Ernst & Young Inc.
Ernst & Young Tower
1000, 440- 2nd Avenue SW
Calgary, AB T2P 5E9
Tel: (403) 206-5153
Fax:(403) 206-5075
www.ey.com

CANADA
PROVINCE OF ALBERTA
CITY OF CALGARY
ESTATE NO. : 25-1388972

IN THE MATTER OF THE BANKRUPTCY OF LAKE OKANAGAN RESORT VACATION (2001) LTD. a duly constituted corporation, having its head office and principal place of business at 5799 - 3rd Street SE, Calgary, Alberta T2H 1K1.

NOTICE OF BANKRUPTCY AND FIRST MEETING OF CREDITORS
(Subsection 102(1) of the *Bankruptcy and Insolvency Act*)

TAKE NOTICE that:

1. **LAKE OKANAGAN RESORT VACATION (2001) LTD.** filed an assignment on July 30, 2010 pursuant to the provisions of the *Bankruptcy and Insolvency Act* and Ernst & Young Inc. was appointed trustee of the estate by the Official Receiver, subject to affirmation of the trustee's appointment or substitution of another trustee by the creditors.

2. The first meeting of creditors of the bankrupt will be held on August 19, 2010 at 10:00 a.m. at the office of trustee, Ernst & Young Inc., at 440 - 2nd Avenue S.W, 10th Floor, Calgary, province of Alberta.

3. To be entitled to vote at the meeting, a creditor must lodge with the trustee, before the meeting, a proof of claim and where necessary, a proxy.

4. Enclosed with this notice is a form of proof of claim, a form of proxy, and a list of creditors with claims amounting to twenty-five dollars or more, showing the amounts of their claims.

5. Creditors must prove their claims against the estate of the bankrupt in order to share in any distribution of the proceeds realized from the estate.

DATED AT CALGARY, this 6th day of August, 2010.

ERNST & YOUNG INC.
Trustee

Per: Neil Narfason, CA•CIRP
Senior Vice-President

District of:	Alberta	
Court No.	25 - Calgary	
Court No.		
Estate No.	25-1388972	

[X] Original [ ] Amended

– FORM 78 –

Statement of Affairs (Business Bankruptcy) made by an enitity
(Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the matter of the bankruptcy of
Lake Okanagan Resort Vacation (2001) Ltd.
of the city of Calgary
in the Province of Alberta

To the bankrupt

You are required to carefully and accurately complete this Form and the applicable attachments, showing the state of your affairs on the date of your bankruptcy, on the 29th day of July 2010. When completed, this Form and the applicable attached lists will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES
(As stated and estimated by the officer)

1. Unsecured creditors as per list "A"	30,128,155.59
Balance of claims unsecured as per list "A"	0.00
Total unsecured creditors	30,128,155.59
2. Secured creditors value of security as per list "B"	0.00
3. Preferred creditors as per list "C"	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00
Total liabilities	30,128,155.59
Surplus	NIL

ASSETS
(As stated and estimated by the officer)

1. Inventory		0.00
2. Trade fixtures, etc.		0.00
3. Accounts receivable and other receivables, as per List "E"		
Good	0.00	
Doubtful	0.00	
Bad	0.00	
Estimated to produce		0.00
4. Bills of exchange, promissory note, etc., as per List "F"		0.00
5. Deposits in Financial Institutions		0.00
6. Cash		0.00
7. Livestock		0.00
8. Machinery, equipment and plant		0.00
9. Real property or immovable as per List "G"		0.00
10. Furniture		0.00
11. RRSPs, RRIFs, Life insurance, etc.		0.00
12. Securities (Shares, Bonds, Debentures, etc.)		0.00
13. Interests under wills		0.00
14. Vehicles		0.00
15. Other property, as per List "H"		0.00
If bankrupt is a corporation, add:		
Amount of subscribed capital	0.00	
Amount paid on capital	0.00	
Balance subscribed and unpaid		0.00
Estimated to produce		0.00
Total assets		.00
Deficiency		30,128,155.59

I, Murray Vance Moore, of the city of Calgary in the Province of Alberta, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge a full, true and complete statement of my affairs on the 29th day of July 2010 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
before me at the city of Calgary in the Province of Alberta,
on this 29th day of July 2010.

Orest Konowalchuk, Commissioner of Oaths
For the Province of Alberta
Expires Jun. 22, 2012

Murray Moore

Murray Vance Moore

Creditor Mailing List

In the matter of the bankruptcy of
Lake Okanagan Resort Vacation (2001) Ltd.
of the city of Calgary
in the Province of Alberta

No.	Name of creditor	Address	Total Claim
1	BKL CONSULTANTS LTD.	#308 - 120 LYNN VALLEY ROAD NORTH VANCOUVER BC V7J 2A2	6,825.00
2	CANADA CUSTOMS & REVENUE AGENCY - SOURCE Attn: MARG SMITH - INSOLVENCY	220 4TH AVENUE SE Calgary AB T2P 3X4	5,545,000.00
3	Fairmont Resort Properties Ltd.	5799 - 3rd St SE Calgary AB T2H 1 K1	13,859,299.19
4	FRPL FINANCE LTD.	5799 - 3rd St SE Calgary AB T2H 1 K1	10,034,813.00
5	HOME BUILDING CENTRE - VERNON	4601 - 27 STREET VERNON BC V1T 4Y8	34,798.64
6	LAKE OKANAGAN RESORT VACATIONS	2751 WESTSIDE ROAD KELOWNA BC V1Z 3T1	1,528.66
7	Runnalls Denby	259A Lawrence Ave Kelowna BC V1 Y 6l2	23,079.50
8	SMITH GREEN ANDRUSCHUK LLP	1229 - 7 AVE INVERMERE BC V0A 1 K0	541.80
9	Tops Telecommuncations	#104 1905 Baron Road Kelowna BC V1 X 6W2	4,140.64
10	VVI Construction Ltd	Box 2988 Revelstoke BC V0E 2S0	564,394.16
11	VVI CONTRACTORS LTD.	PO Box 2988 Revelstoke BC V0E 2S0	53,735.00
		Total:	**30,128,155.59**

ERNST & YOUNG

INSTRUCTIONS FOR COMPLETING PROOF OF CLAIM AND PROXY

Please check each of the following requirements in order to prepare the attached forms in a complete and accurate manner.

PROOF OF CLAIM

- Give the **complete address, including postal code,** where all notices or correspondence are to be forwarded.
- If the creditor is a corporation, the full and complete legal name of the company or firm must be stated.
- Please state your name (or representative of the creditor), city of residence and province.
- The signature of a witness is required.
- The claim must be **signed personally by the individual** completing this declaration.
- The claim and/or proxy must be delivered by regular mail, registered mail, personal delivery, e-mailed (in PDF format), courier or facsimile transmission at the following address before or on the day of the meeting of creditors:

Ernst & Young Inc.
Attn: Ms. Betty Trinh
Ernst & Young Tower
1000, 440 – 2nd Avenue S.W.
Calgary, Alberta
T2P 5E9
E-mail: betty.trinh@ca.ey.com
Telephone : (403) 206-5153
Fax : (403) 206-5075

Paragraph (1)

- If you are completing the declaration for a corporation or another person, your **position or title**.

Paragraph (3)

- A **detailed statement of account** must be attached and must show the date, number and amount of all the invoices, charges, credits or payments.
- A statement of account is not complete if it begins with an amount brought forward.
- The amount of the statement of account **must agree** with the amount claimed on the proof of claim.

Paragraph (4)

- A creditor must indicate the category in which his claim falls by inserting the amount of the claim in the appropriate box, and providing in an appendix a full explanation of the basis of the claim.
- An ordinary creditor must specify if he claims or not a right to a priority under section 136 of the Act.
- A secured creditor must insert the value at which he assesses each of his securities and provide **a certified true copy** of the security documents as registered.
- In order to prepare its claim, the creditor should refer to the *Bankruptcy and Insolvency Act*, copy of which is accessible at http://laws.justice.gc.ca/eng/StatutesByTitle.

Paragraph (5)

- Strike out "are" or "are not" as applicable to you. You would be considered a related person if:
  - you are related to blood or marriage to the debtor;
  - if the debtor is a corporation and you were a shareholder or if your company was controlled by the same shareholders as the debtor corporation.

Paragraph (6)

- All creditors must attach a detailed list of all payments or credits received or granted, as follows:
  - within the 3 months immediately before the date of the initial bankruptcy event, if the creditor and the debtor are not related and dealt at arm's length.
  - within the 12 months immediately before the date of the initial bankruptcy event the bankruptcy, if the creditor and the debtor are related or did not deal at arm's length.

PROXY

- A creditor may appoint a proxy by completing the proxy form. If the creditor is a corporation, the proxy form must be completed in the corporate name and the signature witnessed.

NOTES

- Only creditors who have filed claims in the proper manner before the time appointed for the meeting of creditors are entitled to vote.
- A creditor may vote either in person or by a proxy.
- A debtor may not be appointed a proxy to vote at any meeting of his creditors.
- The trustee may be appointed as a proxy for any creditor.
- A corporation may vote by an authorized agent at the meeting of creditors.
- In order to have the right to vote, a person must himself be a creditor or be the holder of a properly executed proxy showing the name of the creditor.
- Only creditors who file claims in the proper form with the trustee are entitled to share in any distribution that may be made.

ERNST & YOUNG

Ernst & Young Inc.
Ernst & Young Tower
1000, 440- 2nd Avenue SW
Calgary, AB T2P 5E9
Tel: (403) 206-5153
Fax:(403) 206-5075
www.ey.com

PROOF OF CLAIM

All notices or correspondence regarding this claim must be forwarded to the following address :

____

____

IN THE MATTER OF THE BANKRUPTCY OF: LAKE OKANAGAN RESORT VACATION (2001) LTD. of Calgary, Alberta, **debtor and the claim of** ________________________________, **creditor.**

I, ____________________ *(name of creditor or representative of the creditor)*, of ____________________ *(city and province)*

DO HEREBY CERTIFY:

1. That I am a creditor of the above-named debtor, (*or* that I am ____________________ *(state position or title)* of ____________________ *(name of creditor)*.
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of the bankruptcy, namely the **30th day of July 2010** and still is, indebted to the creditor for the amount(s) indicated below, as specified in the statement of account (*or* affidavit *or* solemn declaration) attached and marked Schedule "A" (***Note 1***), after deducting any counterclaims to which the debtor is entitled. ***(The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)***
4. That the amount(s) and category/categories of the claim of the creditor are as follows:

Category/Categories	**Amount (CDN $)**
Employee claim for unpaid wages and allowable expenses, under section 81.3(8) or 81.4(8) of the Act	
Claim of a Pension plan, under section 81.5 or 81.6 of the Act	
Claim of a farmer, fisherman or aquaculturist, under section 81.2 of the Act	
Secured claim (**notes 2 and 3**) – Value of the assets held as security: $__________	
Preferred claim, under section 136 of the Act	
Claim of a lessor further to the disclaimer of a lease, pursuant to section 65.2(4) of the Act	
Claim arising from the repudiation or resiliation of an agreement, pursuant to section 65.11(8) of the Act	
Claim of a customer of a securities firm, as defined in section 253 of the Act	
Ordinary unsecured claim	
Total amount of the claim	

(Give full particulars of the claim, including the calculations upon which the claim is based, and the details to support a right to a priority claim, as the case may be).

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act and have (*or* has) (*or* have not *or* has not) dealt with the debtor in a non-arm's-length manner.
6. That the payments that I have received from, and the credits that I have allowed to, the debtor within the three months *(or, if the creditor and the debtor are related within the meaning of section 4 of the Act* or were not dealing with each other at arm's length, *within the 12 months)* immediately before the date of the initial bankruptcy event (July 30, 2010) within the meaning of Section 2 of the Act are listed on Schedule "B" hereto: ***(Provide details of payments and credits.)***

DATED in the city of __________ **this** ________ **day of** __________ **2010.**

____
Signature of witness

____
Signature of creditor (of representative of the creditor)

Telephone no: (   ) ______________

Fax no: (   ) ______________

E-mail address: ______________

Notes and warnings:

1. If an affidavit or solemn declaration is attached, it must have been made before a person qualified to take affidavits or solemn declarations.
2. With regards to a secured claim, provide full particulars if the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.
3. A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.
4. Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

Ernst & Young Inc.
Ernst & Young Tower
1000, 440- 2nd Avenue SW
Calgary, AB T2P 5E9
Tel: (403) 206-5153
Fax:(403) 206-5075
www.ey.com

PROXY

IN THE MATTER OF THE BANKRUPTCY OF LAKE OKANAGAN RESORT VACATION (2001) LTD.

I, (or We) ______________________ (name of creditor), of __________________ (name of town or city), a creditor in the above matter, hereby appoint ____________________________, of the ________ of _______________(name of town or city), to be my (or our) proxy in the above matter, except as to the receipt of dividends, with (or without) power to appoint another proxy in his or her place.

Dated at ______________________________, this _______ day of ___________________ 2010.
(name of town or city)

____
Signature of Witness

____
Signature of creditor (individual)

____
Name of Corporate Creditor

____
Signature of Witness

Per:____________________________
Name and Title of Signing Officer