



COURT FILE NUMBER SAA-S-H-14727  
SALMON ARM REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN

REVELSTOKE CREDIT UNION

PETITIONER

AND

POWDER SPRINGS INN INC., NEIL JASON ROE, JAMES BRYDON  
ROE, CLYDE DAVID NEWSOME, DONNA LOUISE NEWSOME,  
JENNY LEANNE NEWSOME, NEWSOME FAMILY TRUST, THE  
CROWN IN RIGHT OF CANADA and CANADIAN IMPERIAL BANK  
OF COMMERCE

RESPONDENTS

**FIRST REPORT OF FTI CONSULTING CANADA INC., IN ITS  
CAPACITY AS COURT-APPOINTED RECEIVER AND  
MANAGER OF POWDER SPRINGS INN INC.**

**May 28, 2014**

## INTRODUCTION

1. On February 25, 2014, FTI Consulting Canada Inc. was appointed receiver and manager (the “**Receiver**”) of the assets, undertakings and properties of Powder Springs Inn Inc. (“**Powder**” or the “**Company**”) pursuant to the order (the “**Receivership Order**”) of this Honourable Court.
  
2. The Receivership Order authorized and empowered the Receiver to, *inter alia*:
  - (a) take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
  - (b) manage, operate or carry on the business of Powder;
  - (c) engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons to assist the Receiver;
  - (d) receive and collect all monies and accounts now owed or hereafter owing to Powder;
  - (e) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property;
  - (f) market any or all of the Property, including advertising and soliciting offers in respect of the Property;
  - (g) sell, convey, transfer, lease, assign or otherwise dispose of the Property;
  - (h) apply for any vesting order or other orders necessary to convey the Property;
  - (i) report to, meet with and discuss with such affected Persons as the Receiver deems appropriate on all matters relating to the Property;
  - (j) apply for any permits, licenses, approvals or permissions and any renewals thereof as may be required by any governmental authority; and

- (k) take any steps reasonably incidental to the exercise of these powers.
3. The Receiver's reports and other information in respect of these proceedings are posted on the Receiver's website at <http://cfcanada.fticonsulting.com/powdersprings/>.
  4. The purpose of this report, the Receiver's first report (the "**First Report**"), is to inform the Court on the following:
    - (a) The status of various aspects of the Receivership proceedings;
    - (b) The Receiver's receipts and disbursements for the period of February 25, 2014 to April 30, 2014;
    - (c) The details of the charges registered against title of the real property owned by the Company; and
    - (d) To request the granting of an Order authorizing the Receiver to conduct a sale process.

## **TERMS OF REFERENCE**

5. In preparing this report, the Receiver has relied upon unaudited financial information, other information available to the Receiver and, where appropriate, Powder's books and records and discussions with various parties (collectively, the "**Information**").
6. Except as described in this Report:
  - (a) The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook; and

- (b) The Receiver has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Canadian Institute of Chartered Accountants Handbook.
7. Future oriented financial information reported or relied on in preparing this report is based on assumptions regarding future events; actual results may vary from forecast and such variations may be material.
8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein are as defined in the Receivership Order, other Order's granted in the Receivership proceedings or in the Receiver's previous reports.

#### **BACKGROUND INFORMATION**

9. Powder is a private company incorporated on January 9, 1985 under the laws of British Columbia. Powder owns and operates a 55 room hotel and pub/restaurant in Revelstoke, BC (the "**Lands**").
10. Powder's current owners purchased the Company in or around December 2008.
11. Subsequent to the purchase by the current owners, the business experienced financial challenges due to a sudden rapid decline in the tourism and hospitality industry. Powder incurred losses in each of the fiscal years ending October 2009 through 2012, resulting in unpaid property taxes and defaults on its mortgage obligations.
12. On July 30, 2013, Powder filed a Notice of Intention to File a Proposal under Part III, Division I of the *Bankruptcy and Insolvency Act* (the "**BIA**").

13. The Company received several extensions of time to allow Powder to file its proposal, which it eventually did on January 28, 2014.
14. The Company's First Meeting of Creditors was held on February 18, 2014. The meeting was adjourned to allow the Company to file an amended proposal and to allow Canada Revenue Agency ("CRA") additional time to perform an audit of the Company's books and records.
15. On February 24, 2014 the Company filed an amended proposal which was voted on at the reconvened First Creditors Meeting on February 25, 2014. At the meeting the amended proposal was rejected by the Company's creditors.
16. As a result, Powder was deemed to have made an assignment in bankruptcy on February 25, 2014.
17. In order to preserve the business as a going concern and to facilitate an orderly sale, the Petitioner sought an Order of this Honourable Court for the appointment of a Receiver.

## **RECEIVER'S ACTIVITIES SINCE APPOINTMENT**

### **Operational review and employee matters**

18. On February 26, 2014, the Receiver met with the general manager of the hotel to present her with a copy of the Receivership Order and to explain the current situation. The Receiver indicated its intent to continue the operations of the hotel/restaurant in order to facilitate a going concern sale to maximize the return to the stakeholders.
19. After securing the general manager's continued support, the Receiver reviewed the current status of the operations with the general manager for the purpose of identifying any urgent issues requiring immediate attention.

20. As at the date of the Receivership Order, Powder employed approximately 50 employees on either a full-time or part-time basis. The Receiver convened a meeting of the employees and assured them of its intent to maintain the operations in order to maximize the return to the stakeholders through a sale as a going concern.
21. Since the date of the Receivership Order, the Receiver has received the full cooperation of the employee group and has incurred some minor turnover due mainly to attrition.
22. With the assistance of the general manager, the Receiver compiled a list of suppliers that were critical to the business. The Receiver contacted each of the suppliers to ensure their continued supply of goods or services through the Receivership period. The Receiver successfully arranged for the continuation of all critical services and consequently the operations of Powder have proceeded with minimal disruption.

### **Statutory compliance**

23. On March 3, 2014, the Receiver mailed its Notice and Statement pursuant to subsections 245(1) and 246(1) of the BIA to the Superintendent of Bankruptcy and to all known creditors of the Company. A copy of the Notice and Statement is attached as Appendix A.
24. The Receiver established a website at <http://cfcanada.fticonsulting.com/PowderSprings> (the “**Receiver’s Website**”) where it has posted periodic updates on the progress of the receivership, copies of court orders, motion materials and reports filed in connection with the receivership proceedings.

25. The Receiver notified CRA of its appointment and had new remittance accounts opened for the Receiver's GST and employee source deduction obligations arising subsequent to the Receivership Order.
26. The Receiver submitted the required information to Service Canada under the *Wage Earners Protection Program Act* ("**WEPPA**") relating to outstanding wages and vacation pay for all employees. The relevant information as required under WEPPA was also sent to the employees to enable them to file any applicable WEPPA claim.
27. The Receiver notified the Liquor Control and Licensing Branch (the "**LCLB**") of its appointment. The LCLB requested that the Receiver apply for a change to the licensee. Accordingly the two licenses held by Powder have now been revised to reflect the Receiver's status.
28. The Receiver was also notified by LCLB of a contravention that occurred prior to the date of the Receivership Order. The enforcement action being proposed by the LCLB is a 10 day suspension of one of the licenses. In consultation with the LCLB, the Receiver has agreed to accept the suspension which is expected to commence in the first week of June 2014.

### **Insurance**

29. The Receiver contacted the Company's insurance broker, Hub International Barton Insurance Brokers ("**HUB**") to amend the Company's existing insurance policies to reflect the Receiver's interest in the Company's assets and to revise the policy to include the Receiver as a loss payee in the event of a claim.
30. The Receiver was notified by HUB that the policies for property and third party liability coverage were set to expire on March 16, 2014. The Receiver was further advised that due to the history of recent claims made by the Company, the current underwriters had declined to renew coverage.

31. However HUB had been able to locate a new underwriter but at a premium that significantly exceeded the premium paid in the prior year.
32. Due to the seasonal nature of the business and the resulting cyclical cash flow, the Receiver opted to finance the insurance premiums through a monthly payment plan.

### **Banking**

33. Pursuant to the terms of its mortgage with the Revelstoke Credit Union (“RCU”), the Company was required to maintain an account with RCU in which all of its daily activity would be transacted.
34. However, prior to the Receivership Order the Company had been using a CIBC account for its daily banking transactions.
35. Accordingly the Receiver froze the CIBC account operated by Powder and requested all of the remaining funds to be transferred to the Powder account held at RCU.
36. The Receiver also contacted Moneris, the company that operated the credit card terminals at Powder, in order to re-direct those funds into the account with RCU. Due to the timeline required for this to occur, the Receiver requested that CIBC continue to accept deposits into the account operated by Powder until the re-direction by Moneris had been completed.
37. The Receiver met with representatives of RCU and revised the account operated by Powder to reflect the Receiver as the authorized signing officer on the account. The Receiver also opened a new sub-account, delegating limited signing authority to the general manager to facilitate the day to day operations of Powder without interruption.



38. The Receiver arranged for online access to both accounts in order to have visibility of the daily activity.
39. The Receiver instituted a procedure wherein the general manager and the Company's accountant provide daily sales reports and invoices to the Receiver for its review and approval.
40. Since the date of the Receivership Order the business has continued to operate without any significant operational issues. Given the seasonal nature of the hotel's occupancy, the Receiver noted a decline in operating revenue during April and May. As a result, the Receiver requested funding pursuant to the provision of the Receivership Order. The funding in the amount of \$25,000, was provided by RCU.

#### **DETAILS OF SECURED AND PRIORITY CLAIMS**

41. The Receiver is aware of the following charges that either are owing pursuant to statute or have been registered against the Lands:
  - (a) A mortgage registered in favour of RCU. As at March 14, 2014, the amount outstanding pursuant to this mortgage was approximately \$1.95 million, with interest accruing at \$394 per day. The outstanding amount includes an advance of \$83,000 paid to the City of Revelstoke for delinquent property taxes;
  - (b) As at August 2013, the City of Revelstoke was owed approximately \$200 thousand for outstanding property taxes and utilities. However as noted above, subsequent to the August tax notice, RCU remitted \$83,000 as a protective advance for the delinquent property taxes. The Receiver has not received the 2014 property tax notice, which is expected to include a further amount due for the period subsequent to the prior tax notice;

- (c) A mortgage registered in favour of Clyde David Newsome, Donna Louise Newsome, Jenny Leanne Newsome and Bruce Newsome. This mortgage was granted by Powder as security for a guaranty of the loan due from its parent company, Revelstoke Alpine Properties Ltd. The Receiver has not received an updated payout statement with respect to this mortgage. According to Powder's financial statements as at October 31, 2012, the amount outstanding was approximately \$1.78 million;
  - (d) CRA has filed a claim with the Receiver relating to unremitted employee payroll deductions at source. According to the claim, CRA is owed \$155 thousand. CRA is asserting a deemed trust claim in the amount of \$78 thousand pursuant to the provisions of subsection 227(4) of the Income Tax Act, subsection 23(3) of the Canada Pension Plan, subsection 57(2) of the Unemployment Insurance Act and subsection 86(2) of the Employment Insurance Act.
  - (e) CRA has also filed a claim with the Receiver relating to unremitted GST/HST. The claim is in the amount of \$128 thousand. CRA has obtained two judgments in respect of this debt, which have been registered on title to the property owned by Powder. The first judgment, obtained in February 2013, is for \$105 thousand, and the second judgment, obtained in June 2013, is for \$54 thousand.
42. The Receiver has advised its legal counsel of the various charges registered against the Lands. An investigation as to priority will need to be conducted by the Receiver's legal counsel prior to any distribution once a sale transaction has been confirmed.
43. The Receiver is not aware of any liens or other charges registered against the Lands.

## SALE PROCESS

### The stalking horse offer

44. On February 25, 2014, the Receiver was contacted by a lawyer representing a group of investors interested in putting in an offer on the Lands. The lawyer indicated that his client was prepared to submit an offer which would form the basis for a stalking horse sale process.
45. The Receiver responded that it had only recently been appointed but conceptually, depending on the purchase price indicated in the offer, the Receiver would consider pursuing a sale process that involved a stalking horse bid. The Receiver further indicated that in order to assess any offer, it would need to obtain an updated appraisal.
46. On March 12, 2014, the Receiver received a conditional offer from the lawyer on behalf of a company called Builtmore Windows Ltd. (“**Builtmore**”).
47. After reviewing the offer and consulting with its legal counsel, the Receiver’s legal counsel responded to the lawyer representing Builtmore indicating that it was premature to respond in a substantive manner as the Receiver was still awaiting receipt of the appraisal of the Lands. However, the Receiver’s legal counsel did provide some general observations regarding the offer that caused the Receiver some concern and would need to be further addressed.
48. On March 21, 2014, the Receiver received the appraisal on the Lands from MacDougall Appraisals and Consulting Ltd., an appraisal firm located in Vernon, BC. The appraisal was based upon the income approach and valued the property at an amount significantly higher than the purchase price offered by Builtmore.

49. Accordingly the Receiver contacted Builtmore's legal counsel and informed him of the disparity between the purchase price and the appraised value. The Receiver further indicated that unless Builtmore was prepared to substantially increase its offer, there was no point in negotiating the Builtmore offer any further as the Receiver did not consider it a viable option.
50. The Receiver has also been contacted by other parties expressing interest in the Lands. The majority of the parties were familiar with the Lands and therefore the Receiver encouraged them to submit an offer prior to the engagement of a Listing Broker, as the cost savings could be factored into the offer. However, despite the Receiver's efforts no offers have been received.

#### **Selection of the listing broker**

51. The Receiver solicited proposals from five commercial real estate brokerages with respect to the sale of the Lands on an as is, where is basis. Three of the brokerages were local, and two were international commercial brokers based in Vancouver.
52. The brokerages were asked to provide details of their credentials, their experience in conducting Court approved sale processes and their proposed commission structure.
53. Upon receipt of the proposals, the Receiver summarized the proposals and discussed the proposals with the two major secured lenders. After consulting with the major stakeholders, the Receiver selected Re/Max Revelstoke Realty ("**Re/Max**") to act as its agent for marketing the Lands. The duties of Re/Max are expected to include:
  - (a) In conjunction with the Receiver, preparing all of the marketing materials;
  - (b) Contacting prospective purchasers and soliciting offers;

- (c) Evaluating offers and in consultation with the Receiver, negotiating an acceptable agreement of purchase and sale which would be subject to the approval of this Honourable Court;
  - (d) Providing the Receiver with regular progress updates with respect to the marketing efforts; and
  - (e) Providing such other services as may reasonably be required in connection with the marketing of the Lands.
54. The key terms of the listing agreement, a copy of which is attached as Appendix B, are as follows:
- (a) Graduated real estate commissions of between 2% and 3% of the purchase price of the Lands, with a minimum fee of \$25,000;
  - (b) Re/Max will bear all of the costs associated with the marketing of the Lands, including the distribution of information, electronic media and advertising; and
  - (c) Exclusive listing period until September 30, 2014.

**Proposed marketing process**

55. The Receiver expects to commence the marketing process within two weeks of this Honourable Court's approval of the Receiver's proposed marketing process for the Lands.
56. A summary of the anticipated timeline is provided in the table below:

Anticipated timeline	Description
First week of June 2014	Order approving the sale process
June 1-15, 2014 (two weeks)	<p>Re/Max to work with the Receiver to prepare the advertising and marketing plans, which at a minimum would include:</p> <ul style="list-style-type: none"> <li>• A brochure for distribution to Re/max's clients and other interested parties;</li> <li>• Website advertisements on <a href="http://www.revelstoke-realty.com">www.revelstoke-realty.com</a></li> <li>• An advertisement in the Western Investor magazine; and</li> <li>• Development of a process for disseminating due diligence materials to interested parties.</li> </ul>
June 16 – August 8, 2014 (8 weeks)	<p>Re/Max to initiate the marketing program, including:</p> <ul style="list-style-type: none"> <li>• contacting interested parties and distributing marketing brochure to their clients considered to be potential purchasers;</li> <li>• Distributing the draft form of agreement of purchase and sale to the parties expressing an</li> </ul>

	<p>interest in making an offer;</p> <ul style="list-style-type: none"> <li>• Responding to requests for information, conducting site tours and assisting potential buyers with their due diligence.</li> </ul>
August 8, 2014	Deadline for the submission of offers in the standard form with any revisions noted by a blackline version.

57. The Receiver’s legal counsel has already drafted a form of agreement of purchase and sale which it would consider acceptable. As noted previously, the Receiver intends to use this as the template for distribution to interested parties.
58. The Receiver has also gathered many of the documents that it would consider necessary to provide to a potential purchaser to enable it to form an opinion on value. Accordingly, the Receiver is confident that the proposed timeframe can be achieved.

**PROFESSIONAL FEES AND EXPENSES**

59. The activities of the Receiver to date have largely been covered in this First Report and include:
- (a) Stabilizing the operations and ensuring the on-going commitment of the employee group to allow for an orderly going concern sale;
  - (b) Establishing a cash management system to support the on-going operations;
  - (c) Setting up an accounting system and reporting system for all transactions subsequent to the date of the Receivership Order;

- (d) Engagement of the key stakeholders in strategic decisions and progress updates;
  - (e) Responding to enquiries from parties expressing interest in a potential acquisition of the Lands;
  - (f) Discussions with real estate brokers regarding the opportunity to represent the Receiver as the listing agent for the sale process;
  - (g) Liaising with the Liquor Control and License office with respect to revising the current licenses and dealing with an infraction violation;
  - (h) Responding to creditor enquiries;
  - (i) Liaising with the general manager regarding day to day operational issues that arise;
  - (j) Reporting to this Honourable Court and undertaking the statutorily required obligations of a receiver as set out in the BIA; and
  - (k) Such other duties as required to preserve and protect the underlying value of the assets over which the Receiver was appointed.
60. For the period from February 24, 2014 to March 31, 2014, the Receiver incurred 129.8 hours and billed fees and expenses approximating \$51,000, exclusive of GST.
61. A summary of the Receiver's invoices for the period from February 24, 2014 to March 31, 2014 are attached as Appendix C.



**SUMMARY OF RECEIPTS AND DISBURSEMENTS**

62. A summary of the Receiver’s receipts and disbursements for the period of February 25, 2012 to April 30, 2014 is presented below.

<b>Schedule of Receipts and Disbursements</b>		<b>Notes</b>
<b>February 25, 2014 to April 30, 2014</b>		
Sales	352,418	a
Other Revenue	4,599	b
<b>Total Receipts</b>	<b>357,017</b>	
Payroll Expenses	124,079	c
Operating Expenses	112,263	d
G & A Expenses	36,114	e
Insurance	29,415	f
Receiver and Legal Fees	19,869	g
Utilities	11,743	h
<b>Total Disbursements</b>	<b>333,484</b>	
<b>Net Cash on Hand</b>	<b>23,533</b>	

63. The following is a description of the major cash receipts and disbursements in the above table:

- (a) Sales – receipts related to the operation of the hotel and pub;
- (b) Other Revenue – other miscellaneous receipts;
- (c) Payroll Expenses – wages and salaries as well as relevant statutory deductions;
- (d) Operating Expenses – expenses related to the operations of the hotel and pub;

- (e) G & A Expenses – office supplies, telephone and other miscellaneous expenses;
- (f) Insurance – amount paid to date in respect of Powder’s insurance premium;
- (g) Receiver and Legal Fees – Professional Fees paid in connection with the Receivership proceedings to date; and
- (h) Utilities – heating, hot water, cable etc.

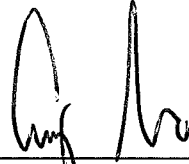
**RECEIVER’S RECOMMENDATIONS**

64. The Receiver recommends that this Honourable Court approve the following:

- (a) The activities of the Receiver to date including its receipts and disbursements;
- (b) The Listing Agreement between the Receiver and Re/Max substantially in the form attached as Appendix B and the proposed sale process; and
- (c) The Receiver’s fees and expenses for the period from February 24, 2014 to March 31, 2014.

65. All of which is respectfully submitted this 28<sup>th</sup> day of May, 2014.

FTI Consulting Canada Inc.,  
in its capacity as receiver and manager of  
the assets, property and undertaking of  
Powder Springs Inn Inc.



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Name: Craig Munro  
Title: Managing Director,  
FTI Consulting Canada Inc.

# **APPENDIX A**

March 3, 2014

To: All Known Creditors of Powder Springs Inn Inc.

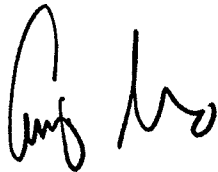
Powder Springs Inn Inc. – In Receivership (“Powder Springs”)

On February 25, 2014 FTI Consulting Canada Inc. was appointed as receiver and manager of all the assets, undertakings and properties of Powder Springs (the “Receiver”) pursuant to the Order of the Honourable Justice Mr. Dley of the Supreme Court of British Columbia (the “Receivership Order”). A copy of the Receivership Order and other public materials in respect of the receivership are available at the Receiver’s website:

<http://cfcanada.fticonsulting.com/powdersprings/>.

Periodic updates on the progress of the receivership will be posted on the Receiver’s website. The Receiver may be contacted by email at [brett.wilson@fticonsulting.com](mailto:brett.wilson@fticonsulting.com) or by phone at 403-444-5373.

Enclosed is a copy of the Receiver’s Notice and Statement provided in accordance with Subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*.



Your very truly,  
FTI Consulting Canada Inc.  
In its capacity as receiver of Powder Springs  
and not in its personal or corporate capacity.

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

POWDER SPRINGS INN INC. ("Powder Springs")

The Receiver gives notice and declares that:

1. On the 25<sup>th</sup> day of February, 2014 FTI Consulting Canada Inc., became the receiver in respect of the assets, undertakings and properties of Powder Springs, an insolvent person(s), that are described below.

Cash and Cash Equivalents	\$18,138
Inventory	\$195,990
Fixed Assets & Equipment	\$1,735,525
Other Assets	\$163,780

**Note:** the foregoing are the assets and book value as stated in the general ledger of Powder Springs as at the 25<sup>th</sup> day of February, 2014. The Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy of the foregoing. The Receiver provides no comment on the realizable value of the assets.

2. FTI Consulting Canada Inc. was appointed receiver pursuant to the Order of the Honourable Mr. Justice Dley of the Supreme Court of British Columbia granted February 25, 2014.
3. The undersigned took possession or control of the property described above on the 26<sup>th</sup> day of February, 2014.
4. The following information relates to the receivership.

- a) Address of the insolvent person: Box 530, 200 Third Street  
Revelstoke, British Columbia  
VOE 2S0
- b) Principal line of business: Powder Springs operates a 55  
room hotel and pub/restaurant
- c) Location of business: Powder Springs operates in the city  
of Revelstoke, BC

- d) Amounts owed by Powder Springs to each known creditor who holds a security on the property described above:

<u>Creditor</u>	<u>Claim Amount</u>
Revelstoke Credit Union	\$ 1,741,071
Clyde Newsome	\$ 1,785,526

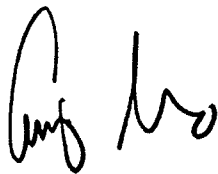
- e) The list of other creditors of the insolvent person and the amount owed to each creditor as stated in the books and records of Powder Springs, and the total amount due by the insolvent person is attached hereto as Schedule "1".
- f) The intended plan of action of the Receiver during the receivership is to evaluate and execute on the appropriate steps to maximize the realization on the assets with a view to maximizing recoveries for creditors. This will likely involve a sale process for the real estate asset along with the operating business.
- g) Contact person for the Receiver:

Brett Wilson  
FTI Consulting Canada Inc. in its capacity  
as Receiver of Powder Springs  
Pacific Centre  
Suite 1502, 701 West Georgia Street  
Vancouver, BC V7Y 1C6

Telephone: (403) 444-5373  
Email: brett.wilson@fticonsulting.com

Dated at Vancouver, British Columbia this 3<sup>rd</sup> day of March, 2014

FTI Consulting Canada Inc.,  
in its capacity as receiver of  
Powder Springs Inn Inc.



Craig Munro, CIRP  
Managing Director

**Powder Springs Inn Inc.  
Known Creditor Listing  
As of February 25, 2014**

**CDN Dollars**

<b>Secured Creditor</b>	<b>Amount</b>
Revelstoke Credit Union	1,741,071.91
Clyde Newsome	1,785,526.00
<b>Total Secured Creditor</b>	<b>3,526,597.91</b>
<b>Unsecured Creditor</b>	<b>Amount</b>
A & G Supply Ltd.	69.56
BC Liquor Stores 45	265.21
Canada Revenue Agency	139,417.82
Canada Revenue GST	52,169.89
Chung Chun International Trading	750.24
City of Revelstoke Property Taxes	173,367.27
City of Revelstoke Utilities	29,731.46
Coast to Coast Computer Products	308.75
Grocery People	2,397.53
Lakeside Printing	84.00
Lawrence Chan	5,000.00
Mt. Begbie Brewing Company	2,153.89
Pepsi Bottling Group	674.05
Praxair Distribution ZG603	399.38
Sleeman Brewing & Malting Co.	1,617.95
<b>Total Unsecured Creditors</b>	<b>408,407.00</b>
<b>Total Creditors</b>	<b>3,935,004.91</b>



# **APPENDIX B**



MULTIPLE LISTING CONTRACT

MULTIPLE LISTING SERVICE®

MLS® OFFICE USE ONLY
DATE LISTING MLS® NO

BETWEEN: OWNER(S) ('SELLER')
OWNER(S) ('SELLER')
UNIT ADDRESS
CITY PROV PC
TELEPHONE NUMBER CELL NUMBER

AND: RE/MAX Kelowna
('LISTING BROKERAGE')
#100 - 1553 Harvey Avenue
UNIT ADDRESS
Kelowna VIY 6G1
CITY PROV PC
250-717-5000
TELEPHONE NUMBER CELL NUMBER

RESIDENT OF CANADA [X] NON-RESIDENT OF CANADA [ ]
as defined under the Income Tax Act

1. LISTING AUTHORITY AND TERM:

A. The Seller hereby lists exclusively with the Listing Brokerage the property described in Clause 2 ("Property") from
(Effective Date) until 11:59 pm on September 30 2014 (Expiry Date) unless renewed in writing.

B. The Seller hereby:

- (i) authorizes the Listing Brokerage to obtain information concerning the Property from any person, corporation or governmental authority, including any mortgagee and British Columbia Assessment, and to share this information with other parties, including members of any real estate board;
(ii) authorizes the Listing Brokerage to advertise the Property and to show it to prospective buyers during reasonable hours;
(iii) restricts the advertising of the Property to the Listing Brokerage only except where the advertising of the Property by other members of the real estate board of which the Listing Brokerage is a member (hereinafter referred to as the "Board") or any other real estate board has been permitted by the Listing Brokerage;
(iv) agrees to allow the Listing Brokerage to place "For Sale" and "Sold" signs upon the Property; and
(v) agrees to allow Cooperating Brokerages (as hereinafter defined) to show the Property to prospective buyers.

2. PROPERTY:

200 West Third Street
UNIT NO. HOUSE NO. STREET NAME STREET TYPE STREET DIRECTION
Revelstoke V0E 2S0
CITY/TOWN/MUNICIPALITY POSTAL CODE
011-773-693
PID OTHER PID(S)
Lot 1, Section 34, Township 23, Range 2 West of the 6th Meridian Kootenay District Plan 12745
LEGAL DESCRIPTION

3. TERMS OF SALE:

LISTING PRICE See Schedule "A"
TERMS

4. LISTING SERVICE AND COOPERATING BROKERAGES: The Seller authorizes the Listing Brokerage:

- A. To list the Property with the Multiple Listing Service® of the Board and any other real estate board that the Listing Brokerage selects and has access to and to cooperate with other brokerages and their designated agents acting for a prospective buyer or, with the written consent of the Seller, as a sub-agent of the Listing Brokerage ("Cooperating Brokerages");
B. To publish in the Multiple Listing Service® of the Board, the Multiple Listing Service® of any other real estate board, Internet, or anywhere else that the Listing Brokerage selects and has access to, and to share with other parties, including British Columbia Assessment, the information contained in this Contract, the information contained in the Data Input Form and the Seller's Property Disclosure Statement, if applicable, and the sale price of the Property once an unconditional accepted offer exists; and
C. To make agency disclosures required of the Listing Brokerage.

5. LISTING BROKERAGE'S REMUNERATION: The Seller agrees:

A. To pay to the Listing Brokerage a gross commission of See Schedule "A"

of the sale price of the Property, plus applicable Goods and Services Tax and any other applicable tax in respect of the commission (commission + tax = remuneration) if:

- (i) a legally enforceable contract of sale between the Seller and a Buyer is entered into during the term of this Contract; or
(ii) a legally enforceable contract of sale between the Seller and a Buyer who is introduced to the Property or to the Seller, by the Listing Brokerage, the Designated Agent (as hereinafter defined) a Cooperating Brokerage or any other person including the Seller during the term of this Contract is entered into:
(a) within sixty (60) days after the expiration of the term of this Contract; or
(b) any time after the period described in (a) where the efforts of the Listing Brokerage, the Designated Agent (as hereinafter defined) or the Cooperating Brokerage were an effective cause; provided, however, that no such commission is payable if the Property is listed with another licensed brokerage after the expiration of the term of this Contract and sold during the term of that listing contract; or
(iii) an offer to purchase is obtained from a prospective buyer during the term of this Contract who is ready, willing and able to pay the Listing Price and agrees to the other terms of this Contract, even if the Seller refuses to sign the offer to purchase;

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ADDRESS

- B. The remuneration due to the Listing Brokerage shall be payable on the earlier of the date the sale is completed, or the completion date, or where no contract of sale has been entered into seven (7) days after written demand by the Listing Brokerage; and
- C. That to assist in obtaining a buyer for the Property, the Listing Brokerage will offer to Cooperating Brokerages a portion of the Listing Brokerage's commission in the amount of See Schedule "A"

of the sale price of the Property, plus applicable Goods and Services Tax and other applicable tax in respect of that portion of the commission.

- D. The Listing Brokerage and Designated Agent will advise the Seller of any remuneration, other than that described in Clause 5A, to be received by the Listing Brokerage in respect of the Property.
- 6. **ASSIGNMENT OF REMUNERATION:** The Seller hereby irrevocably:
  - A. Assigns to the Listing Brokerage from the proceeds of sale of the Property, the amount of remuneration due to the Listing Brokerage and authorizes the Listing Brokerage to retain from the deposit monies the amount of the Listing Brokerage's remuneration;
  - B. Acknowledges that the Listing Brokerage may assign to a Cooperating Brokerage all or part of the remuneration due to the Listing Brokerage; and
  - C. Directs, or agrees to sign such documents as may be required by the Listing Brokerage irrevocably directing a Lawyer or Notary Public acting for the Seller or a buyer, to pay the remuneration due to the Listing Brokerage, or the net amount remaining after the deposit monies held in trust have been credited against the remuneration due to the Listing Brokerage, to the Listing Brokerage and a Cooperating Brokerage, where applicable, by separate cheques to the Listing Brokerage and the Cooperating Brokerage.
- 7. **DESIGNATED AGENCY:**
  - A. Subject to Clause 12A and 7C(iii) the Listing Brokerage designates McLaughlin Commercial Group (Ken & Kris McLaughlin)

(the "Designated Agent") to act as the sole agent of the Seller in respect of the Property and will designate one or more licensees of the Listing Brokerage to act as the sole agents of all buyers and other sellers also represented by the Listing Brokerage. If for any reason the license of the Designated Agent (or where the Designated Agent is comprised of more than one licensee, the licenses of all of those licensees) is suspended, cancelled or becomes inoperative under the *Real Estate Services Act* or the Designated Agent (or where the Designated Agent is comprised of more than one licensee, all of those licensees) is temporarily unavailable or ceases to be engaged by the Listing Brokerage, the Listing Brokerage will designate another licensee of the Listing Brokerage to act as the sole agent of the Seller;

- B Subject to Clause 12A the Designated Agent will not disclose to other licensees, including licensees of the Listing Brokerage who represent buyers or other sellers, any confidential information of the Seller obtained through the Designated Agent's agency relationship with the Seller unless authorized by the Seller or required by law.
- C. Subject to Clause 12A the Seller agrees that:
  - (i) subject to (iii) an agency relationship will exist only with the Designated Agent;
  - (ii) Information obtained by the Designated Agent through the Designated Agent's agency relationship with the Seller will not be attributed to the Listing Brokerage or to other licensees of the Listing Brokerage who represent buyers or other sellers;
  - (iii) the Listing Brokerage's agency relationship is limited to listing the Property with the Multiple Listing Service® of the Board and any other real estate board that the Listing Brokerage selects and has access to; and
  - (iv) for the purposes of Clauses 1B, and 4, the term Listing Brokerage shall include the Designated Agent.

8. **THE DESIGNATED AGENT WILL:**

- A. Act as the agent of only the Seller with respect to the Property except where the Seller consents to limited dual agency (see Clauses 7 and 12);
- B. Provide information about the Property to Cooperating Brokerages;
- C. Subject to Clause 9A use reasonable commercial efforts to market the Property and to promote the interests of the Seller;
- D. At the earliest reasonable opportunity, advise any buyer interested in the Property that the Designated Agent is the agent of the Seller;
- E. Fulfill the duties set out in *Real Estate Services Act* Rule 3-3 as modified or made inapplicable by agreement between the Listing Brokerage and the Seller;
- F. Obey all lawful instructions of the Seller that are consistent with the *Real Estate Services Act* and the Rules and the Bylaws and Code of Ethics of the Board; and
- G. Exercise reasonable care and skill in their performance under this Contract;

9. **THE LISTING BROKERAGE AGREES:**

- A. That the services set out in Schedule "A" will be provided. Where the Listing Brokerage and the Designated Agent have chosen or agreed not to provide services to the Seller other than submitting the listing for posting with the Multiple Listing Services® of the Board and any other real estate board that the Listing Brokerage selects and has access to, Schedule "A" may include modifications to Clauses 5A, 5B, 6A, 6B, 6C, 8B, 8C, 8D, 8E, 10A, 10B, 10D, 10E, 10G and 10H;
- B. To monitor and supervise the activities of the Designated Agent to ensure compliance by the Designated Agent with the provisions of this Contract and with the Listing Brokerage's policies and procedures governing designated agents;
- C. Not to disclose confidential information of the Seller to any person unless authorized by the Seller or required by law;
- D. To treat the interests of the Seller and all buyers and other sellers also represented by the Listing Brokerage in an even handed, objective and impartial manner; and
- E. To hold all monies received by the Listing Brokerage in trust in accordance with the *Real Estate Services Act*.

10. **THE SELLER AGREES:**

- A. To promptly advise the Designated Agent of, and refer to the Designated Agent, all inquiries for the purchase of the Property, and to deliver to the Designated Agent all offers to purchase which may be received during the term of this exclusive Contract or arising by reason of it;
- B. To accept an offer made during the term of this Contract by a person ready, willing and able to purchase on the terms set out in this Contract.
- C. That the Seller has the authority to sell the Property and to enter into this Contract;
- D. That the Seller will disclose to the Designated Agent all third party claims and interests in the Property known to the Seller;
- E. That the Seller will disclose to the Designated Agent all material latent defects affecting the Property known to the Seller and that the Designated Agent may provide that information to prospective buyers;
- F. That all information provided to the Listing Brokerage and the Designated Agent by the Seller is and will be accurate to the best of the Seller's knowledge;
- G. That the Seller will immediately advise the Designated Agent of any material changes in the physical condition or status of the Property or the information provided by the Seller;
- H. That the Seller will provide the Designated Agent with all information necessary for the listing and marketing of the Property;
- I. That the Designated Agent is being retained solely to provide real estate services and not as a lawyer, tax advisor, lender, certified appraiser, surveyor, structural engineer, home inspector or other professional service provider; and
- J. That the Property is not currently the subject of any other exclusive listing contract.

11. **THE SELLER ACKNOWLEDGES AND AGREES THAT:**

- A. The information relating to the Property may be disclosed to persons interested in the Property including prospective buyers, agents of prospective buyers, appraisers, financial institutions, governments and governmental departments and agencies;
- B. The duties set out in *Real Estate Services Act* Rule 3-3 apply only to the Designated Agent and do not apply to any other licensees of the Listing Brokerage who represent buyers or other sellers and, subject to Clauses 9B, 9C and 9D, do not apply to the Listing Brokerage.

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- C. It is not a conflict or a breach of duty to the Seller for the Listing Brokerage to list property of, or the Designated Agent to show property of, or to have agency relationships with, other sellers;
  - D. It is not a conflict or a breach of duty to the Seller for the Designated Agent to have agency relationships with buyers or for the Listing Brokerage to designate other licensees of the Listing Brokerage to have agency relationships with buyers;
  - E. Despite *Real Estate Services Act* Rule 3-3(f), the Listing Brokerage and the Designated Agent will not be required to disclose to the Seller confidential information obtained through any agency relationship; and
  - F. A Seller, who is a non-resident of Canada, must comply with the *Income Tax Act* of Canada before the sale of the Seller's property can be completed.
12. LIMITED DUAL AGENCY:
- A. If the Designated Agent (or where the Designated Agent is comprised of more than one licensee, one of those licensees) is also the agent of a prospective buyer who becomes interested in the Property, the Listing Brokerage:
    - (i) will seek the written consent of the Seller and the prospective buyer for the Designated Agent to continue to act as their limited dual agent to facilitate a sale of the Property; or
    - (ii) if the parties do not consent to (i), may designate another licensee of the Listing Brokerage to act as the designated agent for that buyer in which case neither the Designated Agent nor the Listing Brokerage will be required to disclose to the Seller confidential information obtained by the Designated Agent through the Designated Agent's agency relationship with that buyer;
  - B. Where the Seller and the prospective buyer have consented to the Designated Agent acting as their limited dual agent, the Designated Agent's duties will be modified by the limitations described in the brochure published by the British Columbia Real Estate Association entitled *Working With a REALTOR®*.
13. COLLECTION, USE AND DISCLOSURE OF PERSONAL INFORMATION:
- A. The Seller hereby consents to the collection, use and disclosure by the Listing Brokerage and by the managing broker(s), associate broker(s) and representative(s) of the Listing Brokerage (collectively the "Licensee") noted below, the Board and any other real estate board, of personal information about the Seller:
    - (i) for all purposes consistent with the listing, marketing and selling of the Property;
    - (ii) for placement in the database of the Multiple Listing Service® of the Board and of any other real estate board that the Listing Brokerage selects and has access to;
    - (iii) for the purpose of the Board and other real estate boards marketing the Property in any medium including but not limited to posting the personal information on publicly accessible websites and distributing the personal information to any persons including the public, members of the Board, members of other real estate boards governments and governmental departments and agencies, appraisers and others;
    - (iv) for compilation, retention and publication by the Board and other real estate boards of any statistics including historical Multiple Listing Service® data for use by persons authorized to use the Multiple Listing Service® of the Board and other real estate boards;
    - (v) for enforcing codes of professional conduct and ethics for members of the Board and other real estate boards;
    - (vi) for all other purposes authorized in this Contract including but not limited to those described in Clauses 1B, 4A, 4B, 8B and 11A; and
    - (vii) for the purposes (and to the recipients) described in the brochure published by the British Columbia Real Estate Association entitled *Working With a REALTOR®*.
14. TERMINATION: The Listing Brokerage and the Seller agree that:
- A. Without prejudice to the acquired rights of the Seller or the Listing Brokerage, including without limitation the rights and obligations under Clause 5, this Contract will terminate:
    - (i) upon the expiration of the term of this Contract as specified in Clause 1A;
    - (ii) upon an earlier date than that specified in Clause 1A if mutually agreed to by the Seller and the Listing Brokerage in writing;
    - (iii) upon a completed sale of the Property prior to the expiration of the term of this Contract;
    - (iv) immediately if the Listing Brokerage's licence is suspended, cancelled or rendered inoperative under the *Real Estate Services Act*; and
    - (v) upon the bankruptcy or insolvency of the Listing Brokerage or if it is in receivership.
  - B. Immediately upon the termination of this Contract the Listing Brokerage and the Designated Agent will:
    - (i) remove the Property as an active listing of the Multiple Listing Service® of the Board and any other real estate board that the Listing Brokerage has selected;
    - (ii) cease all marketing activities on behalf of the Seller;
    - (iii) remove all signs from the Property; and
    - (iv) if requested by the Seller, return all documents and other materials provided by the Seller.
15. MISCELLANEOUS PROVISIONS:
- A. "Sale" includes an exchange and "sale price" includes the value of property exchanged.
  - B. The "term" of this Contract includes the period of any written extension.
  - C. Interpretation of this Contract and all matters concerning its enforcement by the parties shall be governed by the laws of the Province of British Columbia.
  - D. The parties acknowledge that this Contract fully sets out the terms of the agreement between them.
  - E. This Contract shall be binding upon and benefit not only the parties but also their respective heirs, executors, administrators, successors and assigns.
  - F. "Property" may include a leasehold interest, a business and the goodwill and assets of it, an interest, partnership or share in a business or in the goodwill and assets of it, or a manufactured home, plus any other property designated by the Seller in the Data Input Form or addendum attached.
  - G. In consideration of the Board or any other real estate board disseminating information about the Property, the Seller and Listing Brokerage each assign to the Board or other real estate board all their rights and interests in and to the information related to the Property contained in this Contract, including all copyright, rights ancillary to copyright and all other proprietary rights.
16. ENTIRE AGREEMENT - THIS LISTING CONTRACT MEANS AND INCLUDES THIS AGREEMENT AND THE SELLER'S PROPERTY DISCLOSURE STATEMENT (WHEN ATTACHED AND SIGNED BY THE SELLER): Seller acknowledges having read and understood this Contract; that it accurately describes the agreement with the Listing Brokerage; and that a copy of it has been received by the Seller this date. Where the Seller is comprised of more than one party, the obligations under this Contract of each and every party comprising the Seller shall be joint and several.

SIGNED, SEALED AND DELIVERED THIS \_\_\_\_\_ OF \_\_\_\_\_, yr. \_\_\_\_\_.

SELLER'S SIGNATURE \_\_\_\_\_



BY SIGNING THIS CONTRACT THE SELLER ACKNOWLEDGES HAVING RECEIVED, READ AND UNDERSTOOD THE BROCHURE PUBLISHED BY THE BRITISH COLUMBIA REAL ESTATE ASSOCIATION ENTITLED *WORKING WITH A REALTOR®*:

RE/MAX Kelowna LISTING BROKERAGE (PRINT) \_\_\_\_\_



SELLER'S SIGNATURE \_\_\_\_\_



Per: DESIGNATED AGENT'S SIGNATURE \_\_\_\_\_

WITNESS TO SELLER(S) SIGNATURE(S) \_\_\_\_\_

BROKERAGE APPROVAL FOR OFFICE USE ONLY

Ken McLaughlin & Kris McLaughlin DESIGNATED AGENT (PRINT) \_\_\_\_\_

\*PREC represents Personal Real Estate Corporation

Trademarks are owned or controlled by The Canadian Real Estate Association (CREA) and identify real estate professionals who are members of CREA (REALTOR®) and/or the quality of services they provide (MLS®).

MULTIPLE LISTING CONTRACT SCHEDULE "A"

200 West Third Street, Revelstoke, BC

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ADDRESS

The Listing Realtors plan to provide the following services to the Seller during the time of the MLS Listing:

- 1) Submit to the MLS Listing service of OMREB, and
- 2) Advertise the property in: the local Real Estate Review; Commercial Listings to be advertised in the North Okanagan and Shuswap Real Estate Review, and
- 3) Advertise the property in various print publications which may include; but not limited too: The Western Investor Publications; and
- 4) Internet services of the Listing Broker(s) & OMREB; and
- 5) Liaison to the Owner as the prospective purchasers; and
- 6) Network with potential past & present land, building & business Buyers; and
- 7) Signage as agreed with the Seller.
- 8) The Schedule "B" as provided by the Seller's Law Firm or the "Receiver" shall be attached and form a part of any Offering or Contract of Purchase & Sale submitted for approval into the BC Supreme Court.

Success Transaction Fees or Commissions:

- 1) If the Subject Property as detailed within this MLS Contract is SOLD or has FIRM ACCEPTANCE (witnessed behind the scene) by the Receiver within the first 30 days only from the start date of this Listing or any Amendment to the Listing, the Designated Agents McLaughlin Commercial Group (Ken & Kris McLaughlin), Brokerage RE/MAX Kelowna and the Designated Agent Co-listing Agent Cynthia J. Kidd, Co-listing Brokerage RE/MAX Revelstoke Realty agree to a "One Time Discount" to \$25,000.00 plus GST with no other Salespersons' participation in the transaction.

2. The Commission structure for the MLS Listing other than detailed above shall be:

MLS Listing Designated Agent:

- 2% Commission plus GST on the first \$2,000,000.00 of the Purchase Price,
- 2.5% Commission plus GST on a Purchase Price over \$2,000,000.00 to \$3,000,000.00,
- 3% Commission plus GST on a Purchase Price over \$3,000,000.00.

C. To assist in obtaining a Buyer for the Property, the listing Brokerage will offer to the Cooperating Brokerages a portion of the Listing Brokerages commission in the amount of 1% Commission on the first \$2,000,000.00 and .25% on the Balance of the Purchase Price plus applicable Goods and Services Tax and other applicable tax in respect to that portion of the commission.

FUNDAMENTAL TERMS AND CONDITION OF THIS AGREEMENT:

The Schedule "B" as provided by the Seller's Law Firm or the "Receiver" shall be attached and form a part of any Offering or Contract of Purchase & Sale to be submitted for approval into the BC Supreme Court or for binding Acceptance of the Receiver.

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INITIALS



# WORKING WITH A REALTOR® (DESIGNATED AGENCY)

AN EXPLANATION OF THE RELATIONSHIP BETWEEN YOU AND A REALTOR® AND OF THE COLLECTION, USE AND DISCLOSURE OF PERSONAL INFORMATION

## YOUR RELATIONSHIP WITH A REALTOR®

Buying, selling or leasing real estate is a significant financial transaction. To help you ensure your experience is a rewarding one, it is advisable that you learn the legal and professional guidelines that will define the working relationship you have with your REALTOR®.

This brochure also explains the collection, use and disclosure of personal information under Privacy guidelines. If you are still unclear about any of these concepts, feel free to seek legal counsel.

## REAL ESTATE DEFINITIONS YOU SHOULD KNOW

REALTOR® is often used interchangeably with licensee, real estate agent or representative to describe someone licensed under the *Real Estate Services Act*. A **Designated Agent** is the person(s) designated by the Brokerage to act for you, the Client, as your sole agent in real estate transactions. This person is almost always a licensed REALTOR®. Brokerage refers to the real estate company where your REALTOR® is licensed.

The **Boards** are the real estate boards of which the Brokerage and the REALTOR® are members. The Boards set and enforce the professional standards of members, and will help resolve disputes between member REALTORS® and the public. The **Multiple Listing Service® System (MLS®)** comprises a computerized database of real estate listings and sales, operated by the Boards in conjunction with The Canadian Real Estate Association. In documentation, the **buyer/tenant** is often referred to as the *purchaser*, the **seller/landlord**, the *vendor*, the **landlord** the *lessor*, and the **tenant** the *lessee*. The **client** (sometimes called the *principal*) is someone who has engaged a Designated Agent and their Brokerage to act for and on his or her behalf either to buy, sell or lease real estate. The **customer** is a buyer/tenant or seller/landlord who receives services from a REALTOR(S)® who is not their Designated Agent.

## THERE ARE THREE POSSIBLE MODELS YOU CAN USE TO BUY, SELL OR LEASE PROPERTY THROUGH A REALTOR®

### DESIGNATED AGENCY

When a brokerage designates a REALTOR® or REALTORS® to work solely on your behalf in real estate transactions, the REALTOR® and brokerage are bound by ethics and the law to be honest and thorough in representing you. The REALTOR® appointed as your Designated Agent must:

- Provide undivided loyalty to you (Client) by protecting your negotiating position at all times, and disclosing to you all known facts which may affect or influence your decisions. Your Designated Agent will not be able to disclose to you confidential information obtained from other clients;
- Act within the scope of the authority granted by you and obey all lawful instructions which you give the REALTOR® to act on your behalf;
- Maintain the confidentiality of your information (financial, legal, personal, etc.) (See following PRIVACY section);
- Use reasonable care and skill in performing all assigned duties in the role as agent.
- Unless the brokerage and you agree otherwise the duties of your Designated Agent do not apply to the brokerage or any of its other REALTORS®.

The brokerage must:

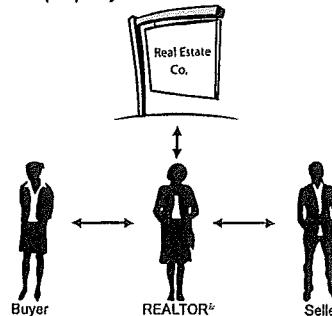
- Supervise your Designated Agent;
- Maintain the confidentiality of your information;
- Account for all money and property placed in its hands while acting for you;
- Treat you and all of its clients in an even handed, objective and impartial matter.

### LIMITED DUAL AGENCY

Limited Dual Agency occurs when the Designated Agent represents *both* the buyer/tenant and seller/landlord in the same transaction or two buyers competing for the same property. In this arrangement, the REALTOR® cannot be concerned *exclusively* with your interests in the transaction, since they are acting on behalf of the other party as well. Both the seller and the buyer or the competing buyers should fully consent to a limited dual agency arrangement in writing.

A REALTOR® who has consent to work as a limited dual agent must adhere to the following restrictions:

- Deal with both parties impartially;
- Have a duty of disclosure to both clients, except that:
  - REALTOR® must not disclose that the buyer/tenant is willing to pay a price or agree to terms other than those contained in the offer, nor disclose that the seller/landlord is willing to accept a price or terms other than those contained in the listing;
  - in the case of competing buyers, the REALTOR® must not disclose the amount or terms of any offer to purchase or lease made or contemplated by either buyer/tenant;
  - REALTOR® must not disclose the motivation of one Client to the other Client, unless one of the Clients has authorized such disclosure themselves;
  - REALTOR® must not disclose buyer/tenant's or seller/landlord's personal information to the other Client, unless authorized in writing. (This refers to information not otherwise disclosed in the transaction documents.)
- Must disclose to the buyer/tenant any defects about the physical condition of the property that are known to the REALTOR®.



### CUSTOMER RELATIONSHIP:

#### Working With a REALTOR® Who is Not Your Agent

You may also choose to use the services of a REALTOR® without having any kind of agency relationship. This might occur, for example, when you contact or are being shown a property by the seller/landlord's Designated Agent who will treat you as their customer rather than their client.

In this situation, the REALTOR® is not permitted to recommend or suggest a price, negotiate on your behalf, inform you of their client's bottom line price point or disclose any confidential information about their client unless otherwise authorized by the client (or if in special circumstances, the law required it). However, the REALTOR® can provide you with other services, such as:

- Explaining real estate terms, practices and forms
- Assist in screening or viewing properties
- Prepare and present all offers and counter offers at your direction
- Inform you of lenders and their policies
- Identify and estimate costs involved in a transaction

## YOUR RESPONSIBILITIES AS A BUYER/TENANT OR A SELLER/LANDLORD

As a buyer/tenant or a seller/landlord, you should:

- Carefully read all documents and understand what you are signing.
- If you need special or expert advice, seek other professionals for advice.

## WORKING WITH A REALTOR® (DESIGNATED AGENCY)

### PRIVACY

In order to help you sell, buy or lease real estate, REALTORS®, Brokerages and real estate boards need to collect, use and disclose some of your personal information.

**Personal Information** means any personal information about you, including your name, address, phone number, financial information and may include information about your property (such as listing and selling price, lease rate, listing term, etc.).

**How is my personal information collected?** Most personal information will be collected directly from you through the contracts and other documents you fill out (e.g., Multiple Listing Contract, Contract of Purchase and Sale, Offer to Lease, seller's Property Disclosure Statement) and through discussions you have with your REALTOR®. Some information may be collected from other sources such as government departments and agencies (e.g., Land Title Offices, BC Assessment), financial institutions and mortgage brokers.

**To whom may my personal information be disclosed?** Your information may be disclosed to (or may be accessible by) the Boards and their staff and members, other real estate boards and their staff and members, other REALTORS® and their clients, government departments and agencies, financial institutions, legal advisors, service providers, the British Columbia Real Estate Association, the Real Estate Council of British Columbia, The Canadian Real Estate Association and members of the public, for the purposes described below. Not all of your information will be accessible to each of the above-mentioned entities. For example, once the listing term has ended, the general public will not have access to your information unless it is otherwise available through public registries (e.g., BC Assessment, Land Title Offices).

### PURPOSES FOR COLLECTING, USING AND DISCLOSING PERSONAL INFORMATION

**Why is my personal information collected, used and disclosed?** Your information may be collected, used and disclosed for some or all of the following purposes:

- a) To allow members of real estate boards (including REALTORS® and appraisers) to appraise your property.
- b) To list your property with the Multiple Listing Service® System in order to market your property.
- c) To market your property for sale or lease through any other media (both print and electronic).
- d) To help you locate a suitable property to purchase or lease.
- e) To facilitate the purchase and sale or lease transaction (by cooperating with financial institutions, legal advisors and government departments and agencies).
- f) To allow the Boards and other real estate boards and their members (including REALTORS® and appraisers) to compile current and historical statistics on sales and property prices and lease rates, and to conduct comparative market analyses. Information about your property will be retained in the Multiple Listing Service® System for these purposes after your property has sold or leased or your listing has expired (if you are a seller/landlord) and after you have purchased or leased your property (if you are a buyer/tenant).
- g) To enforce codes of professional conduct and ethics for members of real estate boards (by cooperating with real estate boards, the British Columbia Real Estate Association, the Real Estate Council of British Columbia, The Canadian Real Estate Association and other regulatory bodies).
- h) To comply with legal requirements and to act pursuant to legal authorizations.

The above-mentioned collections, uses and disclosures are a necessary part of your relationship with your REALTOR®.

**Will my personal information be collected, used and disclosed for any other purposes?** Your information may also be collected, used and disclosed for the following additional purposes:

- a) Your REALTOR® may communicate with you in future to determine whether you require additional real estate services.

- b) Your REALTOR® may communicate with you to provide information about other products or services which may interest you.
- c) Other REALTORS® may communicate with you to determine whether you require additional real estate services.
- d) The Boards, other real estate boards and their members, and survey firms on their behalf, may communicate with you to determine if you wish to participate in customer satisfaction surveys and other surveys.

These additional purposes are optional. If you do not want your personal information disclosed or used for these purposes, please contact the Board's privacy officer.

Contact information for all real estate boards within BC can be found at the British Columbia Real Estate Association website: [www.bcrea.bc.ca](http://www.bcrea.bc.ca) or telephone 604.683.7702.

### ACKNOWLEDGEMENT

REALTORS®, Brokerages and real estate boards need to collect, use and disclose some personal information to help you sell, buy or lease real estate.

I/We consent to the Boards, other real estate boards, the Brokerage and the REALTOR(S)® collecting, using and disclosing personal information for the purposes (and to the recipients) described in the brochure.

I/We further understand that I/we will be signing additional documentation acknowledging the type of agency that I/we receive and consenting to the collection, use and disclosure of personal information.

This is not a service agreement and does not impose any contractual obligations.

I/We acknowledge having received and read the brochure *Working With a REALTOR®* from the REALTOR® named below and have obtained satisfactory answers to any questions that it raised. I/We understand the various types of relationships that may occur between myself/ourselves and a REALTOR® and acknowledge that my/our relationship with the undersigned REALTOR(S)® is:

Initials

Initials

a client relationship under Designated Agency

OR

Initials

Initials

a customer relationship

ACKNOWLEDGED BY:

\_\_\_\_\_  
NAME (PRINT)

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
NAME (PRINT)

\_\_\_\_\_  
SIGNATURE

Ken McLaughlin & Kris McLaughlin

\_\_\_\_\_  
NAME OF REALTOR® (PRINT)

\_\_\_\_\_  
PER: REALTOR®'S SIGNATURE

Cynthia J. Kidd

\_\_\_\_\_  
NAME OF REALTOR® (PRINT)

\_\_\_\_\_  
PER: REALTOR®'S SIGNATURE

RE/MAX Kelowna

\_\_\_\_\_  
NAME OF BROKERAGE (PRINT)

May 27

\_\_\_\_\_  
DATED

\_\_\_\_\_, yr. 2014



CO-LISTING FORM

MLS# NO:
LISTING DATE:

WITH RESPECT TO THE LISTING KNOWN AS 200 West Third Street Revelstoke VOE 2S0
(Property Address)

WE, RE/MAX Kelowna DO HEREBY AGREE TO CO-LIST
(Listing Brokerage/Company)

THE ABOVE MENTIONED PROPERTY WITH:

CO-LISTING BROKERAGE RE/MAX Revelstoke BROKER ID 1350
CO-LISTING BROKERAGE ADDRESS 209 First Street West P.O. Box 840 Revelstoke BC VOE 2S0
DESIGNATED AGENT Cynthia J. Kidd MEMBER ID 8241
DESIGNATED AGENT MEMBER ID
DESIGNATED AGENT MEMBER ID

UNDER THE FOLLOWING TERMS:

APPORTIONMENT OF COMMISSION:

LISTING 60% of the success transaction fees or commissions
COOPERATING (if applicable) 40% of the success transaction fees or commissions

APPORTIONMENT OF EXPENSES:

ADVERTISING 60/40% Signs Only
MLS# FEE 100% McLaughlin Commercial Group
OTHER TERMS McLaughlin Commercial Group responsible for print media and packaging
EXPIRY DATE OF CO-LISTING AGREEMENT August 31, 2014

- NOTE: A) INSTRUCTIONS OR CHANGES TO THE LISTING REMAIN AT THE SOLE DISCRETION OF THE LISTING BROKERAGE AND WILL ONLY BE ACCEPTED BY THE MLS® FROM THE LISTING BROKERAGE.
B) INSTRUCTIONS TO REMOVE A CO-LISTING BROKERAGE MUST BE IN WRITING AND SIGNED BY THE MANAGERS OF THE LISTING AND CO-LISTING BROKERAGES AND THE SELLER(S).
C) IF FOR ANY REASON THE LICENSE(S) OF ALL OF THE DESIGNATED AGENTS APPOINTED BY THE CO-LISTING BROKERAGE ARE SUSPENDED, CANCELLED OR BECOME INOPERATIVE UNDER THE REAL ESTATE SERVICES ACT OR ALL OF THE DESIGNATED AGENTS APPOINTED BY THE CO-LISTING BROKERAGE ARE TEMPORARILY UNAVAILABLE OR HAVE CEASED TO BE ENGAGED BY THE CO-LISTING BROKERAGE, THE CO-LISTING BROKERAGE WILL DESIGNATE ANOTHER LICENSEE(S) TO BE THE AGENT OF THE SELLER.

LISTING BROKERAGE RE/MAX Kelowna BROKER ID 1346
DESIGNATED AGENT Ken McLaughlin MEMBER ID 7382
DESIGNATED AGENT Kris McLaughlin MEMBER ID 12546
DESIGNATED AGENT MEMBER ID

(SELLER APPROVAL) (MANAGER APPROVAL - LISTING BROKERAGE)

(SELLER APPROVAL) (MANAGER APPROVAL - CO-LISTING BROKERAGE)

DATED THIS DAY OF YEAR



# APPENDIX C

**Powder Springs Inn Inc.**  
**Summary of Receiver's Invoices**

<b>Invoice Number</b>	<b>Date</b>	<b>Period Covered</b>	<b>Hours</b>	<b>Fees and expenses</b>	<b>GST</b>	<b>Total</b>
29000882	Feb 28/14	Feb 24, 2014 to Feb 28, 2014	49.9	18,923.00	946.15	19,869.15
29000893	Mar 21/14	Mar 1, 2014 to Mar 16, 2014	55.0	20,571.49	1,028.57	21,600.06
29000918	Mar 31/14	Mar 17, 2014 to Mar 31, 2014	24.9	11,368.71	568.44	11,937.15
			<b>129.8</b>	<b>50,863.20</b>	<b>2,543.16</b>	<b>53,406.36</b>



*Invoice Summary*

Powder Springs Inn Inc.  
c/o FTI Consulting Canada  
Pacific Centre, Suite 1502  
701 West Georgia Street  
Vancouver BC V7Y 1C6

February 28, 2014  
FTI Invoice No. 29000882  
FTI Job No. 440054.0001  
Terms Payment on Presentation

Current Invoice Period: Charges Posted through February 28, 2014

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<b>Name</b>	<b>Title</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
Craig Munro	Managing Director	\$495.00	22.4	\$11,088.00
Brett Wilson	Consultant	\$295.00	26.0	\$7,670.00
Linda Kelly	Administrative Professional	\$110.00	1.5	\$165.00
<b>Total Hours and Fees</b>			<b>49.9</b>	<b>\$18,923.00</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$946.15</b>
<b>Invoice Total for Current Period</b>				<b>\$19,869.15</b>

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**PROFESSIONAL SERVICES**

**Craig Munro**

02/24/14	Rev Court Order and provide comments to S Dubo. TC with S Dubo re same. .Planning.	2.20	
02/25/14	Email exchange with S Dubo re Court application. Organize staffing. Email to R Bobicki re banking. Emails re website.	1.70	
02/26/14	Travel from Vancouver to Revelstoke (4.0). Meeting with R Bobicki, RCU. Meeting with C Newsome and R Bobicki. Mtg with E Kirkland. Disc with B Wilson. TC with H Gorman re potential offer. TC with S Dvorak.	7.00	
02/27/14	Travel from Revelstoke to Vancouver (4.0). TC with Moneris re trsfr of accounts. Draft letter to insurer. Mtgs with R Bobicki. Mtg with C Newsome. Rev banking and payroll with E Kirkland.	7.00	
02/28/14	Several TC's with B Wilson re issues. Rev financial info from Heidi. Email to E Kirkland re follow up questions. Email to R Bobicki re payroll. TC with B Wilson re payroll setup. TC with S Dvorak re status update.	4.50	
	<b>\$495.00 per hour x total hrs of</b>	<b>22.40</b>	<b>\$11,088.00</b>

**Brett Wilson**

02/26/14	Travel from Calgary to Revelstoke	2.50	
02/26/14	Initial meetings with RCU, C. Newsome and E. Kirkland, initial planning of Receivership procedures	6.50	
02/27/14	245&246 notices drafted, employee notices and employee meetings, WEPP claims for vacation pay analysis, initial review of hotel procedures and understanding of cash management	9.50	
02/28/14	WEPP claims letter employee notice, communication to arrange payroll deposits and employee letters, reviewing historical financial information, communication with CIBC and Moneris to redirect payments to RCU, cash management and invoices approval procedures	7.50	
	<b>\$295.00 per hour x total hrs of</b>	<b>26.00</b>	<b>\$7,670.00</b>

**Linda Kelly**

02/27/14	Creating a new website, making changes to website and uploading documents	1.50	
	<b>\$110.00 per hour x total hrs of</b>	<b>1.50</b>	<b>\$165.00</b>



*Invoice Summary*

Powder Springs Inn Inc.  
c/o FTI Consulting Canada  
Pacific Centre, Suite 1502  
701 West Georgia Street  
Vancouver BC V7Y 1C6

March 21, 2014  
FTI Invoice No. 29000893  
FTI Job No. 440054.0001  
Terms Payment on Presentation

Current Invoice Period: Charges Posted through March 16, 2014

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<b>Name</b>	<b>Title</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
Craig Munro	Managing Director	\$495.00	8.3	\$4,108.50
Brett Wilson	Consultant	\$295.00	46.4	\$13,688.00
Linda Kelly	Administrative Receptionist	\$110.00	0.3	\$33.00
<b>Total Hours and Fees</b>			<b>55.0</b>	<b>\$17,829.50</b>
Business Meals				\$290.76
Mileage				\$448.20
Lodging				\$836.53
Other/Miscellaneous				\$128.84
Transportation				\$1,037.66
<b>Total Expenses</b>				<b>\$2,741.99</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$1,028.57</b>
<b>Invoice Total for Current Period</b>				<b>\$21,600.06</b>

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*Invoice Activity*

**PROFESSIONAL SERVICES**

**Craig Munro**

03/03/14	TC with C Brousson re status update. TC with C Newsome re process and sharing of info. TC with B Wilson re update. Rev receiver's report. TC with R McDougall re appraisal. Email J Gilchrist re acctg of proceeds.	1.40	
03/05/14	TC with B Wilson re status update. TC with S Dubo re update. Email R Bobicki re banking.	0.40	
03/11/14	TC with CRA re status update. Disc with B Wilson re cash flow budget and banking. Email R Bobicki re banking query.	1.40	
03/12/14	TC with B Wilson re status update. Email exchange with J Roe re mgmt contract. Email legal counsel re mgmt contract.	0.80	
03/13/14	Investigate WEPP issue. Disc with B Wilson re same. TC with B Wilson re status update. Rev CRA auditor stmt and circulate. Rev statement from City of Revelstoke and circulate. Email Dvorak re legal issue on prop tax.	1.80	
03/14/14	TC with R Bobicki re banking and Revelstoke Alpine. TC with B Wilson re status update. TC with S Foisy re insurance. TC with R MacDougall re appraisal info, Email with D Mahoney. Prep list of interested parties. Rev payroll. Disc with B Wilson re banking.	2.50	
	<u>\$495.00 per hour x total hrs of</u>	<u>8.30</u>	<u>\$4,108.50</u>

**Brett Wilson**

03/03/14	Reviewing cash management and nightly audit procedures, weekend revenues reviewed, 245 notice mail out, cash flow forecast	8.50	
03/04/14	Cash management, daily reporting, meeting with C. Newsome to discuss weekly reporting, weekly budget, daily reporting	4.50	
03/05/14	Daily invoices approving, bank accounting info, cash management, budget, Receiver's Report	4.50	
03/05/14	Non-billable time	3.50	
03/05/14	Non-billable time	-3.50	
03/06/14	Operations issues, cash flow forecast, invoice approval, creditor communication	1.50	
03/07/14	Calls with Moneris, update with Roberta, day to day activities and update with Emma	1.50	
03/10/14	Invoices approval, cash flow revisions and outstanding issues	1.40	
03/11/14	Travel to Kamloops	2.50	
03/12/14	Daily invoices, cash flow, communication and update with C. Munro, employee WEEP claims employee package, daily reporting, meeting with R. Bobicki	8.50	
03/12/14	Travel to Revelstoke	2.50	
03/13/14	Meeting with Heidi regarding weekly reporting, payroll and outstanding issues, employee WEPPA package, payroll, invoicing approval	7.50	
03/13/14	Travel to Kamloops	2.50	
03/14/14	Bank recs and invoice approval	1.00	
	<u>\$295.00 per hour x total hrs of</u>	<u>46.40</u>	<u>\$13,688.00</u>

**Linda Kelly**

03/12/14	Updating employee information on Powder Springs website.	0.30	
	<u>\$110.00 per hour x total hrs of</u>	<u>0.30</u>	<u>\$33.00</u>



*Invoice Summary*

Powder Springs Inn Inc.  
c/o FTI Consulting Canada  
Pacific Centre, Suite 1502  
701 West Georgia Street  
Vancouver BC V7Y 1C6

March 31, 2014  
FTI Invoice No. 29000918  
FTI Job No. 440054.0001  
Terms Payment on Presentation

Current Invoice Period: Charges Posted through March 31, 2014

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<b>Name</b>	<b>Title</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
Craig Munro	Managing Director	\$495.00	7.6	\$3,762.00
Brett Wilson	Consultant	\$295.00	17.3	\$5,103.50
<b>Total Hours and Fees</b>			<b>24.9</b>	<b>\$8,865.50</b>
Business Meals				\$150.84
Lodging				\$593.90
Other/Miscellaneous				\$105.71
Transportation				\$1,652.76
<b>Total Expenses</b>				<b>\$2,503.21</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$568.44</b>
<b>Invoice Total for Current Period</b>				<b>\$11,937.15</b>

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*Invoice Activity*

**PROFESSIONAL SERVICES**

**Craig Munro**

03/17/14	TC with S Dubo re status update. TC with D Mahoney re interest in property. TC with B Wilson re status update. Email from R McDougall re financial info. Arrange for info to be prepared and fwd to R McDougall.	1.70	
03/18/14	TC with R McDougall re appraisal. Email to arrange for Ross' site visit. Emails to B Wilson re insurance and status update. Email to E Kirkland re sales update.	0.80	
03/19/14	TC with B Wilson re status update.	0.30	
03/20/14	Draft Receiver's report. TC with R McDougall re appraisal.	2.20	
03/25/14	TC with R McDougall re appraisal and payroll info. Disc with B Wilson re issues.	0.40	
03/28/14	Emails with B Wilson. Rev appraisal report.	1.00	
03/31/14	Email with S Dubo. Rev insurance renewal. Email exchange with J Roe. TC with S Dvorak.	1.20	
	<u>\$495.00 per hour x total hrs of</u>	<u>7.60</u>	<u>\$3,762.00</u>

**Brett Wilson**

03/17/14	Weekly reporting, revenue review, invoice approval, online payments	1.50	
03/18/14	Invoice approval, communication with E. Kirkland	1.50	
03/19/14	Travel from Calgary to Revelstoke	3.00	
03/19/14	Appraisal walk through with R. MacDougall, invoice approval, WEPP POC, communication with R. Bobicki	4.50	
03/20/14	Travel to Calgary	1.30	
03/24/14	Invoice approval, weekly reporting, correspondence with E. Kirkland and H. Kinoshita	1.50	
03/25/14	Call with H. Kinoshita regarding revenue reports and ongoing issues, invoice approval and communication with E. Kirkland	1.30	
03/26/14	Email and phone correspondence, invoice approval	0.60	
03/28/14	Invoice approval, call with E. Kirkland, payroll	0.80	
03/31/14	Communication with H. Kinoshita and E. Kirkland regarding weekly reporting and revenues, invoice approval, ongoing issues	1.30	
	<u>\$295.00 per hour x total hrs of</u>	<u>17.30</u>	<u>\$5,103.50</u>
03/19/14	Travel from Calgary to Revelstoke	0.00	
03/20/14	Travel to Calgary	0.00	
	<u>\$0.00 per hour x total hrs of</u>	<u>0.00</u>	<u>\$0.00</u>