

Action No. 0903-12151

IN THE COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL DISTRICT OF EDMONTON

Between:

**BANK OF MONTREAL**

**Plaintiff (Applicant)**

**-and-**

**CALGARY WEST HOSPITALITY INC., GAMEHOST LIMITED PARTNERSHIP, GAMEHOST  
MANAGEMENT INC., DARCY WILL AND DAVID WILL**

**Defendants (Respondents)**

**FIRST REPORT OF THE COURT-APPOINTED RECEIVER OF  
CALGARY WEST HOSPITALITY INC. O/A THE STAMPEDE CASINO**

**DELOITTE & TOUCHE INC.**

August 25, 2009

**TABLE OF CONTENTS**

INTRODUCTION AND BACKGROUND ..... 1

    Introduction ..... 1

    Notice to Reader ..... 1

    Background ..... 1

RECEIVER'S APPOINTMENT ..... 1

    Powers of the Receiver ..... 1

    Possession and Control ..... 1

EMPLOYEE RETENTION PLAN ..... 2

SALES PROCESS ..... 3

CONCLUSION ..... 4

**SCHEDULES**

Schedule 1                      Engagement letter dated August 19, 2009 between HLT Advisory Inc. and Deloitte & Touche Inc. in their capacity as Receiver of Calgary West Hospitality Inc. o/a the Stampede Casino

## **INTRODUCTION AND BACKGROUND**

### **Introduction**

1. Pursuant to the Order of the Court of Queen's Bench of Alberta granted on August 13, 2009 (the "Receivership Order"), Deloitte & Touche Inc. ("Deloitte") was appointed as Receiver and/or Receiver and Manager (the "Receiver") of Calgary West Hospitality Inc. o/a the Stampede Casino (the "Company" or the "Stampede Casino") with directions to take control of the Stampede Casino's property at 3:00 a.m. on August 17, 2009. A copy of the Receivership Order and further filed pleadings and proceedings can be accessed via Deloitte's website at [www.deloitte.ca](http://www.deloitte.ca) under the Insolvency and Restructuring link.
2. The Receivership Order was the result of an application by the Bank of Montreal ("BMO"), which holds registered security over all of the Stampede Casino's present and after acquired property.

### **Notice to Reader**

3. This report constitutes the First Report of the Court-Appointed Receiver.

### **Background**

4. Calgary West Hospitality Inc. is a private company, incorporated in Alberta in 2005. The Company is involved in the ownership, operation and management of the Stampede Casino, a facility located at 421 12<sup>th</sup> Avenue SE in Calgary, Alberta and licensed by the Alberta Gaming and Liquor Commission (the "AGLC"). The Receiver intends to continue the Stampede Casino's operations over the course of the Receivership, pending the successful sale of the Company as a going concern.

## **RECEIVER'S APPOINTMENT**

### **Powers of the Receiver**

5. The Receiver's powers are detailed in Paragraph 3 of the Receivership Order. They include the power to take and maintain possession and control of the Company's property, the power to manage operate and carry on the business of the Stampede Casino and the power to market and sell the Company's property, subject to Court approval as required by the Receivership Order.

### **Possession and Control**

6. Immediately following the effective time of its appointment at 3:00 a.m. on August 17, 2009, the Receiver attended the Stampede Casino's premises in order to take possession of the Company's assets. In conjunction with the AGLC, the Receiver participated in a cash count and undertook a complete inventory of all of the Stampede Casino's assets (the "Property"). Digital imaging and

backup was done for all of the Stampede Casino's computer systems and all external locks and selected internal locks were changed.

7. The Stampede Casino has insurance coverage through Phoenix Insurance Group Inc. ("Phoenix"), which policy has been paid in full until June 2010 (the "Policy"). The Policy is held by Gamehost Income Fund, the Stampede Casino's shareholder and includes multiple properties controlled by Gamehost. The Policy includes property and general liability coverage as well as a comprehensive dishonesty, disappearance and destruction bond. Phoenix has indicated that they are willing to continue coverage to the Stampede Casino and are currently separating the portion of the Policy applicable to the Stampede Casino from the portion of the Policy applicable to Gamehost's other properties.
8. It is anticipated that the Notice of Receiver and Receiver's Statement will be issued to all of the Stampede Casino's known creditors on August 26, 2009 and will also be posted on Deloitte's website.

#### **EMPLOYEE RETENTION PLAN**

9. At the date of Receivership, the Stampede Casino had approximately 338 employees. Shortly after taking possession, the Receiver met with Tyrone Weite, General Manager for the Stampede Casino, and the Company's other eleven managers working in areas such as table games, food and beverage, surveillance and security and engineering (the "Key Employees").
10. In order both to ensure that the Stampede Casino's ongoing operations continue and to maximize the recovery from the ultimate sale of the Company as a going concern, the Receiver will require the assistance of the Key Employees. On August 28, 2009, the Receiver will be making an application for Court approval of a key employee retention plan ("KERP"), which will include the following:
  - a. Payment of 1.5 month's salary for each of the Key Employees (the "KERP Bonuses") upon the closing of a successful sale of assets of the Stampede Casino;
  - b. In the event that the sale process extends past February 17, 2010, 50% of the KERP Bonuses would be paid out the first pay day after that date with the remaining 50% to be paid out upon the closing of a successful sale of the assets of the Stampede Casino;
  - c. In the event that the Company enters into a liquidation scenario, the KERP Bonuses would be pro-rated based on the number of post-Receivership months (out of a twelve month period) during which the Stampede Casino operated; and
  - d. An employee must be in the continual employ of the Stampede Casino during the relevant times to qualify for the KERP.
11. The Receiver estimates that the estimated gross cost of the KERP will be \$106,000. Actual payments will be made net of all applicable employee source deductions.

12. BMO has indicated that they are supportive of the KERP.

### **SALES PROCESS**

13. Pursuant to paragraph 3(k) of the Receivership Order, the Receiver is empowered and authorized to market any and all of the Property, including advertising and soliciting offers in the respect of the Property and negotiating appropriate terms and conditions. Paragraph 3(l) of the Receivership Order, further empowers and authorizes the Receiver to sell, convey, transfer, lease or assign the Property, subject to required Court approvals.

14. The Receiver sought to engage a consulting firm with expertise in the hospitality and gaming industry in order to maximize the realization from the sale of the Stampede Casino as a going-concern. Attached as "Schedule 1" is an engagement letter dated August 19, 2009 (the "HLT Engagement Letter") between the Receiver and HLT Advisory Inc. ("HLT"), a company that provides specialized consulting and support services to the Canadian and international hospitality, leisure and tourism industries. In recent years, HLT has worked with several provincial gaming commissions, including the AGLC, as well as many gaming hosts of varying size and complexity. In addition, the Receiver has received positive feedback regarding HLT's services from individuals familiar with the gaming industry. The Receiver believes that engaging HLT will provide the Stampede Casino with the greatest exposure to the marketplace and maximize the recovery to the Company's creditors.

15. The engagement letter contemplates that HLT will assist the Receiver with the management of a sales process, which will include the following preliminary steps:

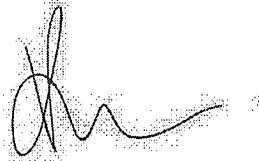
- a. Step 1 – HLT will review background information and prepare a confidential information memorandum (the "CIM"), following which HLT will comment on the key factors underlying the Stampede Casino's below market revenue levels, revenue potential and issues arising from stakeholder agreements. Specifically, Step 1 involves HLT undertaking the following:
  - i. Reviewing the Stampede Casino's operations and potential areas for improvement, including an analysis of the Company's underlying revenue factors and potential opportunity for improvements;
  - ii. Supporting Deloitte during interviews with representatives of the AGLC as required, to clarify aspects of agreements and to determine flexibility in further operations;
  - iii. Preparing a "sales teaser" and the CIM; and
  - iv. Formulating an appropriate selling strategy including the process, approach, timing and target audience.
- b. Step 2 – HLT will implement a selling strategy. Specifically, Step 2 involves HLT undertaking the following:
  - i. Adding to and soliciting interest from the list of potential purchasers established in Step 1;

- ii. Distributing the "sales teaser" to potential purchasers;
  - iii. Distributing the CIM to those potential purchasers, who have completed confidentiality agreements; and
  - iv. Arranging tours of the Stampede Casino, managing a virtual and secure data room, and assisting potential purchasers with inquiries.
- c. Step 3 – HLT will receive potential offers and participate in any subsequent negotiations. Specifically, Step 3 involves HLT undertaking the following:
- i. Working with selected parties during a due diligence period; and
  - ii. Assisting in completing a transaction.
16. Step 1, as described above, is to commence immediately upon Court Approval; following which HLT will establish a timeline for the Sale Process, as defined below
17. On August 28, 2009, the Receiver will be making an application for Court Approval of the HLT Engagement Letter and the sale process proposed therein (the "Sale Process"). BMO has indicated that they are supportive of the Receiver retaining HLT and of the Sale Process.

**CONCLUSION**

18. On August 28, 2009, the Receiver will be making an application to the Court of Queen's Bench of Alberta for the following:
- a. Approval of the KERP, as defined herein; and
  - b. Approval of the Sale Process, as defined herein.

**DELOITTE & TOUCHE INC.,**  
in its sole capacity as Receiver and Manager  
of Calgary West Hospitality Inc.  
and not in its personal capacity.



---

Victor P. Kroeger CA•CIRP, CFE  
Senior Vice President

# **SCHEDULE 1**



HLT Advisory Inc. 166 Pearl Street, Suite 200, Toronto, ON M5H 1L3  
Tel: 416-924-7737 | Fax: 416-961-7737 | [www.hlta.ca](http://www.hlta.ca)

Mr. Victor Kroeger  
Deloitte & Touche Inc.  
3000 Scotia Centre  
700 2<sup>nd</sup> Street SW  
Calgary, Alberta T2P 0S7

Mr. Paul van Eyk  
Deloitte & Touche Inc.  
181 Bay Street, Suite 1400  
Toronto, Ontario M5J 2V1

August 19, 2009

**Re: Calgary West Hospitality ("CWH")/Stampede Casino (the "Casino")—In Receivership**

Dear Messrs. Kroeger and van Eyk:

This letter has been prepared to outline the services that HLT Advisory Inc. ("HLT") is prepared to provide Deloitte & Touche Inc. ("Deloitte" or the "Client") in its sole capacity as Receiver and Manager of CWH (owners of the Casino, located in Calgary, Alberta) and not in its personal capacity.

**Our Understanding of Your Needs**

Deloitte is seeking assistance from HLT to assist the Receiver with the management of a sales process designed to maximize the value of the Casino and conclude a sale on a timely basis. The work conducted will be referred to as the "Services."

**The Services**

To complete the sales process, HLT will undertake the following:

*Step 1 – Background information review and preparation of Confidential Information Memorandum*

HLT will work with the Receiver to finalize this process in addition to preparing supplementary information designed to broaden the potential purchaser audience as well as identifying value "upside".

Specifically, HLT will:

- Review the Confidential Information Memorandum prepared by Scotia Capital with respect to CWH and related entities.
- Review key documentation including the CWH lease agreement for the Casino specifically identifying issues such as market rates, restrictions, etc.
- Review service provider agreements, including the agreement between CWH and the Alberta Gaming and Liquor Commission ("AGLC") to identify specific issues such as any performance measures, restrictions and compliance issues.
- Review all other information assembled to date by CWH as available and appropriate.
- Review operations and potential areas for improvement (this step is focused solely on the need to incorporate a discussion of positive sensitivities in the marketing documents). In this regard we will also analyze revenue trends (daily, monthly) at the Casino, identify underlying revenue factors as well as potential opportunities for improvement.
- Support Deloitte during interviews with representatives of CES and AGLC as required, to clarify aspects of agreements and to determine flexibility in future operations. Such support may include meeting with senior representatives of the AGLC to gauge flexibility with respect to the licensing process for potential purchasers, movement and/or consolidation of the Casino licence with existing or potential licences, adjustments to operating requirements and medium-term views of the Calgary market including legislative changes (e.g., impacts related to revenue sharing and non-smoking on reserve lands).
- Prepare "sales teaser" and Confidential Information Memorandum ("CIM") documents.
- Formulate appropriate selling strategy including selling process, approach/timing and target audience (e.g., development of a list of qualified potential purchasers).

Completion of the sales teaser and abbreviated CIM is anticipated within three weeks or such other time as determined appropriate and agreed to by the Receiver. Furthermore, at the conclusion of the situation analysis we will be in a position to comment on:

- Key factors underlying the below-market revenue levels;
- Revenue potential (within reason and giving consideration to market factors); and
- Issues arising from stakeholder agreements (e.g., lease agreements, service provider agreements, including AGLC).

Step 2 – Implementation of selling strategy

Following completion of the tasks set out in Step 1, HLT will:

- Continue to identify and add to the list of potential purchasers.
- Solicit interest from list of potential purchasers
- Distribute "sale teasers" to identified potential purchasers.



- Distribute the abbreviated CIM document to qualified interested parties, who complete an appropriate confidentiality agreement.
- Arrange for tours of the Casino, manage a virtual and secure data room as per the reasonable requirements of the Receiver, answer inquiries and continue to solidify interest.
- Assist potential purchasers with all inquiries, including but not limited to explaining the licensing requirements of the AGLC and facilitating introductions to representatives of the AGLC when requested.

This Step will commence following the completion of the marketing documents as outlined in Step 1 and is expected to continue for approximately 3-4 weeks or such other time as determined appropriate and agreed to by the Receiver.

*Step 3 – Receive potential offers and subsequent negotiations*

We will notify potential purchasers of a definitive date to receive non-binding offers, such date to be agreed to in consultation with the Receiver. Once non binding offers are received we will recommend, in a written report, an offer to the Receiver and continue to:

- Work with selected parties during a due diligence period;
- Assist in completing a transaction, including but not limited to assisting potential purchasers and their legal counsel, if so requested, and negotiating detailed terms and conditions in the draft purchase and sale agreement on behalf of the Receiver;
- Assist the Receiver as necessary with materials required for the court in connection with the application to approve a transaction.

Any revisions to the sales process that are determined to be necessary as the Receivership progresses will be discussed with and agreed to by the Receiver. The fee estimate to conduct the sales process (as discussed below) will remain unchanged unless the Receiver determines significant adjustment or revision to the proposed sales process is necessary.

**Timing**

We are available to start our engagement at your direction and upon receipt of a signed copy of this engagement letter. We will seek to complete the work as quickly as possible and will keep Deloitte informed of progress, costs and any proposed further work on a regular basis.

**Professional Fees**

The following details our fee proposal to complete the work program outlined in this letter. Our proposal includes a combination of a non-refundable work fee and a transaction fee.

*Work Fee*

The work fee required is \$75,000. This fee is non-refundable and is not applied against the transaction fee. The work fee will be billed in two equal instalments during the first and second month of the engagement.

### Transaction Fee

If a transaction for the sale of the Casino is completed, approved by the court and the funds are received by the Receiver, a success fee based on Gross Proceeds will be applicable. The transaction fee will be calculated as follows:

- 0.75% of Gross Proceeds up to and including \$25.0 million; plus
- 1.50% of Gross Proceeds above \$25.0 million.

The proposed transaction fee assumes:

- The transaction will be approved by the appropriate courts and the Receiver will be in possession of the funds.
- For the purposes of calculating the transaction fee, "Gross Proceeds" is defined as cash and/or cash value plus any notes payable (including any and all forms of take back financing and deferred compensation arrangements).
- If Deloitte decides to suspend the selling process, an appropriate work fee will be charged to update information in the CIM when the selling process is reinitiated. The transaction fees as described above will remain the same.
- If Deloitte decides to discontinue the selling process, Deloitte agrees to pay HLT, a minimum fee calculated based on the transaction fee formula outlined above applied against the highest reasonable offer received or \$75,000, whichever is lesser.
- If no offers are received within four months of issuing the Confidential Information Memorandum and Deloitte decides to terminate this agreement, HLT will be paid \$50,000.

### Disbursements and Out of Pocket Expenses

HLT understands that Deloitte will only reimburse for actual out of pocket expenses such as out of town travel, accommodation and meals which will be charged at actual cost. HLT will ensure that all out-of-pocket costs are supported and will make available such invoicing support if so requested by Deloitte. Any significant costs should be cleared with the Receiver prior to being incurred and HLT understands that Deloitte will only reimburse air travel based on economy class bookings.

### Assistance outside the Sale Process

We will also be available during the receivership, on an hourly-rate basis, to assist with management stabilization, trouble shooting and/or related issues at the direction of the Receiver. The timing for such assistance will be dependent upon the needs of the Receiver.

For any assistance provided to the Receiver outside of the sales mandate, such time will be invoiced at hourly rates with appropriate descriptions supporting such time. Hourly rates for HLT professionals range between \$225 and \$375/hour.



### **Communication Protocol**

HLT understands that its client is Deloitte and all communication in regards to this file will be with Deloitte only. HLT understands that Deloitte, as court-appointed receiver, will require that HLT update them on a frequent basis and make itself available as reasonably required by Deloitte.

### **Court Approval**

This agreement is not effective until approved by the Court of Queen's Bench of Alberta.

### **Scope, Terms and Limiting Conditions**

The attached Terms and Conditions which form a part of this agreement set out the duties of each party in respect of the Services. This letter and the Terms and Conditions attached comprise the entire contract for the provision of the Services to the exclusion of any other express or implied term, whether expressed orally or in writing, including any conditions, warranties and representations and shall supersede all previous letters of engagement, undertakings, agreements and correspondence regarding the Services.

\* \* \* \* \*

We look forward to working with you on this project. If you have any additional questions regarding this proposal please do not hesitate to contact me at 416-924-7737. Please sign and return a copy of this engagement letter as authorization for us to begin this project.

Yours very truly,

**HLT Advisory Inc.**

A handwritten signature in black ink, appearing to read 'Lyle Hall', written over a horizontal line.

Lyle Hall  
Managing Director

Enc.: Standard Terms and Conditions



**ACCEPTANCE OF TERMS OF ENGAGEMENT**

The arrangements and terms set out are as agreed:

**Deloitte & Touche Inc.**

In its sole capacity as Receiver and Manager of Calgary West Hospitality Inc., and not in its personal capacity.

Signature:  \_\_\_\_\_

Name: VICTOR P. KROEGER

Date: AUGUST 21, 2009



**HLT ADVISORY INC.  
Standard Terms and Conditions**

The following Standard Terms and Conditions apply to every engagement carried out by HLT Advisory Inc. (HLT) except as otherwise provided in the specific engagement letter or contract to which these Terms and Conditions are attached. In the event of conflict between the Engagement Letter and these Terms and Conditions, these Terms and Conditions shall prevail unless specific reference to a provision is made in the Engagement Letter. Other capitalized words in these Terms and Conditions shall have the meaning given to them in the Engagement Letter.

1. **Timely Performance.** HLT will use all reasonable efforts to complete within any agreed upon time-frame the performance of the services described in the engagement letter or contract to which these Terms and Conditions are attached.
2. **Client Responsibilities.** The Client shall cooperate with HLT in the performance by HLT of its services hereunder, including, without limitation, providing HLT with reasonable facilities and timely access to all relevant data, information and personnel of the Client. The Client shall be responsible for the performance of its employees and agents and for the accuracy and completeness of all data and information provided to HLT for purposes of the performance by HLT of its services hereunder. It is understood and agreed that HLT's services may include advice and recommendations; but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, the Client.
3. **Billing.** Bills will be rendered on a regular basis as the assignment progresses. Accounts are due when rendered. HLT will bill for all reasonable expenses including travel, meals, accommodations, long-distance telecommunications, photocopying, delivery, postage, clerical assistance and database research. All fees and other charges do not include any applicable federal, provincial, or other goods and services or sales taxes, or any other taxes or duties whether presently in force or imposed in the future. Any such taxes or duties shall be assumed and paid by the Client without deduction from the fees and charges hereunder.
4. **Ownership.** HLT retains ownership of the copyright and all other intellectual property rights in its advice and working papers. Unless contemplated by the Engagement Letter, HLT's written advice is intended solely for the Client's internal use and may not be edited, distributed, published, made available or relied upon by any other person without HLT's express written permission. HLT is entitled to use or develop the knowledge, experience and skills of general application gained through performing this engagement.
5. **Confidentiality and Privacy.** HLT will treat as such all confidential proprietary information obtained from the Client in the course of the engagement and, except as described in this Section, will not use such information except in connection with the performance of its services hereunder. This restriction shall not apply to any confidential information that HLT is required by law or professional standards to disclose, that is in or hereafter enters the public domain, that is or hereafter becomes known to HLT without breach of any confidentiality obligation or that is independently developed by HLT. HLT may retain, subject to terms of this Section, copies of the Client's confidential information required for compliance with applicable professional standards or internal policies.
6. **Release and Indemnification.** The Client agrees to indemnify and hold harmless HLT from any and all claims, liabilities, costs and expenses arising out of or based upon:
  - any misstatement or omission in any material, information or representation supplied or approved by the Client;

- any other matter related to or arising out of this engagement, except to the extent finally determined to have resulted from the gross negligence, wilful misconduct or fraudulent behaviour of HLT; or
- any allegations of conflict of interest except where the confidentiality measures referenced above have not been adhered to by HLT.

For purposes of this Section, the term HLT shall include its associated entities and their respective partners, directors, officers and employees.

- 7. Limitation of Liability.** In any action, claim, loss or damage arising out of the engagement, the Client agrees that HLT's liability will be several and not joint and several and the Client may only claim payment from HLT of HLT's proportionate share of the total liability based on degree of fault. In no event shall HLT be liable to the Client whether the claim be in tort (including without limitation, negligence), contract or otherwise, for an amount in excess of the professional fees paid by the Client for the engagement to HLT during the 12 month period commencing from the date of the letter or contract to which these terms and conditions are attached. In no event shall HLT be liable to the Client, whether a claim be in tort, contract or otherwise for any consequential, indirect, lost profit or similar damages, or failure to realize expected savings, relating to HLT's services provided under the engagement letter or contract to which these Terms and Conditions are attached. For purposes of this Section, the term HLT shall include its associated entities and their respective partners, directors, officers and employees. The provisions of this Section shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence) or otherwise.
- 8. Limitation Period.** No action, regardless of form, arising under or relating to this engagement, may be brought by either party more than one year after the cause of action has accrued, except that an action for non-payment may be brought by a party not later than two years following the date of the last payment due to such party hereunder.
- 9. Termination.** Unless terminated sooner, this engagement will end on the date the services described in the engagement letter, or contract to which these Terms and Conditions are attached are completed. Should the Client not fulfill its obligations set out herein or in the engagement letter or contract and in the absence of rectification by the Client within 10 days, HLT may, upon written notice, terminate its performance and will not be responsible for any loss, cost or expense resulting. This engagement may also be terminated by either party on 30 days written notice.
- 10. E-Mail Communication.** The Client recognizes and accepts the risks associated with communicating by Internet e-mail, including (but without limitation) the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Unless the Client requests in writing that HLT does not communicate by Internet e-mail, HLT accepts no responsibility or liability in respect of risk associated with its use.
- 11. Corporate Identity Information.** It is our customary practice to include descriptions of our experience in submitting proposals and in our marketing materials. The effect of the Internet age is that these descriptions now require inclusion of corporate identity information. HLT may include a replica or your corporate logo or symbol in marketing its services.
- 12. Independent Contractor.** It is understood and agreed that each of the parties hereto is an independent contractor and that neither party is, nor shall be considered to be, an agent, distributor or representative of the other. Neither party shall act or represent itself, directly or



by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.

13. **Severability.** In the event that any provision of these Terms and Conditions or the attached engagement letter or contract shall be held to be invalid, void or unenforceable, then the remainder of these Terms and Conditions and the attached engagement letter or contract, as the case may be, shall not be affected, impaired or invalidated, and each such provision shall be valid and enforceable to the fullest extent permitted by law.
14. **Entire Agreement.** These Terms and Conditions, and the attached engagement letter or contract, including Exhibits, constitute the entire agreement between HLT and the Client with respect to the subject matter hereof and supersede all other oral and written representation, understandings or agreements relating to the subject matter hereof.
15. **Law and Jurisdiction.** These Terms and Conditions and the attached proposal or engagement letter shall be subject to and governed by the laws of the province of Ontario and all disputes arising hereunder or related thereto shall be subject to the exclusive jurisdiction of the courts of Ontario.

MACLEOD DIXON LLP

Fax: 403-264-5973

Aug 25 2009 03:08pm P018/018

Action No. 0903-12151

2009

---

**IN THE COURT OF QUEEN'S BENCH  
OF ALBERTA  
JUDICIAL DISTRICT OF EDMONTON**

---

**Between:**

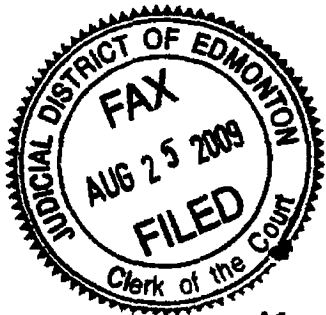
**BANK OF MONTREAL**

**Plaintiff (Applicant)**

**-and-**

**CALGARY WEST HOSPITALITY INC., GAMEHOST LIMITED  
PARTNERSHIP, GAMEHOST MANAGEMENT INC., DARCY  
WILL AND DAVID WILL**

**Defendants (Respondents)**



AS.

**FIRST REPORT OF THE COURT-APPOINTED RECEIVER OF  
CALGARY WEST HOSPITALITY INC.  
O/A THE STAMPEDE CASINO**

**DELOITTE & TOUCHE INC.**

August 25, 2009

---

**MacLeod Dixon LLP  
Barristers and Solicitors  
3700 Canterra Tower  
400 Third Avenue SW  
Calgary, AB T2P 4H2**

**Attention: Howard Gorman  
Telephone: (403) 267-8144  
Fax: (403) 264-5973**