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

SUPPLEMENT TO THE FOURTH REPORT OF THE RECEIVER

ALVAREZ & MARSAL CANADA INC.

June 5, 2025

A&M
ALVAREZ & MARSAL

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Appendices

1.0 PURPOSE OF THE SUPPLEMENTAL FOURTH REPORT

1.1 This supplement to the Fourth Report (the "**Supplemental Fourth Report**") has been prepared by the Receiver to provide an update on the Resorts Response based on additional information provided by Resorts by way of the May 2025 Progress Report (as subsequently defined).

1.2 The Supplemental Fourth Report should be read in conjunction with the fourth report of the Receiver dated April 14, 2025 (the "**Fourth Report**"). Background information, including capitalized terms not defined herein, is contained in the Fourth Report and other prior reports of the Receiver.

1.3 All monetary amounts contained in this Supplemental Fourth Report are expressed in Canadian dollars unless otherwise noted.

2.0 UPDATE ON THE RESORTS RESPONSE

2.1 In response to the Fourth Report of the Receiver delivered to the shareholders on April 15, 2025, Resorts Management delivered a progress update report on May 22, 2025 (the "**May 2025 Progress Report**") to address certain of the Receiver's Recommendations that remain outstanding and other comments presented in the Fourth Report. The May 2025 Progress Report is attached herewith as **Appendix "A"**.

2.2 The Receiver's observations with respect to the May 2025 Progress Report include the following:

Operational

a) actions taken to address outstanding operational matters since the Fourth Report included proposing a BMAC lease arrangement for $3,500 per month to be paid by Resorts and providing an update on the F&B manager position;
b) the controller position became vacant on April 28, 2025, and the external accounting firm, DMCL, is anticipated to provide accounting and financing services in the interim period until a new controller is hired;

Financial

c) financial information delivered to the Receiver as part of the May 2025 Progress Report includes an integrated financial forecast (income statement, balance sheet and cash flow statement) for fiscal year 2025 (the "**FY25 Financial Forecast**"). The FY25 Financial Forecast is attached as an appendix to the May 2025 Progress Report; and
d) financial-related information that remains outstanding includes the following:
    i. the finalized financial statements for 2020, 2021, 2022, 2023 and 2024;

ii. an implementation schedule for the Transition Plan. While costs to advance a Transition Plan have been included in the FY25 Financial Forecast, an implementation schedule has not been provided; and

iii. the integrated FY26 Financial Forecast.

FY25 Financial Forecast

2.3 The Receiver's comments with respect to the FY25 Financial Forecast include the following:

a) a Receiver Advance (e.g. a loan from the Receiver to Resorts) of $1.35 million is forecast to be received by Resorts in May 2025;

b) [redacted]

c) forecasted initiation fees have been reduced from $2.1 million in earlier Resorts forecasts to $500,000, which is higher than FY23 and FY24 levels but generally in line with current expectations for new member revenues;

d) while the Arbitration Award was rendered on April 15, 2025, the Receiver understands the process to recover legal costs is ongoing. [redacted]

e) [redacted]

2.4 Absent receipt of the Receiver Advance and collection of the Arbitration Award it appears Resorts will experience ongoing liquidity challenges.

Receiver's Comments

2.5 The Receiver's comments with respect to the May 2025 Progress Report include the following:

a) the FY25 Financial Forecast contemplates a Receiver Advance of $1.35 million to fund certain statutory and unsecured creditors, without complete specificity as to which accounts should be paid, and to generally support working capital [redacted]

[redacted]

b) the Receiver understands that on April 15, 2025, an Arbitration Award of [redacted] was rendered in the Hotel Arbitration and Resorts and the Hotel each have until the end of May 2025 and July 2025, respectively, to make submissions with respect to the payment of costs. The Receiver understands that the Hotel has not yet paid the Arbitration Award which was due on April 29, 2025, and has sought leave to appeal the Arbitration Award. The Receiver understands that the leave application was dismissed on June 4, 2025. It is unclear what steps may be required to collect the Arbitration Award or how long that process may take. However, Resorts has confirmed it will be taking active steps in that regard. Further appeal proceedings, if any, will increase legal costs and are expected to delay collection of the Arbitration Award and any costs award; and

c) certain financial information has not been provided including an integrated FY26 Financial Forecast and implementation schedule of a Transition Plan. Although the FY25 Financial Forecast contemplates two tranches of transition costs to be paid in August and December 2025, no related planning schedules have been provided.

3.0 INTERIM FINANCING

3.1 In May 2025, Mr. Matthews/599 obtained draft financing terms from an alternative lender, [redacted] [redacted] expressed interest in acting as interim lender in the Receivership Proceedings while potentially taking out the existing Interim Lender's (Sanovest) position.

3.2 The Receiver held a meeting with [redacted] to discuss the terms of the interim financing arrangement and notes that the terms include, among other things, the requirement for an interest reserve and higher overall costs than the current Interim Lender's facility due to required appraisal costs, and up-front loan fees.

3.3 The Receiver presented a summary of the key terms of the interim financing alternative to the Interim Lender who confirmed its preference and willingness to continue funding Receiver Borrowings.

3.4 The Receiver is of the view that maintaining the existing Interim Financing with Sanovest is in the best interests of stakeholders due to the more favorable and flexible financing terms.

4.0 RECEIVER'S CONCLUSIONS AND RECOMMENDATIONS

4.1 The May 2025 Progress Report continues to highlight the liquidity challenges facing the Resorts Business which are proposed to be rectified through a Receiver Advance ($1.35 million) and subsequent repayment to the Receiver (and paydowns to other unsecured creditors) [redacted] The deadline for the Hotel to pay the Arbitration Award has lapsed. [redacted]

4.2 While the Receiver appreciates the additional information provided by Resorts Managements in the May 2025 Progress Report it remains the Receiver's view that now would be the appropriate time to transition the Resorts Business to the Receivership Proceedings to provide the necessary stability to the Resorts Business in parallel to the Receiver advancing a sales and marketing process for Bear Mountain. The Receiver anticipates making an application to Court in the near term to obtain approval for a sale process for Bear Mountain.

*****

Dated this 5th day of June 2025

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

Per: Anthony Tillman
Senior Vice President

Appendix A

May 2025 Progress Report

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ECOASIS RESORT PROGRESS UPDATE

Resort is providing an update to address certain concerns and items noted as outstanding in the 4th Report of the Receiver dated April 14, 2025 ("**4th Report**"). This update also identifies certain changes in circumstances and solutions, which we ask the Receiver to take into account in reconsidering its recommendation that the Receivership be expanded to include the Resort business at this stage.

1. *Resort FY 25 financial forecast, transition plan funding and lease of office and BMAC*

a) FY 2025 Integrated Financial Forecast
Resort management in conjunction with its external accountant (DMCL) has completed the FY25 integrated financial forecast ("**Resort Forecast**") as requested by the Receiver. Resort Forecast is attached as Appendix A.

b) Transition Plan
Resort has included funding for the Transition Plan in the Resort Forecast to be advanced in accordance with the request by the Receiver.

c) Bear Mountain Activity Centre ("**BMAC**") Lease
Resort five-year lease of Hotel premises at approximate cost of $350,000 per year ended on June 30, 2024.

Resort transitioned leased areas of proshop, bag storage, bag drop, office space, and member shower/washroom access from Hotel to BMAC on July 1, 2024. All food storage and preparation for Resort business had been operated from the BMAC facility since its opening in June 2022.

Resort proposes $3,500 per month for BMAC rent in a short form gross lease, which saves Resort over $300,000 in rent per year. Monthly BMAC lease payment has been included in the Resort Forecast.

d) Office Lease
Receiver has requested lease arrangements for Resort staff working out of Developments corporate office. At request of Receiver a proportionate amount of building utilities have been paid by Resort to Developments since September 2024.

Receiver to advise appropriate lease amount and form of lease for Resort rent. As shown in the Resort Forecast balance sheet there is currently an intercompany loan amount owed from Developments to Resort in the amount of $6,099,874. It is suggested that the monthly lease amount payable by Resort is deducted from the intercompany loan.

2. ***Resorts 17-Week forecast illustrates liquidity challenges absent a capital injection.***

Resort requested from the Receiver a Resort Advance of $1.34M in its update of February 2025 to address liquidity challenges and suggested the following options to repay a Resort Advance.

a) Repayment of intercompany loan owed by Developments of $6.09 million to Resort (as reflected in Resort Forecast)
b) Repayment of intercompany loan owed by Bear Mountain Legacy Homes LLP ("BMLH") to Resort of $1.34 million through the sale of Cypress Gates lands as proposed by Receiver in their 2nd Report dated December 2, 2024.
c) Repayment from Hotel Arbitration award

Receiver noted in the 4th report that there was no certainty of the quantum of damages that may be received by Resort in the Hotel Arbitration. Since the issuance of the 4th Report, Resort has been awarded a damage award in the Hotel Arbitration with a payment due date from the Hotel of April 29, 2025 which funds could be used to fully pay back the Resort Advance. The Resort Advance and proposed repayment schedule are included in the Resort Forecast.

3. ***Resorts FY25 Forecast projects higher revenues and profits than prior years based on higher initiation fees (approximately $1.8 million more than FY24).***

The FY25 budget prepared in 2024 was based on a land sales process occurring in 2025 generating GMEA membership sales (and associated initiation fees) from those land sales, in line with historical sales activity. For example, the Pinehurst development generated 39 lot sales x $60,000 (per GMEA membership) which created revenue for Resort of $2,340,000 in GMEA initiation fees.

Initiation fees have now been adjusted in the Resort Forecast to take into account the delayed sales process and continued negative impact to membership sales stemming from the uncertainty and confusion in the marketplace generated by the existing Receivership.

4. ***Resorts FY24 does not appear to budget for advancement of the Transition Plan***

Transition plan is fully budgeted in the Resort Forecast.

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5. ***Aged accounts payables are approximately $2.7 million inclusive of statutory payables ($373,663), which were to be brought current as part of the Receiver's Recommendations,*** [redacted]

As noted in the previous update from Resort, the $2.7 million in liabilities was comprised of the amounts in the chart below. Resort requested a funding request to fund certain payables, which has not yet been funded.

Type	Note	Amount Owing	Funding Request
Unreleased Cheques	1	$ 471,016	$ 270,000
Operating Payables	2	$ 246,101	$ 86,337
Non-Recurring Payables	3	$ 1,195,520	$ 390,500
Statutory Payables	4	$ 407,863	$ 373,663
	5		$ 229,500
Total		**$ 2,320,500**	**$ 1,350,000**

Note
1 Vendor/supplier payables - payment plans have been initiated with certain vendors
2 Miscellaneous payables - payment plans have been initiated with certain vendors
[redacted]
4 GST/PST/EHT/Worksafe
5 Operating cashflow requested for slower winter months

Type	Note	Amount Owing
Property Taxes	1	$ 185,563
Lightspeed Advance	2	$ 184,956
Total		**$ 370,519**

Note
1 Accounted for in 2025 cashflow
2 Current balance is approximately $120,000 with balance paid from sales by August 2025

Since the last update, the Hotel arbitration award has been issued [redacted] The lightspeed amount of $184,956 is now at approximately $120,000 and will be fully repaid through normal course operations by August 2025. The remaining non-recurring expenses of $195,520 and property taxes of $185,563 are accounted for in the Resort Forecast and can be paid after recovery of the Hotel Arbitration or a successful sales process.

As discussed at the meeting with the Receiver on May 9, 2025, the Resort would like to work with the Receiver to determine the appropriate amount of a Resort Advance to pay the outstanding statutory payables and prioritize payment of the vendor/supplier payables that the Receiver agrees are material and important to the long-term benefit of the Resort Business.

6. ***There appears to be financial and operational instability (liquidity concerns and recent leadership resignations, among other things) that may impact the impending sales process that the Receiver anticipates commencing in the near-term.***

The uncertainty generated by the existing Receivership has caused staff unease given the history of the HSBC receivership that occurred prior to Ecoasis' ownership. However, in respect of the employee changes that were referenced in the 4th Report, the positions have been filled with skilled and competent staff.

a) Golf

Golf Superintendent – The Golf Superintendent position has been filled internally through the promotion of the Assistant Superintendent. The new Superintendent has

extensive knowledge of Bear Mountain, prior experience in a Superintendent role and has 25 years experience in the greens maintenance industry.

Assistant Superintendent – The Assistant Superintendent role has been filled by a prior employee that worked at Bear Mountain from 2006-2021. He has held escalating roles of responsibility and brings over 24 years experience in the greens maintenance industry.

Head Pro – The Head Pro role has been filled internally by a qualified PGA professional with previous GM experience and Director of Golf experience and over 20 years experience in the golf industry.

Agronomy staff – Staffing needs have been increased to meet standard seasonal demand.

b) Food and Beverage

F&B Manager - Due to poor weather causing extended course closures Resort was able to deploy internal resources to carry out the extensive pre-season work of establishing and conducting F&B hiring, onboarding, training, safety policies and procedures rather than adding new staff costs during this time. All on course hiring has been completed for the busy season. F&B manager position has now been posted and candidates are being interviewed.

c) Accounting

Controller – Controller position was filled on February 3, 2025 with permanent employment conditional on the candidate successfully completing the three month probationary period with focus on demonstrated abilities to carry out duties of the role and personal suitability in the position. Candidate did not meet expectations during the probationary period and employment with Ecoasis ended on April 28, 2025. Role will be reposted. In the interim, the external accountant (DMCL) will continue in coordination with Ecoasis accounting staff and Resort management to complete all necessary accounting tasks, including keeping statutory filings current.

7. ***One of the key issues for the Resorts Business is a lack of funding with operating debts built up and an inability to fund ongoing costly litigation. The Receiver's goal would be to maintain stable operations where all expenses would be planned to be funded in a timely manner. Additional costs would be incurred due to Receiver professional fees, particularly at the outset, when the Receiver needs to further understand the operations and establish control and reporting structures to stabilize and oversee the operations.***

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After initial efforts to stabilize operations are completed Receiver fees would be expected to decline to maintain a supervisory role over operations.

a) Funding
At the request of the Receiver, Dan Matthews has secured third party financing of $2.5M or additional if required to support a Resort Advance and any additional funding that the Receiver may require under the Receivership Order. Term sheet sent under separate cover.

b) [redacted]

c) Reporting and Control Procedures
Stringent reporting and control procedures are already in place for Resort. All banking, cheque payments, automatic withdrawals, wire transfers, Mastercard payments are authorized by both directors of Resort, Mr. Matthews and Mr. Tian Kusumoto with detailed backup provided by Resort to Mr. Kusumoto on all payments.

d) Receiver Cost to Manage Resort
The Developments business has only three employees and was not carrying on any active development business or land sales at the time the Receiver was put in place. The professional and legal counsel fees of the Receiver as reported in Appendix A of the 4th Report to manage the Developments business from September 18, 2024 to June 27, 2025 is estimated by the Receiver to be approximately $964,000.

The Resort operations is a complex and time intensive business as it involves the oversight and management of agronomy/horticulture, golf operations, tennis operations, golf and tennis membership, GMEA membership, destination event/stay and play business, resort marketing and membership sales, and F&B business. The Resort operations has approximately 130 employees with many seasonal hires requiring significant oversight as we head into the busy season.

The Resort operations have been managed since 2013 by Mr. Matthews who has extensive knowledge and contacts in the golf industry serving on the Board of Golf Canada Foundation since 2015. Mr. Matthews has been unpaid for this role since

January 2023. As well, as noted by the Receiver, Michele Stannard, has been actively involved full time in support of management of the Resorts Business and operations for many years and has not received salary or wages for her services.

The Receiver has not provided an estimate of the costs to manage the Resort Business. However, given there is no defined timeline of how long Resort would be in Receivership, and the time it would take for the Receiver to understand the operations, and establish control and reporting structures as noted above, the cost to Ecoasis would be significant. This cost would be further increased given the engagement with community, current golf and tennis membership, and vendors/suppliers that would be required upon a receivership of the Resort golf and tennis business. Resorts does not consider that incurring these costs, particularly over an undefined timeline, is in the best interests of the Resorts or its stakeholders at this stage, given the business' ongoing operations and the availability of third-party financing for a Resort Advance.

8. ***Creditor claims would be stayed if Resorts were added to the Receivership Proceedings and generally, such costs would not be funded in a receivership. The Receiver acknowledges that such claims may ultimately be paid from the sale of Developments and Resorts (depending on total realizations and transaction structure).***

While the Receiver notes that claims would be stayed during Receivership, we understand the statutory payables will eventually be paid through the sale process as they rank in priority to the secured lender. Also, as noted by the Receiver, the unsecured creditor claims may ultimately be paid from the sale of Developments and Resort. Given the imminent sales process, it would seem premature to stay creditor accounts and disrupt the ongoing operations when the creditor claims may ultimately be paid through the sale process.

Many vendor/suppliers have in good faith and based on an established trusted relationship developed over the last 12 years with Resort staff and management, created payment plans on outstanding accounts and agreed to hold off on payment until resolution of the sales process which should alleviate the collection concerns by the Receiver. As it relates to statutory payables and critical vendor/supplier payables that the Receiver agrees will provide material and long-term benefit to Resort business, Resort has requested a Resort Advance and provided a 3rd party option to fund.

Resort believes that staying hundreds of vendor/supplier accounts would be extremely damaging to Resort reputation, credibility and future relationship with these companies, especially if one of the current shareholders becomes the eventual owner of the Resort business. As well, a stay of creditor claims would create a time lag in delivery of critical supplies for the Resort operations as accounts are suspended and must be reactivated which would be detrimental to the business at this time of year.

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Conclusion

Resort requests that Receiver reconsider a Resort receivership in light of the anticipated disruption to Resort Business, cost and impairment to overall value to the shareholders. The Resort business is going into the busy season (May-September) which generates over 75% of green fee/power cart/ sales revenue for the year which is critical to continued sustainability of the Resort business. Destination/stay and play tour business which accounts for $450,000 in revenue in the coming months could be disrupted by Receivership and bookings (which occur now for the 2026 season), could also be derailed or impaired because of uncertainty of the Receivership process.

Resort has received a Hotel Arbitration award which could be used to pay back the Resort Advance and fund the outstanding A/P. [redacted]

Finally, it is expected that a Receivership of Resort would garner significant negative media attention given its past history and the impact to so many stakeholders. Given the acknowledgement by Placemark and the Receiver of the importance of the Resort business to the overall value of the Bear Mountain project, it would seem contrary to the objective of receiving the best value for the shareholders to embark on this significant disruption to the Resort business at the same time the sales process is undertaken.

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APPENDIX A

FY25 INTEGRATED FINANCIAL FORECAST

[redacted]

[redacted]

[redacted]