

Vancouver

29-Jul-20

REGISTRY

FORM 17 (RULES 4-6(1), 5-1(4), 5-2(4), 5-4(1), 8-1(21.1) and (22), 9-4(1), 12-2(6), 13-3(25), 16-1(16.1) and (17), 20-5(3), 21-5(4), 23-1(9), 23-3(10) and 23-5(5) )

No. S1913345  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

VANCOUVER CITY SAVINGS CREDIT UNION

Petitioner

AND:

356746 HOLDINGS INC. doing business as  
THE GEORGE DAWSON INN  
507016 B.C. LTD.  
LUXOR HOLDINGS INC.  
UMEDALLI THOBANI also known as  
UMED THOBANI and TONY THOBANI  
THE ESTATE OF AMINA THOBANI  
MANOHAR ALEXANDER SAVUNDRANAYAGAM  
BLUESHORE LEASING LTD.  
ROYNAT INC.  
1156600 B.C. LTD.  
GROUPEX SYSTEMS CANADA INC.

Respondents

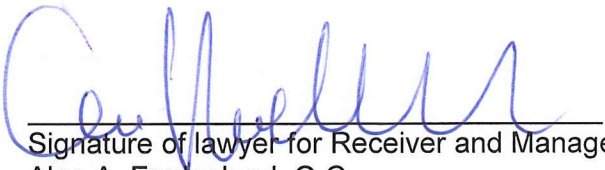
**REQUISITION - GENERAL**

Filed by: Owen Bird Law Corporation on behalf of the Receiver and Manager.

Required:

Please file the attached First Report of the Court-Appointed Receiver and Manager, D. Manning & Associates Inc., dated July 16, 2020.

Date: July 29, 2020

  
Signature of lawyer for Receiver and Manager,  
Alan A. Frydenlund, Q.C.

Name and address of Solicitor for the Petitioner:

ALAN A. FRYDENLUND, OWEN BIRD LAW CORPORATION, P.O. Box 49130, 2900 – 595  
Burrard Street, Vancouver, BC V7X 1J5 Tel.: (604) 688-0401

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Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF**

**356746 HOLDINGS INC. dba GEORGE DAWSON INN**

**FIRST REPORT OF THE COURT-APPOINTED  
RECEIVER AND MANAGER,  
D. MANNING & ASSOCIATES INC.**

JULY 16, 2020

D. MANNING & ASSOCIATES INC.  
COURT-APPOINTED RECEIVER AND MANAGER OF THE  
ASSETS, UNDERTAKINGS AND PROPERTY OF  
356746 HOLDINGS INC. dba GEORGE DAWSON INN  
Suite 520 – 625 Howe Street  
Vancouver, B.C. V6C 2T6  
(604) 683-8030, Fax (604) 683-8327  
[www.manning-trustee.com](http://www.manning-trustee.com)

## 1) INTRODUCTION

This is the First Report of D. Manning & Associates Inc. as Receiver and Manager (the “**Receiver**”) of the Assets, Undertakings and Property of 356746 Holdings Inc. dba George Dawson Inn (“**GDI**” or the “**Company**”).

GDI is the owner and operator of an 80 room Hotel located at 11705 – 8<sup>th</sup> Street, Dawson Creek, British Columbia V1G 4N9 (the “**Hotel**”). It was also previously the owner and operator of Quality Hotel and Conference Centre, located at 3863 - 2 Ave West, Prince Albert, Saskatchewan S6W 1A1 (the “**Prince Albert Hotel**”), over which D. Manning & Associates Inc. has not been appointed Receiver. It is our understanding that the City of Prince Albert seized the Prince Albert Hotel in or about August 2019 for non-payment of property taxes, and that no proceeds were received by the Company.

## 2) INITIAL APPOINTMENT

D. Manning & Associates Inc. was initially contractually appointed as Monitor of the Hotel by Vancouver City Savings Credit Union (“**Vancity**”) effective December 22, 2019.

Vancity made an application to the Supreme Court of British Columbia (the “**Court**”) for the appointment of a Receiver. The application was heard on an urgent basis on April 20, 2020 before the Honourable Madam Justice Fitzpatrick under Action No. S1913345. The application was uncontested, and a Receivership Order was made effective that day. A copy of the Receivership Order is attached as **Schedule “A”**.

## 3) CONSERVATORY AND PROTECTIVE MEASURES

Upon our appointment as Receiver on April 20, 2020, we took the following conservatory and protective measures:

- 1) Advising the principal of the Company, Mr. Umedalli Thobani, and his representative and son, Mr. Shahbir (Shah) Thobani, of our appointment;
- 2) Advising the General Manager of the Hotel, Ms. Tracey Winland, of our appointment;
- 3) Preparing statutory notices including the Form 7 and Notice and Statement of Receiver and Manager;
- 4) Publishing the statutory notice in the *Vancouver Province* on April 23, 2020;
- 5) Informing all utilities of the appointment of the Receiver and setting up new accounts in the name of the Receiver for B.C. Hydro, Pacific Natural Gas, Telus, Bell ExpressVu, WM Waste Management, Oscar’s Disposal, and Shaw Cable;
- 6) Advising the City of Dawson Creek of the appointment of the Receiver and requesting statements of property taxes and municipal water/sewer charges owing;
- 7) Contacting May-McConville-Omni Insurance Brokers Ltd. and advising them of the appointment of the Receiver and arranging for payment of insurance arrears and adding the Receiver as a named insured;
- 8) Contacting Royal Bank of Canada and Bank of Montreal to freeze all accounts of the Company and not allow withdrawals without the Receiver’s consent;
- 9) Setting up a WorkSafeBC account in the name of the Receiver;
- 10) Attending the Hotel on April 21, 2020 and meeting with Ms. Tracey Winland and performing an inventory of the assets;
- 11) Informing all employees of the appointment of the Receiver and informing them of their rights under the *Wage Earner Protection Plan* (WEPP);
- 12) Informing WEPP of the appointment of the Receiver and setting up an account with them;

- 13) Renewing the Hotel's liquor licenses including the Food Primary License, and transferring them into the name of the Receiver.

#### 4) STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

The Receiver's Interim Statement of Cash Receipts and Disbursements for the period April 20, 2020 to May 31, 2020 is attached as **Schedule "B"**, showing an Adjusted Working Capital Balance of \$93,603.49.

#### 5) CASH FLOW PROJECTION AND OPERATING BUDGET

The Receiver has prepared a Monthly Cash Flow Projection for the period June 1, 2020 to December 31, 2020 (**Schedule "C"**), showing a projected ending cash balance as of December 31, 2020 of \$41,912. The Receiver's borrowings to date are \$714,440, and the Receiver will borrow a further \$80,000 in order to cover operating costs and further funds (amounts to be determined) to cover Receiver's fees and Receiver's legal fees. Our borrowing limit under the April 20, 2020 Court Order is \$1,000,000, which should be sufficient to pay for the operating expenses, Receiver's fees and Receiver's legal fees to December 31, 2020.

The Receiver has prepared a Monthly Operating Budget (**Schedule "D"**) for the period June 1, 2020 to December 31, 2020 projecting an Operational Profit for the seven months ending December 31, 2020 of \$112,559, before interest.

#### 6) ACCOUNTS RECEIVABLE

As of May 31, 2020, accounts receivable were estimated at \$119,199.41, of which the vast majority (\$89,855.43) were over 90 days old and relate to pre-Receivership accounts.

#### 7) CANADA LIFE INSURANCE POLICY

The Company holds a Canada Life life insurance policy #13606157 on the life of Mr. Umedalli Thobani. Upon our appointment, we contacted the insurance broker, Mr. Shiraz Kassam, and determined that the policy had no cash surrender value, and that the premiums were in arrears. Mr. Kassam informed the Receiver that he had been negotiating with an investor, Baring Finance Ltd. ("**Baring**"), who wished to take over paying premiums (including arrears) on the policy in order to keep it in force, and would charge interest on such premiums paid by them. Mr. Shah Thobani and Vancity have both consented to this arrangement.

The Receiver negotiated with Mr. Kassam and, through him, with Baring, and ultimately the Receiver's counsel reached an Assignment of Life Insurance Policy Agreement (the "**Assignment Agreement**"), with Baring on the following terms:

- 1) Baring will pay all Canada Life premiums (currently \$4,690.47/month) going forward (as well as four months of arrears, as premiums have not been paid since March 2020);
- 2) Baring will charge 15%/year interest to be paid upon payout;
- 3) The minimum amount of interest charged will be \$50,000;
- 4) A loan fee of \$50,000 will be paid to Baring upon payout;

- 5) A \$25,000 broker's fee for Shiraz Kassam will be added to the first year's premiums but not payable until payout;
- 6) A further broker's fee of 20% of the payout will be paid to Shiraz Kassam and Hafeez Pirbhai (10% to each of them);
- 7) By these calculations, there will be no payout to the Receiver if Umedalli Thobani (who is 80 years old) lives more than seven years;
- 8) In the event that Baring allows the policy to lapse while there is still a financial benefit to the Company on the Policy, Baring shall be liable to the Company for the loss.

The Assignment Agreement has now been filed with Canada Life which has yet to confirm registration, and our counsel is making arrangements with Baring's counsel to have the arrears and ongoing premiums paid.

## 8) APPRAISAL

The Receiver engaged CBRE Limited ("CBRE") to appraise the Hotel. Their appraisal is as of May 1, 2020, and estimates the market value of the Hotel to be \$ [REDACTED]; based on an exposure time of 9 to 12 months.

## 9) LISTING PROPOSALS

The Receiver solicited Listing Proposals from the following commercial realtors:

- 1) JLL Hotels & Hospitality Group ("JLL")
- 2) Chase Realty Corporation
- 3) CBRE Limited
- 4) Doucette Realty Prince George
- 5) Centre Group Realty (Colliers)
- 6) Colliers International ("Colliers")
- 7) NAI Commercial Group ("NAI")

The following is a summary of Listing Proposals received:

- 1) CBRE Limited
  - List price: \$4 million (\$50,000/room)
  - Est. selling price: \$3.4 to 3.8 million (\$43-48,000/room)
  - Commission: 3.5% (including services of Re/Max Dawson Creek)
  - Outside commission: 4.5% total (60% CBRE, 40% outside)
  - If redeemed: \$40,000 plus GST
  - Marketing costs: \$6,000-7,000 paid by Receiver, reimbursed by CBRE upon completion
  - Contacts: Greg Kwong, Bill Stone
  - Duration: Sale in 2020
- 2) JLL Hotels & Hospitality Group
  - List price: \$3.25 million (\$41,000/room)
  - Est. selling price: \$2.5-2.7 million (\$31-34,000/room)
  - Commission: 4.5%, minimum \$100,000
  - Outside commission: 4.5% total (75% JLL, 25% outside)
  - If redeemed: \$50,000 plus \$7,500 marketing fee

Marketing costs:	\$7,500 paid by Receiver
Contacts:	Mark Sparrow, Luke Scheer
Duration:	11 weeks
3) Colliers International	
List price:	\$4.9-5.7 million
Est. selling price:	\$4.9-5.1 million
Commission:	3.5%
Outside commission:	2.0% Colliers, 1.5% outside
If redeemed:	0.5% of list price (\$25,000 plus GST if sold at \$5 million)
Marketing costs:	Paid by Colliers
Contacts:	Jeff Brown, Tyler Dolan
Duration:	1 year, renewable in 6 month increments
4) NAI Commercial	
List price:	\$5,750,000
Est. selling price:	"mid \$4m to low \$5m"
Commission:	4%
Outside commission:	2.5% NAI, 1.5% outside
If redeemed:	1% of listing price within 1 month, 1.5% within 2 months, 2% after 2 months
Marketing costs:	At least \$10,000, paid by NAI
Contacts:	J-D Murray, Gary Haukeland, Steven Chen, Ruby Wang
Duration:	3-12 months

The Receiver intends to engage CBRE as the listing agent, with a listing price of \$4,000,000. CBRE is an experienced commercial realtor and has the marketing ability to sell the Property. In addition, CBRE has advised that it will engage the local Re/Max realtor in Dawson Creek, in order to look for local buyers. CBRE's commission rate of 3.5% is competitive and they will engage with cooperating realtors with the commission moving to 4.5% (60% to CBRE, 40% to outside realtor) and their proposed list price is realistic and within the anticipated selling range.

Mr. Shah Thobani has advised that he supports listing the Hotel for sale, and that CBRE is acceptable to him as a listing agent.

As a sale of the Hotel (and commissions) would be subject to Court approval, the Receiver recommends that prior to entering into a Marketing and Listing Agreement with CBRE, the Receiver obtain Court approval of the terms of the CBRE Listing Proposal, in particular its real estate commission structure and the fees payable in the event of a redemption or cancellation of the Marketing and Listing Agreement, as the realtors will be investing considerable time and expense in the marketing of the Hotel.

## 10) EXPRESSIONS OF INTEREST

A Letter of Intent from 0715980 B.C. Ltd. ("**0715980**") was received on June 26, 2020, with the following terms:

Principal:	Sukhy Bains
Price:	\$2.5 million
Conditions:	None
Deposit:	\$125,000

Closing date: July 27, 2020  
 Commission: 4% to NAI Commercial (Steven Chen)  
 Acceptance: 5 PM on July 3, 2020

Note that the 0715980 Letter of Intent, which is using NAI as their agent, is significantly lower than NAI's estimated list price or selling range. The Receiver allowed this Offer to lapse as the price was too low.

0715980 submitted a revised Letter of Intent on July 16, 2020, with the following terms:

Price: \$2.9 million  
 Conditions: None  
 Deposit: \$150,000  
 Closing date: August 27, 2020  
 Commission: 4% to NAI Commercial (Steven Chen)  
 Acceptance: July 23, 2020

This price is still well below the \$4,000,000 list price suggested by CBRE Limited, and the Letter of Intent will not be considered at this time.

Two other parties, both introduced by Mr. Shah Thobani, looked at the purchase opportunity, with one party visiting the Hotel. However, neither party has provided an Offer or Letter of Intent to the Receiver, and we have no indication that any is forthcoming.

## 11) SECURED CREDITORS

The Receiver has been able to identify the following secured or priority creditors:

Vancity Credit Union	1,372,232.16	1 <sup>st</sup> mortgage, plus accrued interest and costs
Vancity Credit Union	714,439.49	Receiver's borrowings, plus accrued interest
M. Alexander Savundranayagam	173,655.74	2 <sup>nd</sup> and 3 <sup>rd</sup> mortgages, plus accrued interest and costs
Blue Shore Leasing	118,516.02	Equipment leases as at July 14, 2020
CWB National Leasing	42,460.23	Hotel room locks lease as at April 20, 2020
Minister of Finance	7,658.51	Employer Health Tax
WorkSafeBC	6,591.17	As at April 20, 2020
Minister of Finance	TBD	Provincial Sales Tax
Receiver General	TBD	Goods and Services Tax
Mercedes Benz Financial Services	TBD	Company leased vehicle, not paid by Receiver
GroupeX Systems Canada Inc.	TBD	Pepsi Machines
Conexus Credit Union	1,386,920.63	Judgment against Hotel, as at February 6, 2020, plus interest and costs, as a result of a deficiency sustained in their security over the Prince Albert Hotel.
Wage Earner Protection Program	51,442.00	Termination pay due to employees
Tracey Winland	30,156.45	Bonus payable to General Manager

The Receiver is awaiting the 2018 and 2019 Notice to Reader Unaudited Financial Statements and Corporate Income Tax Returns to be completed by the Company's external accountant, Mr. Derek Banman of Derek W. Banman Professional Corporation, in order to determine the Company's corporate income tax position, GST and PST arrears, and whether there are any other statutory creditors.

## 12) RECEIVER AND MANAGER'S RECOMMENDATIONS

The Receiver makes the following recommendations:

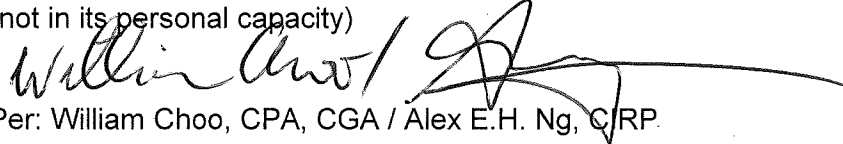
- Monitor the cash flow of the Company;
- Manage the operations of the Hotel;
- Collect outstanding and ongoing Accounts Receivable;
- Monitor the Company's external accountants in their preparation and filing of outstanding (2018 and 2019) and ongoing (2020 and likely 2021) Financial Statements, T2 Corporation Income Tax Returns, and monthly Goods and Services Tax returns and Provincial Sales Tax returns of the Company, and arrange for filing of Annual Reports, and determine if any corporate income taxes are due;
- File WorkSafeBC returns for the Company;
- Monitor Baring's payments of life insurance premiums and monitor the status of any payout on the life insurance policy, and distribution of the proceeds according to the Assignment Agreement;
- Arrange for payment of property taxes and water/sewer charges to the City of Dawson Creek when due;
- Obtain borrowings from Vancity in order to pay the ongoing Receivership costs;
- Pay ongoing operating and maintenance costs and Receivership costs;
- Obtain Court approval of the terms of the CBRE Listing Proposal, including its real estate commission and fees payable in the event of a redemption or cancellation of the Marketing and Listing Agreement;
- Enter into a Marketing and Listing Agreement with CBRE for the Hotel on the terms authorized by the Court, and monitor the progress of marketing and sales;
- Obtain offers for the Hotel and discuss them with Vancity;
- Obtain Court Approval of the accepted offer on the Hotel, as well as a Vesting Order;
- Complete the sale of the Hotel;
- Determine the amounts owing to all creditors ranking in priority higher than those of Vancity, and pay the appropriate amounts owing;
- Pay out certain Purchase Money Security Interest holders on the Company's leased assets;
- Make a distribution of net proceeds from the sale of the Property to Vancity to repay Receiver and Manager's borrowings, including interest, and their mortgage balance including interest and legal costs;
- Make a distribution of further net proceeds to subordinate mortgage holders in order of their priority;
- Determine the corporate income taxes payable on the sale of the Company's assets, if any;
- Distribute the balance of any net surplus funds pursuant to any Court Order(s);
- All other necessary matters to carry out the administration of the Receivership, as outlined by the Court Order(s);
- Apply for the Receiver's discharge and passing of accounts;
- Prepare and file final statutory notices; and
- Conclude the Receivership and close the file.

We look forward to receiving any comments on our proposed courses of action. In the meantime, should you have any questions, please contact either of the writers.



Yours truly,

**D. MANNING & ASSOCIATES INC.**  
**COURT-APPOINTED RECEIVER AND MANAGER OF THE**  
**ASSETS, UNDERTAKINGS AND PROPERTY OF**  
**356746 HOLDINGS INC. dba GEORGE DAWSON INN**  
(not in its personal capacity)

A handwritten signature in black ink, appearing to read "William Choo", is written over a horizontal line. The signature is fluid and cursive.

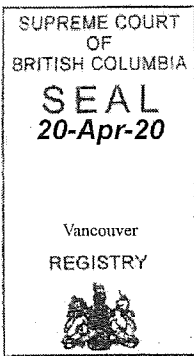
Per: William Choo, CPA, CGA / Alex E.H. Ng, C.R.P.

Attachments

cc. Mr. Alan Frydenlund, Owen Bird Law Corporation

SCHEDULE "A"

COURT ORDER APPOINTING RECEIVER AND MANAGER  
DATED APRIL 20, 2020



No. S1913345  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

Between

VANCOUVER CITY SAVINGS CREDIT UNION

Petitioner

and

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BLUESHORE LEASING LTD.  
ROYNAT INC.  
1156600 B.C. LTD.

Respondents

**RECEIVERSHIP ORDER MADE AFTER APPLICATION**

BEFORE THE HONOURABLE )  
MADAM JUSTICE FITZPATRICK ) MONDAY, THE 20<sup>TH</sup> DAY OF APRIL, 2020  
)  
)

ON THE APPLICATION of the Petitioner for an 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 (the “**LEA**”) appointing **D. Manning & Associates Inc.** as Receiver and Manager (in such capacity, the “**Receiver**”) without security, of all of the assets, undertakings and property of **356746 HOLDINGS INC.** (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, coming on for hearing, by teleconference, this day at Vancouver, British Columbia.

AND ON READING the Affidavits #1 and #2 of Frank Seminara sworn November 22, 2019 and November 26, 2019, and Affidavit #1 of Alan A. Frydenlund QC sworn November 22, 2019, the Affidavit #1 of Alex En Hwa Ng sworn April 6, 2020 and the consent of D. Manning & Associates Inc. to act as the Receiver; AND ON HEARING Alan A. Frydenlund QC, Counsel for Vancouver City Savings Credit Union, John Fiddick, Counsel for 356746 Holdings Inc. and Umedalli Thobani and Daniel Shouldice, Counsel for Conexus Credit Union, and no one else appearing, although duly served.

THIS COURT ORDERS AND DECLARES that:

### **APPOINTMENT**

1. Pursuant to Section 243(1) of the BIA and Section 39 of the LEA, D. Manning & Associates Inc. is appointed Receiver, without security, of all of the assets, undertakings and property of the Debtor, including, but not limited to, doing business as The George Dawson Inn and located at 11705- 8<sup>th</sup> Street, Dawson Creek, British Columbia and wherever situated including all proceeds, excluding the Quality Hotel & Conference Centre, (the “**Property**”).

### **RECEIVER’S POWERS**

2. The Receiver is empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
  - (a) to take possession of and exercise control over the Property and any and all receipts and disbursements arising out of or from the Property;
  - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, changing locks and security codes, relocation of Property, engaging independent security personnel, taking physical inventories and placing insurance coverage;
  - (c) to manage, operate and carry on the business of the Debtor, including the authority to the Licensee's business which include operating under Liquor Primary Licence #021832 and Food Primary License #42999 which includes Liquor, and including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor also including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
  - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver’s powers and duties, including, without limitation, those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting these amounts, including, without limitation, enforcement of any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, manage and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the Debtor, the Property or the Receiver, including initiating, prosecuting, continuing, defending, settling or compromising the proceedings;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver considers appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
  - (i) without the approval of this Court in respect of a single transaction for consideration up to \$50,000 provided that the aggregate consideration for all such transactions does not exceed \$150,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the individual or aggregate purchase price exceeds the limits set out in subparagraph (i) above,

and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 shall not be required;

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Property and the receivership, and to share information, subject to confidentiality terms as the Receiver considers appropriate;

- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any Licensed Insolvency Trustee appointed in respect of the Debtor, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

3. Each of (i) the Debtor; (ii) all of the Debtor's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (collectively, "**Persons**" and each a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
4. All Persons, other than governmental authorities, shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (collectively, the "**Records**") in that Person's possession or control. Upon request, governmental authorities shall advise the Receiver of the existence of any Records in that Person's possession or control.
5. Upon request, all Persons shall provide to the Receiver or permit the Receiver to make, retain and take away copies of the Records and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities, provided however that nothing in paragraphs 4, 5 or 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to solicitor client privilege or statutory provisions prohibiting such disclosure.

6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

7. No proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

8. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of the Proceeding except for service of the initiating documentation on the Debtor and the Receiver.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

9. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. This stay and suspension shall not apply in respect of any “eligible financial contract” as defined in the BIA.

#### **NO INTERFERENCE WITH THE RECEIVER**

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour

of or held by the Debtor, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms.

#### **CONTINUATION OF SERVICES**

11. All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

#### **RECEIVER TO HOLD FUNDS**

12. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable, in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post-Receivership Accounts**") and the monies standing to the credit of such Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

#### **EMPLOYEES**

13. Subject to the employees' right to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities of the Debtor, including any successor employer liabilities as referred to in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay or in respect of obligations imposed specifically on receivers by applicable legislation, including sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47. The Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the Receiver may hire in accordance with the terms and conditions of such employment by the Receiver.



## PERSONAL INFORMATION

14. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “Sale”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

## LIMITATION ON ENVIRONMENTAL LIABILITIES

15. Nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “Possession”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination (collectively “Environmental Legislation”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.
16. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Receiver is actually in possession.
17. Notwithstanding anything in federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arises or environmental damage that occurred:
  - (a) before the Receiver’s appointment; or,
  - (b) after the Receiver’s appointment, unless it is established that the condition arose or the damage occurred as a result of the Receiver’s gross negligence or wilful misconduct.
18. Notwithstanding anything in federal or provincial law, but subject to paragraph 17 of this Order, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, if the Receiver complies with the BIA section 14.06(4), the Receiver is not personally liable for

the failure to comply with the order and is not personally liable for any costs that are or would be incurred by any Person in carrying out the terms of the order.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

19. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:
- (a) any gross negligence or wilful misconduct on its part; or
  - (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.

#### **RECEIVER'S ACCOUNTS**

20. The Receiver and its legal counsel, if any, are granted a charge (the "**Receiver's Charge**") on the Property as security for the payment of their fees and disbursements, in each case at their standard rates, in respect of these proceedings, whether incurred before or after the making of this Order. The Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
21. The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.
22. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

#### **FUNDING OF THE RECEIVERSHIP**

23. The Receiver is authorized and empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$1,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances,

statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
25. The Receiver is authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
26. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **ALLOCATION**

27. Any interested party may apply to this Court on notice to any other party likely to be affected for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the Property.

#### **SERVICE AND NOTICE OF MATERIALS**

28. The Receiver shall establish and maintain a website in respect of these proceedings at: [www.manning-trustee.com](http://www.manning-trustee.com) (the "**Website**") and shall post there as soon as practicable:
  - (a) all materials prescribed by statute or regulation to be made publicly available, including pursuant to Rule 10-2 of the *Supreme Court Civil Rules*; and,
  - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
29. Any Person who is served with a copy of this Order and that wishes to be served with any future application or other materials in these proceedings must provide to counsel for each of the Receiver and the Applicant a demand for notice in the form attached as Schedule B (the "**Demand for Notice**"). The Receiver and the Applicant need only provide further notice in respect of these proceedings to Persons that have delivered a properly completed Demand for Notice. The failure of any Person to provide a properly completed Demand for Notice releases the Receiver and the Applicant from any requirement to provide further notice in respect of these proceedings until such Person delivers a properly completed Demand for Notice.
30. The Receiver shall maintain a service list identifying all parties that have delivered a properly completed Demand for Notice (the "**Service List**"). The Receiver shall post and maintain an up-to-date form of the Service List on the Website.

31. Any interested party, including the Receiver, may serve any court materials in these proceedings by facsimile or by emailing a PDF or other electronic copy of such materials to the numbers or addresses, as applicable, set out on the Service List. Any interested party, including the Receiver, may serve any court materials in these proceedings by mail to any party on the Service List that has not provided a facsimile number or email address, and materials delivered by mail shall be deemed received five (5) days after mailing.
32. Notwithstanding paragraph 31 of this Order, service of the Petition and any affidavits filed in support shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c.C-50 and its regulations for the Federal Crown and the *Crown Proceedings Act*, R.S.B.C. 1996 c.89 in respect of the British Columbia Crown.
33. The Receiver and its counsel are authorised to serve or distribute this Order, any other orders and any other materials as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding copies by facsimile or by email to the Debtor's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of any legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*.

#### **GENERAL**

34. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days' notice to the Service List and to any other party who may be affected by the variation or amendment, or upon such other notice, if any, as this Court may order.
35. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
36. Nothing in this Order shall prevent the Receiver from acting as a Licensed Insolvency Trustee of the Debtor.
37. This Court requests the aid, recognition and assistance of any court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All such courts, tribunals and regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
38. The Receiver is authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

39. The Petitioner shall have its costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the Petitioner's security or, if not so provided by the Petitioner's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
40. Endorsement of this Order by counsel appearing on this application other than the Petitioner is dispensed with.

THE FOLLOWING PARTIES APPROVE OF THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

APPROVED BY:



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Alan A. Frydenlund QC  
Lawyer for the Petitioner

BY THE COURT

Digitally signed by  
Sanjeev Naidu

DISTRICT REGISTRAR

**SCHEDULE "A"**

**RECEIVER AND MANAGER'S CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT

\$ \_\_\_\_\_

1. THIS IS TO CERTIFY that D. Manning & Associates Inc. the Receiver and Manager (the "**Receiver**") of all of the assets, undertakings and properties of 356746 HOLDINGS INC. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Supreme Court of British Columbia (the "**Court**") dated the 20th day of April, 2020 (the "**Order**") made in SCBC Action No. S1913345 has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$1,000,000 which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly] not in advance on the \_\_\_\_\_ day of each month after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of \_\_\_\_\_ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at \_\_\_\_\_.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_.

D. Manning & Associates Inc., solely in its capacity as Receiver and Manager of the assets, undertakings, and property of 356746 Holdings Inc. doing business as The George Dawson Inn , and not in its personal capacity

Per:

Name:

Title:

**Schedule "B"**

**Demand for Notice**

**TO:** [Name of Applicant]  
c/o [Name of Counsel to the Applicant]  
Attention:  
Email:

**AND TO:** D. Manning & Associates Inc.  
c/o Owen Bird Law Corporation  
Attention: Alan A. Frydenlund QC  
Email: afrydenlund@owenbird.com

**Re: In the matter of the Receivership of 356746 HOLDINGS INC.**

I hereby request that notice of all further proceedings in the above Receivership be sent to me in the following manner:

- 1. By email, at the following address (or addresses):

\_\_\_\_\_

OR

- 2. By facsimile, at the following facsimile number (or numbers):

\_\_\_\_\_

OR

- 3. By mail, at the following address:

\_\_\_\_\_

Name of Creditor: \_\_\_\_\_

Name of Counsel (if any): \_\_\_\_\_

Creditor's Contact Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Creditor's Contact Phone Number: \_\_\_\_\_



Action No. S1913345

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IN THE SUPREME COURT OF BRITISH  
COLUMBIA

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BETWEEN:

VANCOUVER CITY  
SAVINGS CREDIT  
UNION

Petitioner

- and -

356746 HOLDINGS INC. doing business as  
THE GEORGE DAWSON INN et. al.

Respondents

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SCHEDULE "B"

RECEIVER AND MANAGER'S INTERIM STATEMENT OF  
CASH RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD APRIL 20, 2020 TO MAY 31, 2020

## 356746 HOLDINGS INC. dba THE GEORGE DAWSON INN

**RECEIVER and MANAGER'S  
INTERIM STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD APRIL 20, 2020 TO MAY 31, 2020**

	\$	\$	\$
<b>RECEIPTS</b>			
Cash in Bank, as at April 20, 2020		14,530.81	
Collection of Accounts Receivable		46,768.54	
Receiver and Manager's Borrowings		200,000.00	
Net Refund of Deposit from Stewart Mortgage Corp.		21,371.75	
Revenues:			
Food and Beverage (including GST collected)	4,194.47		
Other	50.00		
Rooms (including GST and PST collected)	26,435.02	30,679.49	
<b>TOTAL RECEIPTS</b>			<b>313,350.59</b>
<b>DISBURSEMENTS</b>			
Accounting Fees (Retainer)		15,000.00	
Advertising		1,061.73	
Appraisal		4,500.00	
Bank Charges:			
Activity Fees	13.47		
Credit Cards Fees	1,030.65	1,044.12	
BC Liquor Licence Fees		1,190.00	
Filing Fees		90.00	
GST Paid		4,354.71	
Insurance		4,741.20	
Leases re: Equipment		3,225.04	
Payout of Lease re: Phone System		2,124.61	
Payroll Expenses:			
Employee Benefits	830.31		
Source Deductions re: CPP	6,220.04		
Source Deductions re: EI	2,434.49		
Source Deductions re: Income Taxes	12,456.63		
Wages and holiday pay	47,619.42	69,560.89	
Photocopies		822.50	
Postage and Courier		173.90	
Receiver and Manager's Fees		55,852.50	
Repairs and Maintenance		8,522.01	
Searches		67.00	
Supplies:			
Cleaning	308.59		
Food and Groceries	4,254.61		
Guest Amenities	375.96		
Liquor	75.24	5,014.40	
Telephone and Facsimile		306.00	
Travel		1,270.11	
Utilities:			
Cable	2,800.58		
Electric	1,467.14		
Gas	1,613.18		
Telephone	2,634.05		
Water and Sewer (City of Dawson Creek)	29,161.28	37,676.23	
<b>TOTAL DISBURSEMENTS</b>			<b>216,596.95</b>
<b>EXCESS OF RECEIPTS OVER DISBURSEMENTS</b>			<b>96,753.64</b>
Less: Provincial Sales Tax/ Hotel Tourism Tax to be remitted			(3,150.15)
<b>Adjusted Working Capital Balance as at May 31, 2020</b>			<b>93,603.49</b>

SCHEDULE "C"

MONTHLY CASH FLOW PROJECTION FOR THE PERIOD  
JUNE 1, 2020 TO DECEMBER 31, 2020

## George Dawson Inn

### Monthly Cash Flow for the period June 1, 2020 to December 31, 2020

Month	\$ June	\$ July	\$ August	\$ September	\$ October	\$ November	\$ December	\$ Totals
<b>RECEIPTS</b>								
Food Credit Cards	11,811	8,000	8,000	11,000	11,000	11,000	5,000	65,811
Liquor Credit Cards	1,276	800	800	1,200	1,200	1,200	700	7,176
Rooms Credit Cards	30,720	30,720	25,333	28,200	47,000	56,400	56,400	274,773
Cash or Other Credit Cards	1,053	350	350	320	320	320	320	3,033
Accounts Receivable Collections	25,000	30,720	30,720	25,333	28,200	47,000	56,400	243,373
Wage Subsidy	40,908	24,000	24,414	26,400	25,005	26,475	26,205	193,407
Receiver and Manager's Borrowings	514,440		80,000					594,440
<b>Total Receipts</b>	<b>625,209</b>	<b>94,590</b>	<b>169,617</b>	<b>92,453</b>	<b>112,725</b>	<b>142,395</b>	<b>145,025</b>	<b>1,382,014</b>

<b>DISBURSEMENTS</b>								
Wages & Benefits	47,549	46,968	49,881	47,638	50,132	49,398	43,972	335,539
Source Deductions	6,657	6,576	6,983	6,669	7,018	6,916	6,156	46,975
Worksafe BC	499	493	524	500	526	519	462	3,523
Restaurant Food, Beverage & Other	7,807	5,226	4,586	6,496	6,246	6,246	3,046	39,653
Lounge Food, Beverage & Other	-	-	-	-	-	-	-	-
Overhead Expenses	401	1,536	1,536	1,536	1,536	1,536	2,036	10,116
Maintenance Expenses	11,546	12,253	12,848	12,253	16,848	16,253	16,848	98,848
Admin Expenses	15,283	15,348	15,348	15,348	15,348	15,728	15,728	108,132
Rooms Division Expenses	8,542	4,871	4,871	4,871	4,871	4,871	4,871	37,768
<b>Other Expenses</b>								
Lease Payments	916	13,795	1,408	19,871	6,692	37,938	3,892	84,512
Appraisal costs	4,500	-	-	-	-	-	-	4,500
Accounting					5,250			5,250
Property Taxes	514,440							514,440
Pre-receivership Holiday Pay	4,000	2,037						6,037
Pre-receivership bonus payable		5,000	5,000	5,000	5,000	5,000	5,157	30,157
Critical Payables	2,270	2,270	2,270					6,810
<b>Total Disbursements</b>	<b>\$ 624,410</b>	<b>\$ 116,373</b>	<b>\$ 105,256</b>	<b>\$ 120,182</b>	<b>\$ 119,468</b>	<b>\$ 144,404</b>	<b>\$ 102,168</b>	<b>1,332,261</b>

Contingency	\$ 10,997	\$ 6,137	\$ 5,026	\$ 6,518	\$ 6,447	\$ 8,940	\$ 4,545	48,610
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Net Cash Flow	(10,199)	(27,920)	59,336	(34,247)	(13,190)	(10,949)	38,312	1,143
Capital Repairs	12,167	10,167	10,167	10,167	10,167	-	-	52,835
<b>Available Cash</b>	<b>(22,366)</b>	<b>(38,087)</b>	<b>49,169</b>	<b>(44,414)</b>	<b>(23,357)</b>	<b>(10,949)</b>	<b>38,312</b>	<b>(51,692)</b>

<b>Opening Balance</b>	<b>93,603</b>	<b>71,238</b>	<b>33,151</b>	<b>82,320</b>	<b>37,905</b>	<b>14,548</b>	<b>3,599</b>	
<b>Closing Balance</b>	<b>71,238</b>	<b>33,151</b>	<b>82,320</b>	<b>37,905</b>	<b>14,548</b>	<b>3,599</b>	<b>41,912</b>	Notes 1 to 10

#### Notes & Assumptions

1. This budget is based upon an improvement over the summer but could be negatively affected if the lockdown and/or social distancing continues into the fall and winter, and business does not return to normal, with limited revenue.
2. Monthly cash flow forecast is before interest, receivership costs, and legal costs.
3. Assumes 50% credit card, cash and cheque payment of rooms and 50% within 30 days
4. Assumes 100% credit card, cash payment in the lounge and restaurant.
5. Does not take into further account collection of pre-receivership accounts receivable to be determined.
6. Capital repairs are required by the fire marshal and health inspector.
7. Assumes Government wage subsidy until the end of August with payment within 30 days of submission of claim.
8. GST, PST and the Tourism Levy is a flow through and the net is collected on behalf of the government
9. This monthly operating budget was developed based on the best estimates of the Receiver and Manager in consultation with the General Manager of the Hotel. We have not audited, reviewed, or verified the accuracy of this information.
10. This monthly cash flow forecast is subject to change.

SCHEDULE "D"

MONTHLY OPERATING BUDGET FOR THE PERIOD  
JUNE 1, 2020 TO DECEMBER 31, 2020

George Dawson Inn								
Monthly Operating Budget for the period June 1, 2020 to December 31, 2020								
	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
Occupancy	31.9%	21.7%	24.2%	50.0%	48.4%	50.0%	20.2%	33.9%
Average Daily Rate	\$ 80.31	\$ 94.00	\$ 94.00	\$ 94.00	\$ 112.80	\$ 94.00	\$ 84.00	\$ 91.33
RevPar	\$ 25.60	\$ 20.43	\$ 22.74	\$ 39.17	\$ 45.48	\$ 47.00	\$ 16.94	\$ 30.96
<b>REVENUE</b>								
Room Revenue	61,440	50,666	56,400	94,000	112,800	112,800	42,000	530,106
Telephone Revenue	-	-	-	-	-	-	-	-
Conference Room Rental	848	-	-	-	-	-	-	848
Food Sales	11,811	8,000	8,000	11,000	11,000	11,000	5,000	65,811
Liquor Sales	1,276	800	800	1,200	1,200	1,200	700	7,176
Laundry Revenue	-	50	50	20	20	20	20	180
Misc Revenue	206	300	300	300	300	300	300	2,006
Vending	-	150	150	150	150	150	150	900
Government Wage Subsidy	24,000	24,000	24,414	26,400	25,005	26,475	26,205	176,499
<b>Total Revenue</b>	<b>99,581</b>	<b>83,966</b>	<b>90,114</b>	<b>133,070</b>	<b>150,475</b>	<b>161,945</b>	<b>74,375</b>	<b>783,526</b>
<b>EXPENSES</b>								
<i>F&amp;B Expenses</i>								
Breakfast vouchers	4,659	3,288	3,660	6,100	7,320	7,320	3,050	35,397
Restaurant Expenses	17,951	15,708	15,068	16,640	16,728	16,390	13,528	112,015
Misc & Lounge Expenses	788	788	788	788	788	788	788	5,513
<b>Total F&amp;B Expenses</b>	<b>23,398</b>	<b>19,784</b>	<b>19,516</b>	<b>23,528</b>	<b>24,836</b>	<b>24,498</b>	<b>17,366</b>	<b>152,925</b>
<i>Overhead Expenses</i>								
Bank Service Charges	136	136	136	136	136	136	136	951
Business License and Permit	134	-	-	-	-	-	500	634
Computer and Internet Expenses	132	1,400	1,400	1,400	1,400	1,400	1,400	8,532
<b>Total Overhead Expenses</b>	<b>401</b>	<b>1,536</b>	<b>1,536</b>	<b>1,536</b>	<b>1,536</b>	<b>1,536</b>	<b>2,036</b>	<b>10,116</b>
<i>Maintenance Expenses</i>								
Waste Removal	122	766	766	766	766	766	766	4,718
Pest Control	-	37	37	37	37	37	37	221
Elevator	-	-	1,155	-	1,155	-	1,155	3,465
Repairs and Maintenance	4,391	2,500	2,500	2,500	2,500	2,500	2,500	19,391
AV Tech (HVAC)	-	560	-	560	-	560	-	1,680
Contractor Work	-	-	-	-	-	-	-	0
Water & Sewer	2,390	2,390	2,390	2,390	2,390	2,390	2,390	16,730
Utilities Expense	4,644	6,000	6,000	6,000	10,000	10,000	10,000	62,644
<b>Total Maintenance Expenses</b>	<b>11,546</b>	<b>12,253</b>	<b>12,848</b>	<b>12,253</b>	<b>16,848</b>	<b>16,253</b>	<b>16,848</b>	<b>98,848</b>
<i>Administration Expenses</i>								
Travel & Promotion	184	250	250	250	250	250	250	1,684
Insurance General Liability & Property	2,224	2,224	2,224	2,224	2,224	2,604	2,604	16,330
Credit Card Commission	2,238	2,238	2,238	2,238	2,238	2,238	2,238	15,666
Property Taxes	9,886	9,886	9,886	9,886	9,886	9,886	9,886	69,202
Accounting Expenses	750	750	750	750	750	750	750	5,250
<b>Total Administration Expenses</b>	<b>15,283</b>	<b>15,348</b>	<b>15,348</b>	<b>15,348</b>	<b>15,348</b>	<b>15,728</b>	<b>15,728</b>	<b>108,132</b>
<i>Payroll Expenses</i>								
Payroll Benefits ~ Front Desk	900	900	1,116	1,080	1,116	1,080	1,116	7,308
Payroll Expense ~ Front Desk	9,000	9,000	11,160	10,800	11,160	10,800	11,160	73,080
Payroll Benefits ~ Housekeeping	612	431	480	800	960	960	400	4,643
Payroll Expense ~ Housekeeping	6,120	4,312	4,800	8,000	9,600	9,600	4,000	46,432
Payroll Benefits ~ Maintenance	520	520	520	520	520	520	520	3,640
Payroll Expense ~ Maintenance	5,200	5,200	5,200	5,200	5,200	5,200	5,200	36,400
Payroll Benefits ~ Management & Other	2,013	2,083	2,083	1,754	1,754	1,754	1,754	13,194
Payroll Expense ~ Management & Other	13,040	14,040	14,040	9,340	9,340	9,340	9,340	78,480
<b>Total Payroll Expenses</b>	<b>37,405</b>	<b>36,486</b>	<b>39,399</b>	<b>37,494</b>	<b>39,650</b>	<b>39,254</b>	<b>33,490</b>	<b>263,177</b>
<i>Rooms Division Expenses</i>								
Cell Phone	171	171	171	171	171	171	171	1,197
Misc purchases	4,500	1,000	1,000	1,000	1,000	1,000	1,000	10,500
Office Supplies	882	100	100	100	100	100	100	1,482
Guest Amenities	-	200	200	200	200	200	200	1,200
Janitorial	-	150	150	150	150	150	150	900
Call in Security Service for Staff	-	-	-	-	-	-	-	0
Reservation Costs	-	150	150	150	150	150	150	900
Copiers	-	-	-	-	-	-	-	0
Telephone Expense	2,059	1,600	1,600	1,600	1,600	1,600	1,600	11,659
Cablevision Expense	930	1,500	1,500	1,500	1,500	1,500	1,500	9,930
<b>Total Rooms Division Expenses</b>	<b>8,542</b>	<b>4,871</b>	<b>4,871</b>	<b>4,871</b>	<b>4,871</b>	<b>4,871</b>	<b>4,871</b>	<b>37,768</b>
<b>Total Expenses</b>	<b>96,575</b>	<b>90,278</b>	<b>93,518</b>	<b>95,030</b>	<b>103,089</b>	<b>102,139</b>	<b>90,338</b>	<b>670,966</b>
<b>Operational Profit/(Loss) before Interest</b>	<b>3,006</b>	<b>(6,312)</b>	<b>(3,404)</b>	<b>38,040</b>	<b>47,386</b>	<b>49,806</b>	<b>(15,963)</b>	<b>112,559</b>

Notes 1 to 5

Notes & Assumptions	
1.	This budget is based upon an improvement over the summer but could be negatively affected if the lockdown and/or social distancing continues into the fall and winter, and business does not return to normal, with limited revenue.
2.	Operating profit/loss is before interest, amortization, receivership costs, legal costs and capital improvements.
3.	GST, PST and Tourism Tax is treated as a flow through for this budget.
4.	This monthly operating budget was developed based on the best estimates of the Receiver and Manager in consultation with the General Manager of the Hotel. We have not audited, reviewed, or verified the accuracy of this information.
5.	This monthly operating budget is subject to change.

**IN THE SUPREME COURT OF BRITISH  
COLUMBIA**

BETWEEN:

BETWEEN:

VANCOUVER CITY SAVINGS CREDIT UNION

Petitioner

AND:

356746 HOLDINGS INC. doing business as  
THE GEORGE DAWSON INN  
507016 B.C. LTD.  
LUXOR HOLDINGS INC.  
UMEDALLI THOBANI also known as  
UMED THOBANI and TONY THOBANI  
THE ESTATE OF AMINA THOBANI  
MANOHAR ALEXANDER SAVUNDRANAYAGAM  
BLUESHORE LEASING LTD.  
ROYNAT INC.  
1156600 B.C. LTD.  
GROUPEX SYSTEMS CANADA INC.

Respondents

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**REQUISITION**

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OWEN BIRD LAW CORPORATION  
P.O. Box 49130  
Three Bentall Centre  
2900 - 595 Burrard Street  
Vancouver, BC V7X 1J5  
Attention: Alan A. Frydenlund, Q.C.  
File No. 23024-0091