

COURT FILE NUMBER	2203-05923
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
PLAINTIFF	COBRA MORTGAGE SERVICES LTD.
DEFENDANTS	WOLF CREEK GOLF RESORT LTD., WOLF CREEK VILLAGE LTD. AND RYAN VOLD
DOCUMENT	FIRST REPORT OF THE RECEIVER, MNP LTD., DATED November 7, 2020

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

Duncan Craig LLP
2800 Rice Howard Place
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Edmonton, AB T5J 3V9
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Solicitors for the Receiver, MNP Ltd.

Introduction and Purpose of the Report

1. MNP Ltd. was appointed Receiver (the "**Receiver**") of Wolf Creek Golf Resort Ltd. ("**Wolf Creek**" or the "**Company**"), pursuant to an Order of the Court of King's Bench of Alberta on October 13, 2022 (the "**Receivership Order**").
2. Wolf Creek operated a twenty-seven (27) hole golf course and RV Park located in the vicinity of the Morningside, Alberta. Wolf Creek is also the registered owner of the real property from which it operated. The lands are legally described as set out below:
 - a) Meridian 4, Range 26, Township 42 Section 3, Quarter Southeast Excepting thereout: Plan 4300LZ Road 7.14 (17.64 acres), Plan 5777LZ Road 0.417 (1.03 acres) and Plan 1420102 Road 0.345 (0.85 acres);
 - b) Meridian 4, Range 26, Township 41 Section 35, All that portion of the Northwest Quarter which lies Northwest of the road as shown on road plan 4159EU Excepting thereout: Plan 1420102 Road 0.513 (1.27 acres); and,
 - c) Plan 0628446, Block A. Lot 1, Excepting thereout: Plan 0740337 Subdivision (17.10 acres), Plan 0823398 Subdivision (18.85 acres) and Plan 1420102 Road (3.23 acres),

(hereinafter referred to as the "**Lands**")

3. In accordance with a Corporate Registry Search conducted on August 22, 2022, Ryan Vold ("**Mr. Vold**"), Lori Vold and Cathy Wiancko are the directors and Ryan Vold (97%), Lori Vold (2.5%) and Cathy Wiancko (0.5%) are the shareholders of Wolf Creek. A copy of the August 22, 2022, Corporate Registry Search is attached as **Schedule A**.

4. This is the Receiver's First Report to Court (the "**First Report**") and its purpose is to inform the Court with respect to the following matters:
 - the activities of the Receiver; and,
 - the request for an increase to the Receiver's borrowing limit.
5. In preparing the First Report and making comments herein, the Receiver has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information of the Company, the Company's books and records, and information from other third-party sources (collectively, the "**Information**"). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards or other standards established by the Chartered Professional Accountants of Canada.

Activities of the Receiver

6. On October 13, 2022, the Receiver attended the premises of Wolf Creek and met with Mr. Vold to collect certain books and records and discuss immediate and urgent matters surrounding the receivership administration and Company's current needs.
7. As ordered by the Court, Wolf Creek was granted permission to operate the golf course operations from October 13 through October 16, 2022, so as to allow it to close out its current operating season which was coming to its natural end.
8. The Receiver attended the Wolf Creek business premises again on October 17, 2022, and met with the three (3) former employees on site to advise of the Receivership Order, complete an inventory of the assets and take steps to secure the buildings and structures by engaging the services of a locksmith.
9. Mr. Vold and the grounds/maintenance superintendent were provided new keys to the premises and agreed to remain employed through the receivership and provide ongoing assistance to the Receiver.
10. The Receiver contacted the insurer to confirm the status of the existing insurance policy and payment of monthly premiums. The Receiver arranged to carry on with the existing insurance coverage.
11. The Receiver contacted Alberta Treasury Branches ("ATB") and set all of Wolf Creek's banking facilities to deposit only status.
12. The Receiver has obtained in-house books and records, including financial data and data relevant to a future sales process, from the existing bookkeeper.
13. Arrangements to continue utility services have been made with the various service providers.
14. The Receiver has engaged both a land appraiser and an equipment appraiser to complete appraisals on the Wolf Creek assets (including the Lands).
15. The Receiver has also engaged an engineering company to complete a Phase I Environmental Site Assessment which will be made available to potential purchasers in the Receiver's Sale and Investment Solicitation Process ("**SISP**") which the Receiver anticipates launching in the coming weeks.
16. The Receiver organized a conference call with the RV Park lessors to provide information and discuss the implications of the Receivership Order on the lessors with respect to their property stored on the Lands and their ongoing leases.

17. The Receiver prepared and issued its Notice and Statement of Receiver in accordance with Section 245 of the *Bankruptcy and Insolvency Act* ("**BIA**")
18. The Receiver paid the final payroll of Wolf Creek for operations through October 16, 2022, and is working with the bookkeeper to ensure all employees have received the requisite Records of Employment and T4s for the current tax year.
19. The Receiver continues to take calls and answer the queries of various suppliers, creditors lessors and potential purchasers of Wolf Creek.

Receiver's Borrowing Limit

20. Paragraph 21 of the Receivership Order authorized the Receiver to borrow a maximum of \$200,000 to fund the Receivership administration.
21. The Receiver has borrowed a sum of \$175,000 to date (the "**Original Borrowings**"), which was borrowed to address the following current and anticipated expenses:
 - a) Payroll arrears (all of which, on an individual basis, were under the super priority limit of \$2,000 in accordance with the Wage Earner Protection Program Act);
 - b) Estimated ongoing payroll costs for retained employees;
 - c) Insurance costs;
 - d) Utility costs;
 - e) Maintenance costs; and,
 - f) Winterization costs (including the purchase of chemicals required).
22. The Receiver prepared an Estimated Cost Summary for the period October 13, 2022, through November 30, 2022, which established the basis for the Original Borrowings. The Estimated Cost Summary is attached to the First Report as **Schedule B**.
23. Since its appointment, the Receiver has received property tax statements from each of Lacombe County and the Ponoka County (the "**Counties**"). Based on discussions with the Counties:
 - a) Wolf Creek and Ponoka County had an agreement whereby Ponoka County agreed to waive all penalties owing on the property tax account provided that Wolf Creek met certain remittance requirements on an annual basis;
 - b) Wolf Creek failed to meet these requirements, however, Ponoka County has confirmed to the Receiver that, provided all principal tax balances owing on the property tax account are paid before December 31, 2022, Ponoka County would honor its original agreement to waive all penalties;
 - c) The current balance owed to Ponoka County is \$243,332.82 of which \$106,177.40 is comprised of penalties for failure to remit the taxes on time; and,
 - d) Lacombe County is owed a sum of \$20,879.19 relating to property tax arrears. Failure to pay these arrears on or before December 1, 2022, will result in additional penalties charged at a rate of 10%.
24. Property taxes, including all accrued penalties, form a first position priority charge over the Lands. The Receiver has paid the balance of \$20,879.19 from the monies borrowed to date to Lacombe County to avoid additional penalties being levied.

25. To take advantage of the Ponoka County's agreement to waive all penalties, which in this case will result in a reduction of Ponoka County's priority claim from \$243,332.82 to \$137,155.42 (\$243,332.82 - \$106,177.40), the Receiver is seeking to increase its borrowing limit from \$200,000 to \$400,000.
26. For additional clarity, the Receiver's borrowings will be subject to an interest charge estimated at 11%. The interest payable on an advance of \$200,000 (not accounting for compounding) would equate to approximately \$22,000 and, as such, payment of the outstanding taxes to the Counties as set out above will result in substantial costs savings to the Receivership estate, notwithstanding the added cost of borrowing.
27. The first position secured creditor and the plaintiff named in the within action, who will be providing the funding to the Receivership estate, has expressed its support of the Receiver's increased borrowing limits for the purposes of paying the outstanding property taxes.
28. Additionally, as the outstanding property taxes, including all accrued penalties, form a first position priority charge over the Lands, it is the Receiver's opinion that it is to the benefit of all creditors of Wolf Creek that the property taxes are paid forthwith to allow for the aforementioned savings to the Receivership estate.

Conclusion

29. Based on the foregoing, the Receiver seeks an order of the Court for the following:
 - a) approval of the Activities of the Receiver as set out in the First Report; and,
 - b) an increase in the Receiver's borrowing limit as originally set out in the Receivership Order from \$200,000 to \$400,000.

All of which is respectfully submitted this 7th day of November 2022.

MNP Ltd.

In its capacity as Receiver of the
Wolf Creek Golf Resort Ltd.
And not in its personal capacity



Per: Karen Aylward, CIRP, Licensed Insolvency Trustee
Vice President

SCHEDULE "A"

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2022/08/22
 Time of Search: 10:14 AM
 Search provided by: MNP LTD.
 Service Request Number: 38150842
 Customer Reference Number:

Corporate Access Number: 203741392
Business Number: 125432880
Legal Entity Name: WOLF CREEK GOLF RESORT LTD.

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
374139 ALBERTA INC.	1988/06/01

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 1987/10/27 YYYY/MM/DD
Date of Last Status Change: 2017/03/01 YYYY/MM/DD

Registered Office:

Street: 5034 - 49 AVENUE
City: PONOKA
Province: ALBERTA
Postal Code: T4J1S1

Records Address:

Legal Description: SW 03 42 26 W4

Mailing Address:

Post Office Box: P.O. BOX 4546
City: PONOKA
Province: ALBERTA
Postal Code: T4J1S1

Email Address: CORPPON@SIRRSLLP.COM

Directors:

Last Name: VOLD

First Name: RYAN
Street/Box Number: RR#3, SITE 10, BOX 5
City: PONOKA
Province: ALBERTA
Postal Code: T4J1R3

Last Name: VOLD
First Name: LORI
Street/Box Number: RR#3, SITE 10, BOX 5
City: PONOKA
Province: ALBERTA
Postal Code: T4J1R3

Last Name: WIANCKO
First Name: CATHY
Street/Box Number: RR#3, SITE 10, BOX 5
City: PONOKA
Province: ALBERTA
Postal Code: T4J1R3

Voting Shareholders:

Last Name: VOLD
First Name: RALPH
Street: R.R.3 SITE 20 BOX 6
City: PONOKA
Province: ALBERTA
Postal Code: T4J1R3
Percent Of Voting Shares: 52

Last Name: VOLD
First Name: DELORES
Street: R.R.3 SITE 20 BOX 6
City: PONOKA
Province: ALBERTA
Postal Code: T4J1R3
Percent Of Voting Shares: 2

Last Name: VOLD
First Name: RYAN
Street: RR 3 SITE 10 BOX 5
City: PONOKA
Province: ALBERTA
Postal Code: T4J1R3

Percent Of Voting Shares: 45

Last Name: VOLD
First Name: LORI
Street: RR#3, SITE 10, BOX 5
City: PONOKA
Province: ALBERTA
Postal Code: T4J1R3

Percent Of Voting Shares: .5

Last Name: WIANCKO
First Name: CATHY
Street: RR#3, SITE 10, BOX 5
City: PONOKA
Province: ALBERTA
Postal Code: T4J1R3

Percent Of Voting Shares: .5

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE "A"

Share Transfers Restrictions: NO SHARES OF THE CORPORATION MAY BE TRANSFERRED WITHOUT THE PRIOR CONSENT OF THE DIRECTORS EXPRESSED BY A RESOLUTION PASSED BY THE DIRECTORS.

Min Number Of Directors: 1

Max Number Of Directors: 11

Business Restricted To: NONE

Business Restricted From: NONE

Other Provisions: SEE SCHEDULE "B"

Other Information:

Last Annual Return Filed:



File Year	Date Filed (YYYY/MM/DD)
2021	2021/09/23

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2001/03/19	Name/Structure Change Alberta Corporation
2016/12/02	Status Changed to Start for Failure to File Annual Returns
2018/10/19	Change Director / Shareholder
2018/10/19	Change Address
2020/02/17	Update BN
2021/09/23	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2001/03/19
Other Rules or Provisions	ELECTRONIC	2001/03/19
Letter - Spelling Error	10000707130936778	2018/09/26

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



SCHEDULE "B"

Wolf Creek Golf Resort
Estimated costs (October 13, 2022 through November 30, 2022)

<u>Description</u>	<u>Estimated Amount</u>
Payroll (arrears)	23,000.00
Payroll (ongoing)	30,000.00
Utilities (1)	25,000.00
Insurance (2)	12,000.00
Repair/Maintenance	15,000.00
Chemical/Winterizing Cost	25,000.00
Phone/Website/Software (3)	3,000.00
	<u>133,000.00</u>

1. Utilities for September totaled approximately \$20,000.
2. Premium of approximately \$6,000 per month
3. Maintenance of only those necessary services which may be useful for sale and provide value to a buyer