

**IN THE MATTER OF THE RECEIVERSHIP OF
THE PROPERTY OF**

**SPORTS VILLAS RESORT, INC. in relation to
TERRA NOVA RESORT CONDOMINIUM CORPORATION**

NOTICE OF RECEIVER OR RECEIVER/MANAGER

IN THE MATTER OF the appointment of BDO Canada Limited as receiver and/or receiver/manager (the "Receiver") over all of the assets, undertakings and properties of Sports Villas Resort, Inc. ("Sports Villas"). The Receiver wishes to provide notice of this appointment to the creditors and unit holders of Terra Nova Resort Condominium Corporation ("Terra Nova" or the "Company").

Terra Nova is NOT in receivership.

The Receiver gives notice and declares that:

1. On the 12th day of November, 2018 the undersigned BDO Canada Limited was appointed Receiver in respect of the assets, undertakings and property (the "Property") of Sports Villas, an insolvent corporation, that are described below (based on the most recent Company financial information available - October 31, 2018):

<u>Description</u>	<u>Net Book Value</u>
Accounts Receivable	\$ 383,445
Rental Pool Distributions Receivable	25,962
Notes receivable	1,002,709
Shareholder Loan - 68861 NL Inc.	386,373
Inventory	102,266
GIC	40,000
Investment/Advances to Terra Nova Resort Condo Corp.	174,505
Prepaid expenses	43,225
Artwork	97,224
Capital Assets (net of accumulated depreciation)	1,107,932
Real Property	5,536,750
	<u>\$ 8,900,391</u>

Note: (1) Terra Nova is related to, and inextricably linked to, Sports Villas Resort, Inc.

2. The undersigned became Receiver in respect of the Property described above pursuant to an appointment by Sports Villas primary secured lender, Business Development Bank of Canada ("BDC"), in respect of, among other security, a General Security Agreement which was registered by BDC pursuant to the Personal Property Security Act (Newfoundland and Labrador), and mortgages registered by BDC on real property at the Registry of Deeds (NL). In addition to the registered security held by BDC, there are joint and several obligations of various companies including Terra Nova Resort Condominium Corporation which necessitate the Receiver providing notice to the Company, its creditors and unit holders due to the interrelationship by statute and consensually by agreement between Sports Villas and the Company. A copy of this notice and future notices can be found at our website at:

<http://www.extranets.bdo.ca/sportsvillasresort/>

The Company's operations are inextricably linked, through agreements and operations, with Sports Villas.

3. The undersigned took possession or control of the Property described above, on the 12th day of November 2018.

4. The following information relates to the receivership:

- a) Address of the Company: 5-9 Muddy Brook Road, Port Blandford, NL A0C 2G0
- b) Principle line of business: Golf Resort and Condominiums
- c) Locations of business: Port Blandford, NL
- d) Amount owed by the Company to each creditor who holds security on the Property described above is as follows:

BDC

To Be Determined

e) The list of other creditors, and unit holders, of the Company and the amount owed to each creditor and the total amount due by the insolvent person to them is attached as Schedule A.

f) The intended plan of action of the Receiver, to the extent that such a plan has been determined, is as follows:

The Receiver will proceed with a formal sale process to offer the Property of Sports Villas for sale on an en bloc going concern basis, or otherwise as the Receiver may determine.

- g) Contact person for the Receiver: Philip Clarke
255 Lacewood Drive, Suite 201
Halifax, NS B3M 4G2
Canada
Tel/Tél.: 902-425-3100
Fax/Télé.: 902-425-3777

Dated at Halifax, Nova Scotia this 11th day of January, 2019

BDO Canada Limited
In its capacity as Receiver of
Sports Villas Resort, Inc.
And not in its personal capacity

Per:


Philip Clarke
Senior Vice President

	<u>Balance Total</u>
Secured Creditors	
<u>Business Development Bank of Canada</u>	Unknown
Unsecured Creditors	
64038 Newfoundland and Labrador Inc.	Unknown
6881 Newfoundland and Labrador Inc.	Unknown
ALJO Holdings Inc.	Unknown
Anthony Capital Corporation	Unknown
Basil Dobbin	Unknown
Bruce Pardy	Unknown
Canada Revenue Agency - Corporate	Unknown
Canada Revenue Agency - HST	Unknown
Clarke Inc. - Stephen Machielsen	Unknown
Doug and Janine Fraser	Unknown
HAPSET	Unknown
Harris Ryan Chartered Accountants	Unknown
Joey George	Unknown
John Nolan	Unknown
Municipal Construction Limited	Unknown
Munn Insurance	Unknown
Noseworthy Chapman	Unknown
NWS Holdings	Unknown
Project Management and Design (1974) Limited	Unknown
PWC Inc.	Unknown
Rex Anthony	Unknown
Sports Villas Resort Inc	23,645.82
Terra Nova Golf Estates Mgmt Inc	Unknown
Treble Construction Limited	Unknown
Woodville Holdings Inc.	Unknown
Workplace NL	Unknown
Debtor	
<u>Terra Nova Condominium Corporation</u>	