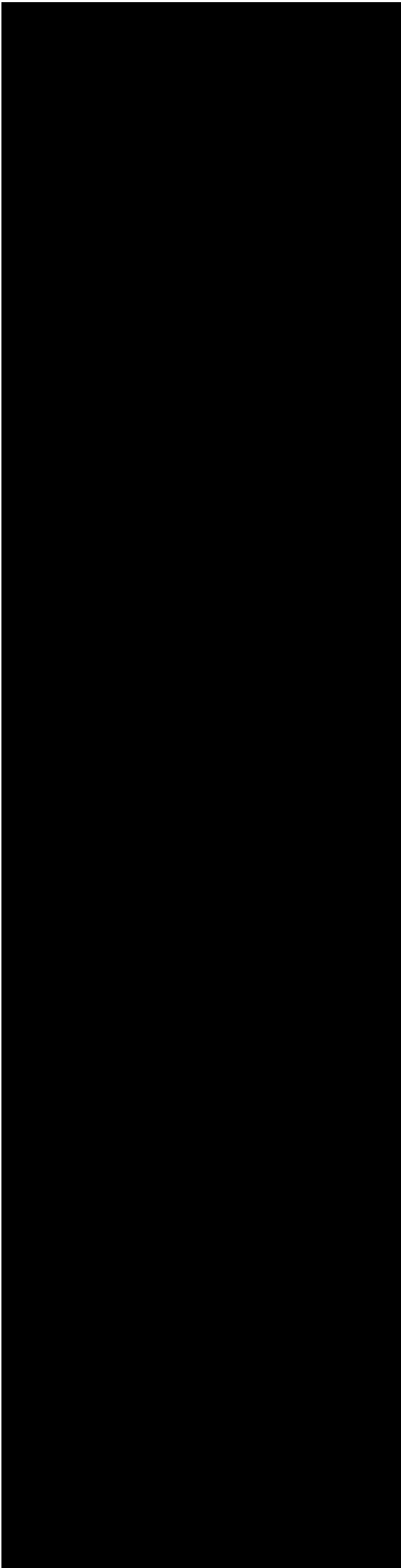












Appendix G – 2025 Annual Budget

	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	January-25	February-25	March-25	April-25	May-25	June-25	July-25	August-25	September-25	October-25	November-25	December-25	Total 2025
5000 Revenue													
5000-01 Membership Dues	136,431	140,810	144,399	148,150	150,057	152,144	152,751	153,318	153,953	154,588	154,588	154,588	1,795,777
5000-02 Green Fees - Mountain	16,875	13,125	32,780	94,760	149,201	212,370	198,996	239,516	161,993	92,700	28,840	15,750	1,256,905
5000-03 Green Fees - Valley	4,500	5,400	71,935	126,510	166,659	233,357	184,862	218,650	185,105	61,285	15,527	1,800	1,275,591
5000-04 Initiation Fees	5,150	116,700	111,500	140,200	102,600	69,250	18,650	13,050	60,550	60,550	9,550	9,550	717,300
5000-05 Driving Range	50	50	250	250	350	350	350	350	350	200	50	50	2,650
5000-06 Tournament Fees - Mountain	-	-	-	2,380	7,000	22,200	10,440	6,660	46,250	-	-	-	94,930
5000-07 Tournament Fees - Valley	-	-	-	6,000	5,600	25,875	12,920	37,375	20,700	-	-	-	106,470
5000-08 Club Rentals	515	485	2,480	4,153	6,507	7,904	7,328	8,378	6,339	1,652	776	368	46,884
5000-09 Golf Power Cart	6,579	5,638	29,551	56,934	63,355	90,768	75,958	93,304	77,155	41,586	14,066	6,199	561,093
5000-10 Soft Goods	3,785	3,785	5,279	14,149	22,579	27,426	25,424	29,070	23,753	8,439	4,731	11,829	180,250
5000-11 Hard Goods	3,542	3,542	4,941	13,242	21,131	25,666	23,794	27,205	22,230	7,898	4,428	11,070	168,688
5000-12 Sundry	673	673	938	2,514	4,012	4,873	4,517	5,165	4,220	1,499	841	2,102	32,026
5000-13 Retail Discounts	-	-	-	-	-	-	-	-	-	-	-	-	-
5000-20 Golf Instruction	1,325	2,660	5,065	13,540	19,698	15,023	22,198	22,622	8,033	2,390	1,115	1,115	114,785
5000-30 GPSI Advertising Revenue	-	-	-	-	2,500	2,500	2,500	2,500	2,500	2,500	-	-	15,000
5000-39 Golf Internal Event Fee	-	-	1,500	6,000	8,000	10,000	10,000	11,000	8,000	3,000	500	800	58,800
5000-40 Golf Canada - Hole in One Collected	35,280	-	780	720	300	300	180	120	120	120	-	-	37,920
5000-50 Other Revenue / New Programs	150	425	450	800	2,500	2,500	3,500	3,500	2,500	1,000	500	500	18,325
Total 5000 Revenue Golf	214,655	293,293	411,848	630,202	732,049	902,505	754,368	871,784	763,752	439,408	235,512	215,720	6,485,295
5100 Revenue - Tennis													
5100-01 Membership dues	26,416	27,212	28,008	28,804	29,401	30,794	30,794	31,391	31,988	33,580	34,774	34,973	368,135
5100-02 Initiation fees	8,760	8,760	9,760	8,760	4,760	5,760	4,760	4,760	4,760	18,760	4,760	760	85,120
5100-03 Court fees	2,800	2,500	2,200	1,750	1,200	1,200	2,500	2,500	1,500	1,800	1,700	1,500	23,150
5100-04 Lessons	10,000	12,000	12,000	12,000	12,000	12,000	16,000	12,000	12,000	16,000	16,000	9,000	151,000
5100-06 Tennis Retail Sales	500	150	750	500	250	300	300	500	300	200	200	200	4,150
5100-08 Revenue - Tennis Rentals	450	200	750	250	250	400	400	400	300	500	500	250	4,650
5100-09 Tennis Retail Discounts	-	-	-	-	-	-	-	-	-	-	-	-	-
5100-10 Events	800	800	800	1,500	-	4,000	2,000	2,000	800	800	800	800	15,100
5100-50 Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 5100 Revenue - Tennis	49,726	51,622	54,268	53,564	47,861	54,454	56,754	53,551	51,648	71,640	58,734	47,483	651,305
5200 Food & Beverage Sales													
5200-01 Food Sales	2,464	2,779	10,913	18,282	21,192	25,708	23,828	27,235	22,241	14,467	6,799	3,205	179,112
5200-02 Food Discounts	-	-	-	-	-	-	-	-	-	-	-	-	-
5200-10 Non-Alcoholic Beverage Sales	514	537	3,338	5,592	6,482	7,864	7,289	8,331	6,803	4,425	1,680	792	53,646
5200-11 Non-Alcoholic Beverage Discounts	-	-	-	-	-	-	-	-	-	-	-	-	-
5200-20 Beer Sales	2,856	3,068	21,826	36,564	42,384	51,415	47,657	54,469	44,483	28,933	13,598	6,409	353,661
5200-21 Beer Discounts	-	-	-	-	-	-	-	-	-	-	-	-	-
5200-30 Wine Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
5200-31 Wine Discounts	-	-	-	-	-	-	-	-	-	-	-	-	-
5200-40 Liquor Sales	580	605	9,881	16,952	19,429	24,225	22,049	25,461	20,545	13,276	5,412	2,557	160,971
5200-41 Liquor Discounts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 5200 Food & Beverage Sales	6,414	6,989	45,958	77,389	89,487	109,211	100,823	115,495	94,072	61,101	27,488	12,963	747,391
Total Income	270,995	351,904	512,074	761,156	869,397	1,066,170	911,945	1,040,830	929,472	572,148	321,734	276,166	7,883,991
COST OF GOODS SOLD													
6000 COS - Retail Sales													
6000-01 COS - Soft goods	2,271	2,271	3,168	8,489	13,547	16,455	15,255	17,442	14,252	5,064	2,839	7,097	108,150
6000-02 COS - Hard Goods	2,586	2,586	3,607	9,666	15,425	18,737	17,369	19,860	16,228	5,766	3,232	8,081	123,142
6000-03 COS - Sundry	350	350	488	1,307	2,086	2,534	2,349	2,686	2,195	780	437	1,093	16,654
6000-04 COS - Freight	120	120	167	449	716	869	806	922	753	268	150	375	5,714
6000-05 COS - Embroidery	117	117	164	439	700	850	788	901	736	262	147	367	5,588
6000-10 COS - Write Down	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 6000 COS - Retail Sales	5,444	5,444	7,593	20,350	32,475	39,445	36,567	41,810	34,164	12,138	6,805	17,013	259,248
6200 COS - Food and Beverage													
6200-01 COS - Food	788	889	3,492	5,850	6,781	8,226	7,625	8,715	7,117	4,629	2,176	1,026	57,316
6200-02 COS - Non-Alcoholic Beverages	206	215	1,335	2,237	2,593	3,145	2,915	3,332	2,721	1,770	672	317	21,458
6200-03 Beer COS	1,000	1,074	7,639	12,797	14,834	17,995	16,680	19,064	15,569	10,127	4,759	2,243	123,781
6200-04 Wine COS	-	-	-	-	-	-	-	-	-	-	-	-	-
6200-05 Liquor COS	133	139	2,273	3,899	4,469	5,572	5,071	5,856	4,725	3,053	1,245	588	37,023
6200-06 Spillage	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 6200 COS - Food and Beverage	2,127	2,317	14,739	24,783	28,677	34,939	32,292	36,968	30,133	19,579	8,851	4,174	239,579
6900 Other Cost of Sales													
Total Cost of Goods Sold	7,571	7,761	22,332	45,134	61,152	74,384	68,869	78,777	64,297	31,717	15,656	21,186	498,828
GROSS PROFIT	263,424	344,143	489,742	716,022	808,245	991,786	843,076	962,053	865,176	540,431	306,077	254,980	7,385,164
EXPENSES													
7000 Salaries	73,833	87,895	87,895	92,478	92,478	92,478	92,478	92,478	92,478	92,478	92,478	92,478	1,081,928
7010 Wages	127,869	107,929	148,916	187,024	237,631	221,906	236,723	231,784	201,830	183,218	107,555	108,787	2,101,173
7020 Overtime	-	-	-	-	-	-	-	-	-	-	-	-	-
7030 Lesson Commissions	7,428	9,502	11,024	15,954	18,933	17,052	22,807	19,768	12,639	13,511	12,781	6,781	168,178
7035 Membership Commissions	-	3,880	2,600	4,500	3,400	2,420	550	550	1,350	1,350	-	-	20,600
7040 Bonus & Incentives	-	-	-	-	-	-	-	-	-	-	-	17,500	17,500
7090 Contractors	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	44,400
Sub Total Salaries, Wages and Contractors	212,830	212,906	254,135	303,656	356,142	337,556	356,258	348,280	311,998	294,257	216,514	229,246	3,433,779
7100 Employment Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
7105 CPP	-	-	-	-	-	-	-	-	-	-	-	-	-
7110 Workers Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-
7115 Medical Insurance (MSP)	-	-	-	-	-	-	-	-	-	-	-	-	-
7116 Employer Health Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
7120 Life Insurance and AD&D	-	-	-	-	-	-	-	-	-	-	-	-	-
7125 Extended Health & Dental	-	-	-	-	-	-	-	-	-	-	-	-	-
7132 Budgeted Burden	36,473	36,217	43,638	52,552	62,000	58,654	61,480	60,584	54,054	50,140	36,146	39,518	591,458
7135 Vacation Pay - Hourly	-	-	-	-	-	-	-	-	-	-	-	-	-
7136 Vacation Pay - Salary	-	-	-	-	-	-	-	-	-	-	-	-	-
7140 Stat in Lieu Pay	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total Wages Burden-18%	36,473	36,217	43,638	52,552	62,000	58,654	61,480	60,584	54,054	50,140	36,146	39,518	591,458
7300 Supplies - Cleaning	200	205	230	230	230	230	230	230	300	205	205	205	2,700
7310 Supplies - Operating	912	934	4,150	12,263	4,811	5,041	4,930	7,461	4,781	2,936	1,667	1,130	51,036
7311 Supplies - Locker Room	-	-	-	-	-	-	-	-	-	-	-	-	-
7320 Kitchen Supplies	31	35	136	229	265	321	298	340	278	181	85	40	2,239
7322 Supplies - Safety	100	5,550	1,375	375	100	625	200	300	450	550	100	250	9,975
7325 Fuel and Oil	6,000	-	6,000	14,000	14,000	19,000	14,000	14,000	14,000	6,000	6,000	6,000	119,000
7330 Freight In	-	6,000	-	-	-	-	-	-	-	-	-	-	6,000
7335 Supplies - Cart	941	888	6,480	70	4,430	9,576	4,983	5,697	4,653	3,028	1,423	672	42,701
7337 Range Balls	-	-	1,500	16,000	16,500	-	-	-	-	-	-	-	34,000
7340 Linen	-	-	-	-	-	-	-	-	-	-	-	-	-
7345 Uniforms and Uniform Cleaning	625	625	13,500	2,475	1,575	675	925	625	7,000	4,175	825	825	33,850
7360 Amenities	-	-	-	-	-	-	-	-	-	-	-	-	-
7500 Chemical - Pesticides	4,000	6,000	8,000	15,050	12,432	12,432	6,632	12,400	18,900	9,800	6,000	4,000	115,646
7505 Seed & Sod	-	-	5,200	-	-	1,500</							

2025 BUDGET NARRATIVE

SUMMARY

The budget for 2025 assumes that the Resort business will remain under its current management structure. Should the Resort business fall under receivership the revenues laid out for 2025 will be drastically reduced in the following area:

- The projected membership sales in both golf and tennis will be dramatically reduced and possibly nonexistent.
- Monthly dues will be reduced because of lost new sales.
- Uncertainty could lead to current active memberships invoking their one-time opportunity to place a membership on a Leave of Absence (see Rules & Regs) reducing the monthly dues realized for the year.
- Green Fee/Power carts could see a reduction in both the local Islander golf rounds as well as the lucrative destination golf rounds as news of receiver being in place disseminates through the golf community across the country.
- Reduced rounds will also affect ancillary revenues within food and beverage and pro shop sales. Fewer rounds played equate to less spending in these areas.

REVENUE

Golf Dues

Prepaid 2025 Dues are dispersed each month with all other dues captured via auto charge/auto payment on the 7th of each month.

- 2025 Monthly Dues will remain the same as 2024.

GMEA/Reg Individual	\$595
GMEA/Reg Spouse	\$350
Corp 1/2	\$595
Corp 3	\$545
Corp 4	\$525
Corp 5	\$510
Corp 6	\$490
Intermediate A	\$237
Intermediate B	\$330
Intermediate Student	\$150
National	\$225

- Dues Monthly Values
Opening January Monthly Dues: \$136,431
Closing December Monthly Dues: \$154,576

- Member Counts
Starting Member Quantity: 451
Year End Member Quantity: 506

Golf Initiation Fees

- Historical monthly charged initiation fees approx. \$2500/month
- New Member Add/Sales for 2025

Regular Individual	7
Regular Couple (Ind with Spouse)	1
1BGMEA Individual	5
1BGMEA Souse Upgrade	1
Corporate 1-2	1
Corporate 6	1
Intermediate A	11
Intermediate B	11
Intermediate Student	3
GMEA Transfers	7

Note:

Values in budget assume all sales take advantage of the pay in full pricing. All sales to date have done so.

Tennis Dues

Prepaid 2025 Dues are dispersed each month with all other dues captured via auto charge/auto payment on the 7th of each month.

2025 Monthly Dues will remain the same as 2024.

Tennis Individual	\$199
Tennis Couple/Family	\$299
Tennis OOT Individual	\$60
Tennis OOT Couple Primary	\$95
Tennis OOT Family Primary	\$95
Tennis Junior	\$85

- Dues Monthly Values
January Monthly Dues: \$26,416
December Monthly Dues: \$34,973
- Member Counts
Starting Member Quantity: 205
Year End Member Quantity: 250

Tennis Initiation Fees

- New Member Add/Sales for 2025

Tennis Individual	14
Tennis Couple/Family	4
Tennis Junior	23

Note: Only pay in full option is contemplated in the budget

Green Fee/Power Cart (Mountain & Valley)

- Based on the following estimated round counts with a fluctuating per course blended green fee yield depending on the month and course.

		January Budget	February Budget	March Budget	April Budget	May Budget	June Budget	July Budget	August Budget	September Budget	October Budget	November Budget	December Budget	Total Budget
ROUNDS MOUNTAIN	Member	625	525	850	1,018	1,208	1,227	1,316	1,293	1,055	1,117	600	400	11,234
	Paid	225	175	345	824	1,105	1,496	1,421	1,711	1,200	1,030	361	225	10,117
	Tournament	-	-	-	24	56	120	72	36	250	-	-	-	558
VALLEY	Member	80	150	385	739	946	810	915	988	773	436	359	75	6,656
	Paid	100	120	899	1,488	1,449	1,978	1,567	1,853	1,569	721	232	36	12,011
	Tournament	-	-	-	60	56	225	136	325	225	-	-	-	1,027
REVENUE ROUNDS ONLY		1,030	970	2,480	4,153	4,620	5,855	5,428	6,206	5,071	3,303	1,351	736	41,603

- Pro Shop Sales are based on static estimated sales in shoulder season and a per round spend in prime season.
- Club Rentals: Based on a per round spend per course.

Member Internal Events

- This is an estimated value of participation (entry) fees that net out in the expense line for events.

Golf Canada/Hole-In-One

- This is the Golf member dues to be a member of Golf Canada (paid to Golf Canada), and the balance is used for Hole in One fund member celebration drinks.

Food & Beverage

- On Course Outlets (Beverage Carts, Comfort Station) & Range
- Based on a \$/round Spend

COST OF SALES

Pro Shop

- Hard Goods 73%
- Soft Goods 60%
- Accessories 52%
- Embroidery 3.1%
- Freight 1.5%

F&B

- Food 32%
- Beer 35%
- Liquor 23%
- Wine 40%
- Non-Alcohol 40%

LABOUR

Salary

- All current resort salary staff accounted for
- Resort Controller @ \$90k/year.
- Entry Level F&B Manager starting April 1st @ \$55k/year.

Wages

- All minimum wages for F&B have been updated to the current \$17.40/hr.

Burden

- 18% of labour is used to capture EHT, WCC, CPP etc.

EXPENSES

Equipment Lease

- All current leases are in place as well as new Agronomy equipment expected to arrive.

LINE 191

- Anticipated payment schedule for GMEA initiation fees from prior bulk land sale

LINE 192

- Estimated legal fee recovery from arbitration.

LINE 194

- Balance for outstanding AP for Landscapes Unlimited

LINE 195

- Balance for outstanding AP of \$ 217,108

LINE 196

- Repayment schedule for funds released to pay off outstanding AP and complete the transition plan. Values do not include an interest rate.

ADDITIONAL CONSIDERATIONS

- The budget for 2025 does not include any potential final damage award in hotel arbitration.
- GMEA membership sales revenues as shown in the chart below that were received by Developments should be allocated to Resorts given Developments received the proceeds from those sales.

Funds to be allocated to Resort from Developments from GMEA Sales				
Development	2020	2021	GMEA Sales	Note
Pinehurst	11	28	\$2,340,000	Note 1
██████		80	\$3,000,000	Note 2

Note 1: Pinehurst - GMEA golf memberships included in sale proceeds received by Developments - (\$60,000 x 39 memberships) should be allocated to Resorts

Note 2: █████ - 80 GMEA golf memberships included in bulk site proceeds received by Developments - \$60,000 x 80 memberships = \$4,800,000 less potential direct revenue of \$1,800,000 received by Resort from buyers at █████ per the PSA (20 memberships x 0\$, 20 memberships x \$15,000, 20 memberships x \$30,000, 20 memberships x \$45,000)

Appendix H – Capex Plan

Projected Potential Equipment Replacement Plan: 2025-2027

[illegible]

\$1,491,507.00

Priority

- | | |
|---|--|
| <p>1a - Toro 3360 mower
Secondary mower to mow greens.</p> <p>1a - HDX sprayer
Current sprayer is a high hour piece of equipment that requires replacement.</p> <p>2 - 3500 rough mower
Current mower is 10 years old, and over 5,500 hours - requires replacement</p> <p>3 - Green roller
Replacement of high hour 2 headed roller with 3 headed roller to increase green conditioning and efficiency</p> <p>4 - Deep tine Fwy aerator
we currently have 1 preowned fwy aerator (high hour). A new aerator is needed to effectively punch 36 holes of fairways</p> <p>5 - Drainage trencher (ventrac)
Fairway drainage (light footprint)</p> <p>6- Equipment Storage
Asset equipment protection from outdoor elements</p> | <p>Ordered and Le
Company in pla</p> |
|---|--|

Ordered and Lease
Company in place

2026				
Capital				
		Qty	Cost	Total
Chip seal pavement (1 lane to shop, around yard, to 3&18Valley	Estimated	1	\$ 25,000	\$ 25,000
Toro 3555 fairway mower (11 blade)	Estimated	2	\$ 105,204	\$ 210,408
Toro 4300 rough mower	Estimated	1	\$ 105,204	\$ 105,204
3150 Triplex reel barrels	Estimated	6	\$ 1,000	\$ 6,000
Toro 3150 Triplex mower (14 blade)	Estimated	1	\$ 62,000	\$ 62,000
Agro work truck ext cab, 4x4, 10,000lbs tow cap.	Estimated	1	\$ 80,000	\$ 80,000
Flymowers	Estimated	3	\$ 1,200	\$ 3,600
				\$ 492,212
Trade ins			Trade in value	
Toro 3555 fairway mower (11 blade)		1	\$ 25,000.00	\$ 25,000.00
Toro 4300 rough mower		1	\$ 20,000.00	\$ 20,000.00
Toro 3150 Triplex mower (14 blade)		1	\$ 2,500.00	\$ 2,500.00
2011 GMC sierra		1	\$ 10,000.00	\$ 10,000.00
Total				\$57,500.00
Total				\$492,212.00
Cost Less Trade In				\$434,712.00

Priority

- 1 - Chip seal pavement**
Maintenance yard paving. Create laneways to get mowers/equipment to golf courses
- 2 - 3555 Fairway units**
Replacement of 8 year old units, high hour equipment
- 3 - 4300 D rough unit**
Replacement of 8 year old units, 5,500 hour equipment. Mows 25ha of area
- 4 - 3150 cutting barrels**
Replacement of cutting heads of two 3150 mowers
- 5 - 3150 Tee mower**
Replacement of 15 year old unit, 6,500 hour equipment.
- 6 - Agronomy work vehicle**
For towing purposes, shuttling staff. Current truck 250,000K
- 7 - Flymowers**
Replace 3 of 5 flymowers for mowing bunker faces & surrounds

[illegible]

Priority

- 1 - Tank Station**
Annual Fuel test reports show a deteriorating split tank holding diesel and gasoline
- 2 - HDX sprayer**
Replacement of 2nd sprayer based on projected hours
- 3 - Chemical Storage**
Replacement of deteriorating chemical storage
- 4 - 3360 cutting heads**
Replacement of cutting heads, repurposing for rock reels
- 5 - Turbine blower**
Replacement of high hour debris blower
- 6 - Greens aerator (tractor mounted)**
Replacement of preowned greens aerator (spring)

Appendix I – Transition Plan

Transition Plan Budget-Phase 2

Phase 1

Relocate operations to new spaces

Completed-move out of hotel, amenities operational in new spaces by July 1, 2024

Phase 2 Outdoors

District of Highlands Permits

Permitting Process

Costs

Notes

\$ 5,000
\$ 5,000

Consultants required to stamp plans for sea-can permit applications

Cart Yard

2 Custom Sea-Cans - Club Storage

\$ 34,000

7-10 week order time; 50% deposit required-heated secure space club storage and staff space at cart yard

Club Storage Relocation Track

\$ 15,000

4 weeks for delivery 50% deposit required

Electrician

\$ 10,000

Estimate-to complete needs at cart yard with additional sea-cans

RAP-Cart Yard

\$ 27,000

Estimate-cart yard surface

Fence-Cart Yard

\$ 20,000

50% Deposit-remove 30 posts from quote in place

Recycling Centre and Cart Wash Screening

\$ 5,000

Estimate to keep area exposed to guests clean and organized

WIFI-Cart Yard to G&T

\$ 8,000

4 weeks install and configure network equipment at OSS, TOW & Tennis (saving of \$20,000+ getting tennis wifi in this process)

\$ 119,000

Outside Services and Takeout Window

1 Custom Sea-Can OSS & TOW

\$ 30,800

7-10 weeks order time-50% Deposit-quote in place

Electrical Internet-OSS & TOW

\$ 12,500

Estimate to OSS/TOW hardwired incl electrical, trenching and pipe

Grading, prep & surface coat-cart staging

\$ 38,000

Estimate extracted from Scansa quote

Landscaping OSS & TOW

\$ 10,000

Estimate in-house horticulture

\$ 91,300

HUB F&B

1 Custom Sea-Can - HUB F&B incl grading

\$ 20,000

7-10 weeks order time-50% Deposit for sea-cans (\$6,500) - have quote for sea-can, grading estimated

Electrical at HUB Sea can

\$ 3,500

\$ 23,500

Phase 2-Indoors

Pro Shop TI

Flooring

\$ 15,000

3-4 weeks 50% Deposit

Electrical/CAT5

\$ 10,000

3 days to complete-estimate for electrical per ID plans

Drywall

\$ 14,000

3 weeks to complete-quote in place

Paint

\$ 6,000

50% deposit-quote in place

Trim/Finishing

\$ 5,000

Estimate

Lighting

\$ 3,000

Estimate

\$ 53,000

Pro Shop Custom Finish

Pro Shop Signage

\$ 5,000

3-4 weeks 50% Deposit

Millwork

\$ 60,000

6-8 weeks to complete, \$50% deposit

Offices

\$ 10,000

3-4 weeks

\$ 75,000

Total

\$ 366,800