

APPENDIX “F”

Term Sheet

BORROWER:	Alvarez & Marsal Canada ULC, in its capacity as receiver and manager and trustee (in such capacity, the " <u>Receiver</u> ") of all of the assets, properties and undertaking (the " <u>Assets</u> ") of The Rosseau Resort Developments Inc. (" <u>RRDI</u> ") appointed by Order of the Ontario Superior Court of Justice dated May 4, 2009 (the " <u>Appointment Order</u> ").
LENDER:	WestLB AG, Toronto Branch, as Agent for certain lenders from time to time (the " <u>Lender</u> ").
CREDIT FACILITY:	Senior secured loan facility (the " <u>Facility</u> ") in the total principal amount of \$15,000,000 (the " <u>Commitment</u> "), repayable on demand. Amounts repaid by the Receiver following demand by the Lender and applied against the Facility cannot be reborrowed.
DRAWDOWN:	As required by delivery by the Receiver of drawdown notice (" <u>Drawdown Notice</u> ") from time to time in form and substance satisfactory to the Lender.
USE OF FUNDS:	General receivership purposes including but not limited to the funding of (i) future costs for the continued development and construction of The Rosseau Hotel located in Muskoka, Ontario; (ii) obligations of RRDI to Marriott Hotels of Canada Ltd. (" <u>Marriott</u> ") under the Amended and Restated Management Agreement dated October 6, 2006 and related agreements, or on such other terms as may be agreed to by the Receiver and Marriott from and after the date of this Term Sheet; (iii) obligations of RRDI in order to facilitate the closing of agreements of purchase and sale entered into by RRDI and certain purchasers of condominium units; (iv) the sales process to be conducted by the Receiver with respect to the assets and business of RRDI; (v) operational expenses of RRDI; (v) professional costs of the Receiver, its counsel and advisors; and (v) all other activities of the Receiver.
REPAYMENT:	Immediately upon demand, provided that the Facility shall be repayable in full on December 31, 2010, or such later date as the Lender may agree to in writing.
INTEREST RATE:	The Prime rate of interest per annum established and reported by the Lender from time to time as the reference rate of interest it charges to customers for Canadian Dollar denominated commercial loans made by the Lender in Canada, plus 6.5%, such interest to be calculated monthly.
CONDITIONS PRECEDENT TO FUNDING:	The obligation of the Lender to make the Commitment available to the Receiver is subject to the following conditions precedent, which shall be satisfied on or before _____, 2009:
	(a) the Receiver shall have obtained the Appointment Order in form and substance satisfactory to the Lender and its counsel (i) appointing the Receiver as receiver and

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Managing Board:
Hubert Beckmann (Vice Chairman),
Dietrich Voigtländer (Vice Chairman),
Klemens Breuer, Thomas Groß,
Dr. Hans-Jürgen Niehaus, Werner Taiber

Head of the Supervisory Board:
Michael Breuer

Reg. Amtsgerichte
Düsseldorf, HRB 42975
Münster, HRB 6400
Registered Office:
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	<p>manager and trustee of the Assets; (ii) authorizing the Receiver to execute and deliver this Term Sheet and authorizing the Receiver to borrow funds from the Lender on the terms and conditions hereunder; (iii) authorizing the Receiver to secure its obligations hereunder by the issuance, from time to time, of Receiver's Certificates as defined in the Appointment Order ; (iv) granting a first-priority charge in favour of the Lender, in priority to all other present and future liens, charges, construction liens, security and encumbrances, whether legal or equitable, on the assets, properties and undertaking of RRDI subject only to the Receiver's Charge (as defined by the Appointment Order), to secure all obligations owing by the Receiver to the Lender hereunder (the "<u>Lender's Charge</u>"); (v) authorizing and directing the Receiver to execute and deliver such other documents as may be required by the Lender from time to time and such other security documents as the Lender may require; (vi) authorizing the Lender to effect registrations, filings and recordings wherever in its discretion it deems appropriate regarding the Lender's Charge; (vii); authorizing the Receiver to receive funds on behalf of RRDI and apply same to satisfy its obligations owing to the Lender hereunder; and (viii) authorizing the Receiver to use the funds borrowed for the purposes set out herein under the heading "<u>Use of Funds</u>";</p>
	<p>(b) the Lender shall be satisfied that (i) there are no mortgages, pledges, charges, security interests or other encumbrances ranking ahead of the Lender's Charge, including any such mortgages, pledges, charges, security interests or other encumbrances as provided for by the Court, except as have been disclosed to and hereafter expressly accepted by the Lender; and</p>
	<p>(c) the Lender shall be satisfied that there have been no material adverse changes, individually or in the aggregate, in the business, activities, financial condition or other condition of RRDI, except for the appointment of the Receiver or as otherwise disclosed to the Lender on or before the date hereof.</p>
COVENANTS:	<p>(a) The Receiver shall not incur financial liabilities on behalf of RRDI other than as set out herein except in accordance with its operation of the business of RRDI in the ordinary course of business and its activities described under "<u>Use of Funds</u>" or in the Appointment Order;</p> <p>(b) The Receiver shall not enter into any arrangements (or amend any existing arrangements) with Marriott or any other material creditor without the written consent of the Lender;</p> <p>(c) The Receiver shall obtain the Lender's prior written consent to any sale, lease or other disposition of assets, properties and undertaking of RRDI (a "<u>Sale</u>");</p> <p>(d) The Receiver shall provide weekly reports on RRDI's cash flow and working capital, and shall promptly notify the</p>

	<p>Lender of any material adverse change in the business, activities, financial condition or other condition of RRDI;</p> <p>(e) All amounts received by the Receiver from the Sale shall, subject to obtaining approval of the Court, be applied to permanently reduce the obligations owing by the Receiver to the Lender hereunder; and</p> <p>(f) There shall be no change or amendment to the form of Appointment Order without the consent of the Lender.</p>
SECURITY:	<p>Security shall include the following, in form and substance satisfactory to the Lender:</p> <p>(a) The Appointment Order containing the Receiver's Charge registered against title to all real property of RRDI; and</p> <p>(b) Receiver's Certificates issued by the Receiver to the Lender to secure each drawdown in the amount set forth in each Drawdown Notice.</p>
EVENTS OF DEFAULT:	<p>Usual events of default to apply and to include:</p> <p>(a) Any order amending, supplementing, staying, vacating or otherwise modifying the Appointment Order or terminating the Receiver's appointment, without the Lender's consent;</p> <p>(b) Failure by the Receiver to pay any principal amount outstanding hereunder when the same shall become due and payable hereunder (including when demanded); and</p> <p>(c) Failure by the Receiver to pay when demanded any interest accrued on the Facility or any expenses, including reasonable fees and disbursements (including legal and other professional fees) incurred by the Lender in the preparation and negotiation of this Term Sheet and any enforcement of the Lender's rights hereunder or pursuant to the Lender's Charge;</p>
NO A&M LIABILITY:	<p>Alvarez & Marsal Canada ULC shall not have any personal liability to repay any principal amount or any interest, fee or other amount owing hereunder and the Lender's recourse with respect thereto shall be limited to the Assets.</p>
FEES:	<p>3% of the Commitment.</p>

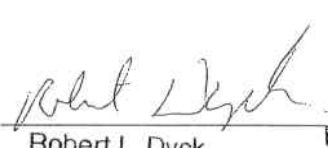
ACCEPTANCE


The foregoing term sheet is hereby accepted and agreed to.

ALVAREZ & MARSAL CANADA
 ULC solely in its capacity as receiver and
 manager and trustee of the Assets of RRDI
 and not in its personal capacity

By: _____
 Name: _____
 Date: _____

WESTLB AG, TORONTO BRANCH
 In its capacity as Agent for the Lenders

By: 
 Name: Robert L. Dyck
 Executive Director
 Date: May 19, 2009


 NEAL MEGANNETY
 Director



SECOND TRANCHE TERM SHEET

BORROWER:	Alvarez & Marsal Canada ULC and Alvarez & Marsal Canada Inc., jointly and severally, solely in their respective capacities as receiver and manager, trustee and interim receiver (collectively, the "Receiver") of all of the assets, properties and undertaking (the "Assets") of The Rosseau Resort Developments Inc. ("RRDI"), as appointed by an Amended and Restated Order of the Ontario Superior Court of Justice dated June 2, 2009, as amended by Order of the Ontario Superior Court of Justice dated December 21, 2009 (the "Amended Appointment Order").
LENDER:	WestLB AG, Toronto Branch (the "Lender").
CREDIT FACILITY:	Second tranche senior secured loan facility (the "Second Tranche Facility") in the total principal amount of \$7,500,000 (the "Second Tranche Commitment"), repayable on demand. Amounts repaid by the Receiver following demand by the Lender and applied against the Second Tranche Facility cannot be reborrowed.
DRAWDOWN:	As required by delivery by the Receiver of drawdown notice ("Drawdown Notice") from time to time in form and substance satisfactory to the Lender. Funding will be available on a day that banks are open for business in Toronto and New York.
USE OF FUNDS:	General receivership purposes including but not limited to the funding of (i) costs for the development and construction of The Rosseau Hotel located in Muskoka, Ontario; (ii) obligations of RRDI to Marriott Hotels of Canada Ltd. ("Marriott") under the Amended and Restated Management Agreement dated October 6, 2006 and related agreements, or on such other terms as may be agreed to by the Receiver and Marriott in connection with a contemplated New Hotel Management Agreement and related agreements; (iii) obligations of RRDI in order to facilitate the closing of agreements of purchase and sale entered into by RRDI, or the Receiver on behalf of RRDI, and certain purchasers of condominium units; (iv) the sales process to be conducted by the Receiver with respect to the assets and business of RRDI; (v) operational expenses of RRDI; (vi) professional fees and costs of the Receiver, its counsel and advisors; (vii) operational expenses of Alvarez & Marsal Canada ULC in its capacity as receiver and manager of The Rosseau Resort Management Services Inc. and the professional costs related thereto, (viii) payment of all fees payable to the Lender hereunder upon execution and delivery of this Second Tranche Term Sheet; and (viii) all other activities of the Receiver.

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Toronto Branch

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Dr. Hans-Jürgen Niehaus, Werner Taiber

Head of the Supervisory Board:
Michael Breuer

Reg. Amtsgerichte
Düsseldorf, HRB 42975
Münster, HRB 6400
Registered Office:
Düsseldorf/ Münster

REPAYMENT:	Immediately upon demand, provided that the Second Tranche Facility shall be repayable in full on December 31, 2010, or such later date as the Lender may agree to in writing.
INTEREST RATE:	The Prime rate of interest per annum established and reported by the Lender from time to time as the reference rate of interest it charges to customers for Canadian Dollar denominated commercial loans made by the Lender in Canada, plus 7%, such interest to be accrued on the principal amount then outstanding and payable monthly on the first day of every month commencing with the month immediately following the date of execution of this Second Tranche Term Sheet, until the principal amount outstanding is repaid in full.
CONDITIONS PRECEDENT TO FUNDING:	The obligation of the Lender to make the Second Tranche Commitment available to the Receiver is subject to the following conditions precedent, which shall be satisfied on or before January ^{FEBRUARY 1} , 2010: <i>[Signature]</i>
	(a) the Amended Appointment Order shall be in full force and effect, unamended, (i) authorizing the Receiver to execute and deliver this Second Tranche Term Sheet and authorize the Receiver to borrow funds from the Lender on the terms and conditions set forth hereunder; (ii) authorizing the Receiver to secure its obligations hereunder by the issuance, from time to time, of Receiver's Certificates as defined in the Amended Appointment Order; (iii) providing that the Second Tranche Facility is secured by the first priority Receiver's Borrowings Charge established by the Amended Appointment Order in favour of the Lender, in priority to all other present and future liens, charges, construction liens, security and encumbrances, whether legal or equitable, on the assets, properties and undertaking of RRD1 subject only to the Receiver's Charge as defined in the Amended Appointment Order (the " <u>Receiver's Charge</u> "), to secure all obligations owing by the Receiver to the Lender hereunder (the " <u>Lender's Charge</u> "), provided that all Receiver's Certificates issued by the Receiver in respect of the Second Tranche Facility shall rank subordinate to all Receiver's Certificates issued by the Receiver to the Lender in connection with a Senior secured loan facility in the total principal amount of \$15,000,000 pursuant to a Term Sheet provided to the Receiver by the Lender in its capacity as agent for certain lenders from time to time dated May 15, 2009, as authorized and approved by the Amended Appointment Order (the " <u>First Tranche Facility</u> "); (iv) authorizing and directing the Receiver to execute and deliver such other documents as may be required by the Lender from time to time and such other security documents as the Lender may require; (v) authorizing the Lender to effect

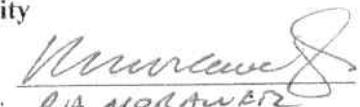
		registrations, filings and recordings wherever in its discretion it deems appropriate regarding the Lender's Charge; (vi); authorizing the Receiver to receive funds on behalf of RRDI; and (vii) authorizing the Receiver to use the funds borrowed for the purposes set out herein under the heading "Use of Funds";
	(b)	the Lender shall be satisfied that there are no mortgages, pledges, charges, security interests or other encumbrances ranking ahead of the Lender's Charge, including any such mortgages, pledges, charges, security interests or other encumbrances as provided for by the Court, except the Receiver's Charge, and except Receiver's Certificates issued in respect of the First Tranche Facility, and except as have been disclosed to and hereafter expressly accepted by the Lender;
	(c)	the Lender shall be satisfied that there have been no material adverse changes, individually or in the aggregate, in the business, activities, financial condition or other condition of RRDI, except as disclosed to the Lender on or before the date hereof.
COVENANTS:	(a)	The Receiver shall not incur financial liabilities on behalf of RRDI other than as set out herein except in accordance with its operation of the business of RRDI in the ordinary course of business and its activities described under "Use of Funds" or in the Amended Appointment Order;
	(b)	The Receiver shall not enter into any arrangements (or amend any existing arrangements) with Marriott or any other material creditor without the written consent of the Lender, other than as already disclosed to the Lender on or before the date hereof;
	(c)	The Receiver shall obtain the Lender's prior written consent to any sale, lease or other disposition of assets, properties and undertaking of RRDI (a "Sale") for a sale price greater than \$100,000;
	(d)	The Receiver shall provide to the Lender such reports as it currently provides with respect to RRDI's cash flow and working capital, and shall promptly notify the Lender of any material adverse change in the business, activities, financial condition or other condition of RRDI;
	(e)	All amounts received by the Receiver from the Sale shall, subject to obtaining approval of the Court, and subject to the Receiver's Charge and the First Tranche Facility, be applied to permanently reduce the obligations owing by the Receiver to the Lender hereunder; and
	(f)	There shall be no change or amendment to the form of Amended Appointment Order, without the consent of the Lender.

SECURITY:	<p>Security shall include the following, in form and substance satisfactory to the Lender:</p> <p>(a) The Amended Appointment Order containing the Lender's Charge registered against title to all real property of RRDl; and</p> <p>(b) Receiver's Certificates issued by the Receiver to the Lender to secure each drawdown in the amount set forth in each Drawdown Notice, provided that all Receiver's Certificates issued by the Receiver in respect of the Second Tranche Facility shall rank subordinate to all Receiver's Certificates issued by the Receiver to the Lender in connection with the First Tranche Facility.</p>
EVENTS OF DEFAULT:	Usual events of default to apply and to include:
	(a) Any order amending, supplementing, staying, vacating or otherwise modifying the Amended Appointment Order or terminating the Receiver's appointment, without the Lender's consent;
	(b) Failure by the Receiver to pay any principal amount outstanding hereunder when the same shall become due and payable hereunder (including when demanded); and
	(c) Failure by the Receiver to pay when demanded any interest accrued on the First Tranche Facility or the Second Tranche Facility or any expenses, including reasonable fees and disbursements (including legal and other professional fees) incurred by the Lender in the preparation and negotiation of this Term Sheet and any enforcement of the Lender's rights hereunder or pursuant to the Lender's Charge;
NO LIABILITY:	Alvarez & Marsal Canada ULC and Alvarez & Marsal Canada Inc. shall not have any personal liability to repay any principal amount or any interest, fee or other amount owing hereunder and the Lender's recourse with respect thereto shall be limited to the Assets.
FEES:	4% of the Second Tranche Commitment, payable immediately upon execution and delivery of this Second Tranche Term Sheet.
CONSENT:	The Borrower hereby consents to the assignment of this Second Tranche Term Sheet to an affiliate of the Lender, subject to obtaining the approval of the Court thereto and a corresponding Court Order providing that such affiliate shall have the benefit of the Lender's Charge, prior to such assignment.


ACCEPTANCE

The foregoing term sheet is hereby accepted and agreed to.

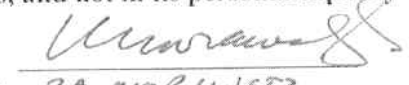
**ALVAREZ & MARSAL CANADA
ULC solely in its capacity as
receiver and manager and trustee
of the Assets and not in its personal
capacity**

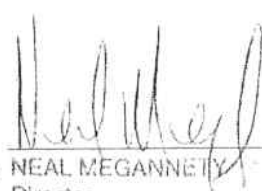
By: 
Name: RA MORAWETZ
Date: FEB. 1, 2010

WESTLB AG, TORONTO BRANCH

By: 
Name: Dario Murkovic
Date: Director

**ALVAREZ & MARSAL CANADA INC.
solely in its capacity as interim receiver of the
Assets, and not in its personal capacity**

By: 
Name: RA MORAWETZ
Date: FEB. 1, 2010

By: 
Name: NEAL MEGANNETY
Date: Director



THIRD TRANCHE TERM SHEET

BORROWER:	Alvarez & Marsal Canada ULC and Alvarez & Marsal Canada Inc., jointly and severally, solely in their respective capacities as receiver and manager, trustee and interim receiver (collectively, the " <u>Receiver</u> ") of all of the assets, properties and undertaking (the " <u>Assets</u> ") of The Rosseau Resort Developments Inc. (" <u>RRDI</u> "), as appointed by an Amended and Restated Order of the Ontario Superior Court of Justice dated June 2, 2009, as amended by Order of the Ontario Superior Court of Justice dated December 21, 2009, as further amended by Order of the Ontario Superior Court of Justice dated April 15, 2010, and as further amended by Order of the Ontario Superior Court of Justice to be obtained on November 12, 2010 (collectively, the " <u>Amended Appointment Order</u> ")
LENDER:	WestLB AG, New York Branch (the " <u>Lender</u> ").
CREDIT FACILITY:	Third tranche senior secured loan facility (the " <u>Third Tranche Facility</u> ") in the total principal amount of \$8,700,000 (the " <u>Third Tranche Commitment</u> "), repayable on demand. Amounts repaid by the Receiver following demand by the Lender and applied against the Third Tranche Facility cannot be reborrowed.
DRAWDOWN:	As required by delivery by the Receiver of drawdown notice (" <u>Drawdown Notice</u> ") from time to time in form and substance satisfactory to the Lender. Funding will be available on a day that banks are open for business in Toronto and New York.
USE OF FUNDS:	General receivership purposes including but not limited to the funding of (i) construction and maintenance expenses and operational expenses of RRDI and/or the Receiver in respect of The Rosseau Hotel located in Muskoka, Ontario; (ii) obligations of RRDI to Marriott Hotels of Canada Ltd. (" <u>Marriott</u> ") under the Hotel Management Agreement dated January 22, 2010 and related agreements, as such agreements may be amended, supplemented or restated from time to time; (iii) the sales process to be conducted by the Receiver with respect to the assets and business of RRDI; (iv) professional fees and costs of the Receiver, its counsel and advisors; (v) interest payable on the Third Tranche Facility pursuant to this Third Tranche Term Sheet; (vi) administrative expenses of Alvarez & Marsal Canada ULC in its capacity as receiver and manager of The Rosseau Resort Management Services Inc. and the professional costs related thereto and (vii) all other activities of the Receiver.
REPAYMENT:	Immediately upon demand, provided that the Third Tranche Facility shall be repayable in full on September 30, 2011, or such later date as the Lender may agree to in writing.

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Dr. Hans-Jürgen Niehaus, Werner Taiber

Head of the Supervisory Board:
Michael Breuer

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INTEREST RATE:	The Prime rate of interest per annum established and reported by the Lender from time to time as the reference rate of interest it charges to customers for Canadian Dollar denominated commercial loans made by the Lender in Canada, plus 7%, such interest to be accrued on the principal amount then outstanding and payable monthly on the first day of every month commencing with the month immediately following the date of execution of this Third Tranche Term Sheet, until the principal amount outstanding is repaid in full.
CONDITIONS PRECEDENT TO FUNDING:	The obligation of the Lender to make the Third Tranche Commitment available to the Receiver is subject to the following conditions precedent, which shall be satisfied on or before November 26, 2010:
	<p>(a) the Amended Appointment Order shall be in full force and effect, unamended, (i) authorizing the Receiver to execute and deliver this Third Tranche Term Sheet and authorizing the Receiver to borrow funds from the Lender on the terms and conditions set forth hereunder; (ii) authorizing the Receiver to secure its obligations hereunder by the issuance, from time to time, of Receiver's Certificates, as defined in the Amended Appointment Order; (iii) providing that the Third Tranche Facility is secured by the first priority Receiver's Borrowings Charge established by the Amended Appointment Order in favour of the Lender (the "<u>Lender's Charge</u>"), in priority to all other present and future liens, charges, construction liens, security and encumbrances, whether legal or equitable, on the assets, properties and undertaking of RRDI, subject only to the Receiver's Charge as defined in the Amended Appointment Order (the "<u>Receiver's Charge</u>"), to secure all obligations owing by the Receiver to the Lender hereunder, provided that all Receiver's Certificates issued by the Receiver in respect of the Third Tranche Facility shall rank subordinate to all Receiver's Certificates issued by the Receiver to the Lender in connection with a Senior secured loan facility in the total principal amount of \$15,000,000 pursuant to a Term Sheet provided to the Receiver by the Lender in its capacity as agent for certain lenders from time to time dated May 15, 2009, as authorized and approved by the Amended Appointment Order (the "<u>First Tranche Facility</u>"), and provided that all Receiver's Certificates issued by the Receiver in respect of the Third Tranche Facility shall rank in priority to all Receiver's Certificates issued by the Receiver to the Lender in connection with a Senior secured loan facility in the total principal amount of \$7,500,000 pursuant to the Second Tranche Term Sheet provided to the Receiver by the Lender dated February 1, 2010, as authorized and approved by</p>

	the Amended Appointment Order (the " <u>Second Tranche Facility</u> "); (iv) authorizing and directing the Receiver to execute and deliver such other documents as may be required by the Lender from time to time and such other security documents as the Lender may require; (v) authorizing the Lender to effect registrations, filings and recordings wherever in its discretion it deems appropriate regarding the Lender's Charge; (vi); authorizing the Receiver to receive funds on behalf of RRDI; and (vii) authorizing the Receiver to use the funds borrowed for the purposes set out herein under the heading "Use of Funds";
	(b) the Lender shall be satisfied that there are no mortgages, pledges, charges, security interests or other encumbrances ranking ahead of the Lender's Charge, including any such mortgages, pledges, charges, security interests or other encumbrances as provided for by the Court, except the Receiver's Charge, and except Receiver's Certificates issued in respect of the First Tranche Facility, and except as have been disclosed to and hereafter expressly accepted by the Lender;
	(c) the Lender shall be satisfied that there have been no material adverse changes, individually or in the aggregate, in the business, activities, financial condition or other condition of RRDI, except as disclosed to the Lender on or before the date hereof.
COVENANTS:	(a) The Receiver shall not incur financial liabilities on behalf of RRDI other than as set out herein except in accordance with its operation of the business of RRDI in the ordinary course of business and its activities described under "Use of Funds" or in the Amended Appointment Order;
	(b) The Receiver shall not enter into any arrangements (or amend any existing arrangements) with Marriott or any other material creditor without the written consent of the Lender, other than as already disclosed to the Lender on or before the date hereof;
	(c) The Receiver shall obtain the Lender's prior written consent to any sale, lease or other disposition of assets, properties and undertaking of RRDI (a " <u>Sale</u> ") for a sale price greater than \$100,000;
	(d) The Receiver shall provide to the Lender such reports as it currently provides with respect to RRDI's cash flow and working capital, and shall promptly notify the Lender of any material adverse change in the business, activities, financial condition or other condition of RRDI;
	(e) All amounts received by the Receiver from the Sale shall, subject to obtaining approval of the Court, and subject to the

	Receiver's Charge and the First Tranche Facility, be applied to permanently reduce the obligations owing by the Receiver to the Lender hereunder; and
	(f) There shall be no change or amendment to the form of Amended Appointment Order, without the consent of the Lender.
SECURITY:	<p>Security shall include the following, in form and substance satisfactory to the Lender:</p> <p>(a) The Amended Appointment Order containing the Lender's Charge registered against title to all real property of RRDI; and</p> <p>(b) Receiver's Certificates issued by the Receiver to the Lender to secure each drawdown in the amount set forth in each Drawdown Notice, provided that all Receiver's Certificates issued by the Receiver in respect of the Third Tranche Facility shall rank subordinate to all Receiver's Certificates issued by the Receiver to the Lender in connection with the First Tranche Facility, and shall rank in priority to all Receiver's Certificates issued by the Receiver to the Lender in connection with the Second Tranche Facility.</p>
EVENTS OF DEFAULT:	Usual events of default to apply and to include:
	(a) Any order amending, supplementing, staying, vacating or otherwise modifying the Amended Appointment Order or terminating the Receiver's appointment, without the Lender's consent;
	(b) Failure by the Receiver to pay any principal amount outstanding hereunder when the same shall become due and payable hereunder (including when demanded); and
	(c) Failure by the Receiver to pay when demanded any interest accrued on the Second Tranche Facility or the Third Tranche Facility, or any expenses, including reasonable fees and disbursements (including legal and other professional fees) incurred by the Lender in the preparation and negotiation of this Term Sheet and any enforcement of the Lender's rights hereunder or pursuant to the Lender's Charge.
NO LIABILITY:	Alvarez & Marsal Canada ULC and Alvarez & Marsal Canada Inc. shall not have any personal liability to repay any principal amount or any interest, fee or other amount owing hereunder and the Lender's recourse with respect thereto shall be limited to the Assets.



ACCEPTANCE

The foregoing term sheet is hereby accepted and agreed to.

ALVAREZ & MARSAL CANADA
ULC solely in its capacity as
receiver and manager and trustee
of the Assets and not in its personal
capacity

WESTLB AG, NEW YORK BRANCH

By: [Signature]
 Name: RA MORAWETZ
 Date: NOV. 5, 2010

By: [Signature]
 Name: CHRISTIAN ROEMER, Managing Director
 Date: 11/5/10

ALVAREZ & MARSAL CANADA INC.
solely in its capacity as interim receiver of the
Assets, and not in its personal capacity

By: [Signature]
 Name: RA MORAWETZ
 Date: NOV. 5, 2010

By: [Signature]
 Name: James Winikor
 Date: Associate Director
11/5/2010

APPENDIX “G”

UNIT OWNER SETTLEMENT AGREEMENT

THIS AGREEMENT made as of the ____ day of _____, 2009

BETWEEN:

(the "Owner")

- and -

**THE ROSSEAU RESORT DEVELOPMENTS INC., by Alvarez & Marsal Canada ULC,
solely in its capacity as receiver and manager of the assets of The Rosseau Resort
Developments Inc., and not in its personal capacity**

RECITALS

A. By Order dated May 22, 2009 (the "Initial Appointment Order"), the Ontario Superior Court of Justice (the "Court") appointed Alvarez & Marsal Canada ULC ("A&M") and McIntosh & Morawetz Inc., as trustee and interim receiver, respectively, pursuant to Section 68 of the Construction Lien Act (Ontario) and Section 47(1) of the Bankruptcy and Insolvency Act (Canada), of all the property, assets and undertakings (collectively, the "Assets") of The Rosseau Resort Developments Inc. ("RRDI"). By Amended and Restated Order dated June 2, 2009 (the "Appointment Order"), the Court continued the appointments made by the Initial Appointment Order and also appointed A & M as receiver and manager of the Assets of RRDI pursuant to Section 101 of the Courts of Justice Act (Ontario) (the "Receiver").

B. RRDI is the owner of certain real property located on Lake Rosseau, in Muskoka, Ontario (the "Property"). RRDI has constructed a condominium hotel on the Property consisting of 221 condominium hotel units (the "Units") as well as a lobby, restaurants, lounge/bar, meeting

rooms, ballrooms, administrative offices, parking, spa, swimming pools, recreational facilities, retail components and certain other amenities and related facilities (the "Hotel").

C. As of the date of the Initial Appointment Order, RRDI had either sold Units to purchasers, or had entered into agreements of purchase and sale with purchasers (all such purchasers referred to herein, collectively, as "Unit Purchasers").

D. RRDI offered Unit Purchasers several types of incentives and benefits ("Purchaser Incentives") which were either included in the terms of their agreements of purchase and sale between Unit Purchasers and RRDI or provided in separate ancillary agreements to their agreements of purchase and sale (such agreements collectively defined as the "APS"). These Purchaser Incentives consisted of, depending on the terms as set out in the APS, one or more of the following: (a) a lease agreement with RRDI, whereby RRDI agreed to lease a Unit purchased by a Unit Purchaser for a period of either 3 or 4 years (an "Original Lease"); (b) "Indulgence Cards" in denominations of \$10,000, \$20,000, or \$30,000 for use by the Unit Purchaser to pay for amenities and services at the Hotel ("Indulgence Cards"); and/or (c) payment on behalf of Unit Purchasers by RRDI of certain expenses, including property taxes, condominium corporation fees, utilities charges, telecommunications charges, common expense subsidies, contributions to the FF&E reserve fund established by the Current Rental Pool Management Agreements (defined below) executed or to be executed by Unit Purchasers, payment of Marriott Gold membership fees, payment of Resort to Resort membership fees, or payment of Red Leaves Resort Association entry and/or membership fees, or credits against the agreed upon purchase price for the Unit pursuant to the APS at the time of closing (collectively, "Other Incentives").

E. The Owner is a Unit Purchaser who has purchased a Unit or Units from RRDI, which purchase transaction has closed. In accordance with the Owner's APS, a copy of which is attached hereto as Schedule "A", the Owner may have been entitled to receive certain Purchase Incentives from RRDI.

F. RRDI is insolvent and unable to honour the Purchaser Incentives.

G. The Owner is currently a party to a Rental Pool Management Agreement (the “Current Rental Pool Management Agreement”) between the Owner and The Rosseau Resort Management Services Inc. (“RRMSI”) whereby RRMSI agreed to provide services to the Owner as rental pool manager. The Receiver intends, on behalf of RRDI, to repudiate the verbal arrangements whereby RRDI delegated the services of rental pool manager to RRMSI, and to repudiate the current Amended and Restated Hotel Management Agreement with Marriott Hotels of Canada Ltd. (“Marriott”), to which RRMSI is a party, which will result in RRMSI no longer being able to perform its obligations under the Current Rental Pool Management Agreement. In order to facilitate the continued operation of the Hotel and rental pool, the Receiver intends to cause RRDI to enter into a new management agreement with Marriott for the Hotel (the “New Hotel Management Agreement”) and new rental pool management agreements with Unit Purchasers on the terms and conditions as set out in the form attached hereto as Schedule “B” (the “New Rental Pool Management Agreement”), all with the approval of the Court. The Receiver, on behalf of RRDI, has sent a letter dated August 6, 2009 to all Unit Purchasers, identifying the material changes to the form of Current Rental Pool Management Agreement.

H. In order to resolve all issues with Unit Purchasers, by memorandum dated July 8, 2009, the Receiver put forward a without prejudice proposal to all Unit Purchasers (the “Receiver Proposal”), providing the terms and conditions on which the Receiver proposed to settle all claims and potential claims with Unit Purchasers.

I. The Owner, having accepted the Receiver Proposal, has agreed to the terms of this Unit Owner Settlement Agreement.

NOW THEREFORE, in consideration of the mutual covenants set out herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, this Agreement witnesses the agreement between the parties as follows:

1. **Termination.** The Owner hereby agrees that the obligation of RRDI to the Owner with respect to any Purchaser Incentives agreed to by RRDI pursuant to the Owner's APS, Original Lease, or otherwise has been terminated.

2. **New Lease.** Where the Owner is currently a party to an Original Lease with RRDI, the Owner agrees to enter into a new lease with RRDI in respect of the Unit purchased by the Owner, on the following basic terms and conditions, in the form attached hereto as Schedule "C" to be completed with the particulars of the Owner and the Unit (the "New Lease"):

- (a) The term of the New Lease will commence on June 1, 2009 and terminate on the original termination date of the Original Lease between the Owner and RRDI;
- (b) The annual rent under the New Lease will be an amount equal to 50% of the annual rent under the applicable Original Lease, payable to the Owner on a quarterly basis;
- (c) The New Lease shall not be assignable and shall automatically terminate on the sale of the applicable Unit by the Owner; and
- (d) Rent payable under the New Lease by RRDI will be payable out of proceeds approved by the Court for distribution arising out of the proceeds of realization by the Receiver of RRDI's assets. No payments under the New Lease will be made by RRDI until the Receiver has realized sufficient proceeds, in the Receiver's sole opinion, to make payments to all Unit Purchasers who have closed their purchase transaction and who enter into a New Lease.

3. **Verification of Original Lease.** Where the Owner has an entitlement to an Original Lease under the Owner's APS, the Owner agrees that the obligation of RRDI hereunder to enter into a New Lease is subject to verification by the Receiver of the terms of the Original Lease. In order to complete this verification, the Owner agrees to confirm within five business days of execution of this Agreement the terms of the Original Lease to which the Owner was entitled pursuant to the Owner's APS, and to provide such further or other information to satisfy the Receiver as to such terms.

4. **Indulgence Cards and Other Incentives.** Where RRDI has an obligation to the Owner in respect of an Indulgence Card and/or Other Incentives pursuant to the Owner's APS, RRDI

hereby agrees to honour 50% of the value of such Purchaser Incentives (to the extent such Purchaser Incentives have not already been satisfied) granted to the Owner by RRDI on the following terms:

- (a) RRDI's obligation hereunder to honour 50% of the value of Indulgence Cards is restricted to a maximum usage by the Owner of \$2,500 per month, inclusive of GST, PST, HST, (when applicable), and other taxes, fees, and charges. The 50% value of Indulgence Cards shall be honoured out of proceeds approved by the Court for distribution arising out of the proceeds of realization by the Receiver of RRDI's assets. No honouring of Indulgence Cards will be available until the Receiver has realized sufficient proceeds, in the Receiver's sole opinion, to honour such Indulgence Cards. Any time limit on the exercise of Indulgence Cards shall commence to run once RRDI has commenced honouring such Indulgence Cards pursuant to this Agreement.
- (b) Other Incentives shall be paid to the Owner (or for and on behalf of the Owner to the applicable third party, as the case may be) for the period as provided for by the Owner's APS and shall be payable on a quarterly basis, commencing September 1, 2009, out of proceeds approved by the Court for distribution arising out of the proceeds of realization by the Receiver of RRDI's assets. No payments under this provision will be made by RRDI until the Receiver has realized sufficient proceeds, in the Receiver's sole opinion, to pay Unit Owners who have closed their purchase transaction with entitlement to such payments pursuant to Unit Owner Settlement Agreements executed by each of them.

5. **Verification.** Where the Owner has an entitlement to Indulgence Cards or Other Incentives under the Owner's APS, the Owner agrees that the obligation of RRDI hereunder to honour Indulgence Cards and Other Incentives is subject to the following:

- (a) verification by the Receiver of the amounts of all Indulgence Cards and Other Incentives agreed to by RRDI with all Unit Purchasers executing settlement agreements with the Receiver ("Settlement Agreements") and confirmation that such amounts do not exceed \$3.7 million. In order to complete this verification, the Owner agrees to confirm within five business days of execution of this

Agreement that the amount and value of the Purchaser's Indulgence Cards and Other Incentives are as set out in the APS attached hereto as Schedule "A", or to provide such further or other information to satisfy the Receiver as to the amount and value of the Owner's Indulgence Cards and Other Incentives; and

- (b) in the event that the obligations of RRDI to all Unit Purchasers who execute Settlement Agreements in respect of Indulgence Cards and Other Purchaser Incentives exceeds the aggregate amount of \$3.7 million, all Unit Purchasers executing Settlement Agreements agree that all Unit Purchasers shall share their entitlement to Indulgence Cards and Other Incentives under their respective Settlement Agreements, in the amounts as confirmed by the Receiver pursuant to Section 5(a) above, on a pro rata basis calculated on a total amount available to satisfy and honour such obligations of \$3.7 million.

6. **Funds.** To the extent that the Owner establishes an entitlement to any accounts or funds held by counsel for RRDI, including funds presently held by McCarthy Tetrault LLP, from proceeds arising from the closing of the sale of the Unit or Units to the Owner in respect of the obligations of RRDI to the Owner for Indulgence Cards and/or Other Incentives (the "Funds"), the Owner hereby assigns, transfers, and conveys to RRDI all of its rights, claims, and entitlements to such Funds, in an amount equal to the aggregate value of the Indulgence Cards and/or Other Incentives paid to such Owner by RRDI pursuant to this Agreement. For greater certainty, it is intended by this Agreement that the Owner not receive recovery for the same claim relating to Indulgence Cards and/or Other Incentives from both RRDI and from the Funds beyond 100% of the aggregate value of such Indulgence Cards and/or Other Incentives.

7. **Investigation.** The Receiver agrees to investigate the facts with respect to the Funds, and will report to the Court and stakeholders of the estate of RRDI regarding its recommendations as to whether or not Unit Purchasers have entitlements to all or part of the Funds. In the event of a dispute over entitlement to the Funds, the Receiver will bring the matter before the Court for determination.

8. **Court-Ordered Charges.** In order to secure the obligation to pay rent pursuant to the New Lease and the obligation hereunder to honour Indulgence Cards and/or Other Incentives, the Receiver will seek Court-ordered charges on the assets of RRDI, as follows:

- (a) in an amount sufficient to secure the total aggregate obligation of RRDI to pay rent under New Leases entered into with all Unit Purchasers who have closed their purchase transactions, not to exceed \$1.6 million;
- (b) in an amount sufficient to secure the total aggregate obligation of RRDI to honour the Indulgence Cards and Other Incentives in respect of all Unit Owner Settlement Agreements, not to exceed \$3.7 million;

such charges to rank *pari passu* with each other and subordinate only to the Receiver's Charge and the Receiver's Borrowings Charge each as provided for in the Appointment Order, and construction trade lien claims which are determined to have priority over all mortgages registered on title to the Property.

9. **Receiver's Conditions.** The obligation of RRDI to perform hereunder is subject to the following conditions being fulfilled or performed, any one or more of which may be waived by the Receiver in its sole discretion:

- (a) by no later than September 14, 2009, the Owner shall have executed and delivered to the Receiver a New Rental Pool Management Agreement with RRDI, by its Receiver, in the form attached hereto as Schedule "B"; which New Rental Pool Management Agreement will be effective when the New Hotel Management Agreement is effective;
- (b) by no later than September 14, 2009, the Owner, where applicable, shall have executed and delivered to the Receiver a New Lease in the form attached hereto as Schedule "C";
- (c) by no later than September 14, 2009, the Owner shall have executed and delivered to the Receiver a full and final release of all claims against RRDI, the Receiver, WestLB AG, Fortress Credit Corp., CIT Financial Ltd., Raiffeisen Zentralbank Osterreich AG, Ken Fowler Enterprises Ltd., Red Leaves Partnership, and RRMSI, in the form attached hereto as Schedule "D", other than in respect of the Owner's unsecured claim, if any, against the estate of RRDI for damages for the loss of any Purchaser Incentive;

- (d) the Owner shall have complied with and performed all of its obligations contained in this Agreement;
- (e) the execution of a Unit Owner Settlement Agreement in the form identical hereto by 100% of Unit Purchasers who have closed their purchase transactions and who have an entitlement to Purchaser Incentives, or by such lesser number as may be approved and agreed to by the Receiver;
- (f) no action or proceeding, at law or in equity shall have been commenced or threatened by any person, firm, company, government, regulatory body or agency to enjoin, restrict or prohibit the completion of this Agreement;
- (g) an Order shall have been obtained in form and substance satisfactory to the Receiver authorizing and approving this Agreement, the New Hotel Management Agreement, and the form of New Rental Pool Management Agreement; and
- (h) the new Hotel Management Agreement shall be in effect..

10. **Entire Agreement.** The parties acknowledge that this Agreement is intended to be the entire agreement between the parties, and that there are no representations, warranties or conditions affecting this Agreement other than as are expressly contained herein. Owner further acknowledges and agrees that nothing herein contained shall be or shall be deemed to be an admission of liability on the part of RRDI or the Receiver.

11. **Further Assurances.** The parties agree that each will provide such other and further documents and assurances or take such further action as may be necessary to give effect to the intent of this Agreement.

12. **Waiver.** Any waiver by either party of any of the terms or conditions of this Agreement shall not be deemed to be a waiver of any subsequent failure to comply with such terms or conditions or a waiver of any other terms or conditions of this Agreement.

13. **Assignment.** The Owner shall not assign or transfer its interest in this Agreement. The Receiver may assign or transfer its interest in and obligations under this Agreement on notice to the Owner, without the consent of the Owner. This Agreement shall be binding upon the heirs, executors, administrators, successors and, where applicable, assigns of the parties and will be for the benefit of the parties and their respective successors and, where applicable, assigns.

14. **Governing Law.** This Agreement will be construed according to the laws in force in the Province of Ontario.

15. **Counterpart.** This Agreement may be executed in counterpart and by facsimile or electronic mail transmission. Each counterpart shall be deemed an original and all counterparts together shall constitute one and the same instrument.

16. **Deadline.** The Owner shall have until 5:00 p.m.. (EDT) on Friday, August 21, 2009 to accept this offer by returning to the Receiver an executed copy of this Agreement, subject to any extension to which the Receiver may agree, after which time, if not accepted, this offer shall be null and void.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date and year first above-written.

INDIVIDUAL OWNER

Witness: _____

Name: _____

[OR]

CORPORATE OWNER

Per: _____

I have the authority to bind the corporation

THE ROSSEAU RESORT DEVELOPMENTS INC.,
by Alvarez & Marsal Canada ULC, solely in its
capacity as receiver and manager appointed under the
Courts of Justice Act (Ontario) of the Assets of THE
ROSSEAU RESORT DEVELOPMENTS INC., and
not in its personal capacity

Per: _____

APPENDIX “H”

LEASE

THE ROSSEAU – a JW MARRIOTT RESORT & SPA

THE LONGVIEW BUILDING

This Lease ("Lease") dated as of June 1, 2009

B E T W E E N

- and -

THE ROSSEAU RESORT DEVELOPMENTS INC. ("Tenant"), by Alvarez & Marsal Canada ULC, solely in its capacity as receiver and manager of the assets of The Rosseau Resort Developments Inc., and not in its personal capacity:

WHEREAS:

- A. Landlord is the purchaser of Suite No. S107, being Unit 4, Level 1, Muskoka Standard Condominium Plan No. 62 (the "Unit") in the Longview Building of The Rosseau, a JW Marriott Resort, in the Township of Muskoka Lakes (the "Development").
- B. Landlord desires to lease the Unit to Tenant, and Tenant desires to lease the Unit from Landlord, so that Tenant may sublet the Unit to third parties for use as lodging space pursuant to the terms of this Lease.
- C. By Order dated May 22, 2009 (the "Initial Appointment Order"), the Ontario Superior Court of Justice (the "Court") appointed Alvarez & Marsal Canada ULC ("A&M") and McIntosh & Morawetz Inc., as trustee and interim receiver, respectively, pursuant to Section 68 of the *Construction Lien Act* (Ontario) and Section 47(1) of the *Bankruptcy and Insolvency Act* (Canada), of all the property, assets and undertakings (collectively, the "Assets") of the Tenant. By Amended and Restated Order dated June 2, 2009 (the "Appointment Order"), the Court continued the appointments made by the Initial Appointment Order and also appointed A&M as receiver and manager of the Assets of the Tenant pursuant to Section 101 of the *Courts of Justice Act* (Ontario).
- D. Unless otherwise defined herein, capitalized terms used in this Lease shall have the meanings attributed thereto in the Rental Pool Management Agreement ("RPMA") respecting the Unit entered into by the Landlord with Tenant, as rental pool manager.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Lease, Landlord and Tenant agree as follows:

1. **Term of Lease.** The term of the Lease shall be 4 years, commencing on the date hereof noted above and expiring on the earlier of May 31, 2013 and the date this Lease is

terminated by the Landlord pursuant to paragraph 21 hereof (the "Term"). During the Term, Tenant shall have the exclusive use of the Unit, except as set forth in section 7.

2. **Quarterly Rent.** Beginning on the first day of the fourth month of the Term, and continuing on the first day of each December, March, June and September, in arrears, during the Term, Tenant shall pay Landlord rent for the Unit in an amount equal to \$1,049.71 per month plus applicable goods and services tax. Rent for any partial month during the Term shall be pro-rated based on the number of days in the applicable month. For clarity, all payments made under this Lease shall be made on a quarterly basis, in arrears.
3. **Other Costs.** In addition to the rent pursuant to section 2 hereof, the Tenant shall pay fifty per cent (50%) of the following costs throughout the Term on a quarterly basis, in arrears:
 - (a) common expenses attributable to the Unit;
 - (b) telecommunications systems charges pursuant to section 5.6 of the RPMA (not including ordinary usage charges incurred by the Landlord when in personal occupation of the Unit); and
 - (c) contributions to the Unit FF&E Reserve Fund attributable to the Unit pursuant to section 3.4 of the RPMA.
4. **Late Charge.** If Landlord does not receive any rent payment within ten days after its due date, then a late charge shall accrue equal to six percent (6%) per annum, simple interest, calculated on the amount which is past due.
5. **Compliance with RPMA.** Each of the Landlord and Tenant acknowledge that use of the Unit pursuant to this Lease is subject to the terms of the RPMA. The Tenant covenants and agrees with the Landlord to observe and comply with the terms of the RPMA insofar as the same apply to or affect the use of the Unit by the Tenant as permitted hereby. Subject to performance of the Tenant's obligations under this Lease, the Landlord covenants and agrees with the Tenant to maintain the RPMA in good standing and to perform all of the covenants and obligations of the Owner thereunder.
6. **Tenant's Use of Unit.** Landlord and Tenant agree that Tenant shall lease the Unit for the purpose of renting it to third parties for residential lodging uses in accordance with and subject to the terms of the RPMA.
7. **Landlord's Use of Unit.** During the Term, Landlord shall have the right to use the Unit for a maximum of fourteen (14) days during each calendar year as follows provided that the Landlord makes reservations for use of the Unit in accordance with and subject to the terms of the RPMA (except as modified hereby):

- (a) for one period of up to seven (7) consecutive days not including any part of the Summer Season, Holiday Weekends, Christmas Break or March Break (as such terms are defined in the RPMA) or any part thereof; and
 - (b) for one additional period of up to seven (7) consecutive days during any period of the year provided that the Landlord shall be responsible for and shall pay an amount equal to the greater of:
 - (i) the aggregate of one-half of the daily rack rate established for the Unit by the Hotel Operator for each day during the period of the Landlord's use thereof; and
 - (ii) the aggregate of the Rental Pool Manager's fees for Basic Daily Housekeeping (or Marriott's Full Service Daily Housekeeping, if applicable) and the Departure Cleaning Fee attributable to the Unit for the period of the Landlord's use thereof.
8. ***Fees, Property Taxes and Utilities.*** Landlord shall pay, without duplication, property taxes (and other similar amounts levied by government or quasi-government bodies) levied in respect of the Unit and the remaining fifty percent (50%) of the costs set forth in section 3 hereof. Landlord shall also be responsible for all long distance and other special telephone charges incurred during Landlord's use of the Unit, and shall be responsible for all costs arising out of or associated with Landlord's use of the Unit including, without limitation, cleaning(s), movie rentals and other costs or charges billed or otherwise attributable to the Unit during Landlord's use (collectively, the "**Landlord's Charges**"). Tenant shall deduct from the rent payment such Landlord's Charges that are charged to Tenant and not paid directly by Landlord and shall provide Landlord an itemization of all such deductions. If the Unit is assessed as commercial property, the Tenant agrees to pay to the Landlord annually during the Term the amount by which the property taxes are greater than they would have been had the Unit been assessed as residential property.
9. ***Condition of Unit at Beginning of Term.*** Landlord shall deliver possession of the Unit to Tenant at the beginning of the Term fully furnished, newly cleaned, and equipped with all of the fixtures, equipment, dishware, utensils, and other personal property which the Unit contained when Landlord purchased the Unit.
10. ***Alterations.*** Tenant shall not, except in accordance with and subject to the RPMA, make any alterations or improvements to the Unit except that Tenant, at its option, may repair or replace any damage to the Unit or the Unit FF&E in accordance with section 11 hereof.
11. ***Condition of Unit at End of Term.*** Subject to Landlord's obligations set forth in section 12 hereof, Tenant shall deliver possession of the Unit and the Unit FF&E to Landlord at the end of the Term in compliance with Hotel Standards.

12. ***Maintenance, Repair and Replacement.***

- (a) Landlord and Tenant acknowledge that Muskoka Standard Condominium Corporation No. 62 (the "**Condominium Corporation**"), the condominium corporation for the Development, will maintain and repair the common elements (the "**Common Elements**") of the Development.
- (b) During the Term, Tenant shall keep the Unit and the Unit FF&E in compliance with Hotel Standards and the costs incurred by Tenant in connection therewith shall be allocated as follows:
 - (i) Landlord shall be responsible for all maintenance and repair costs incurred in connection with or as a result of Landlord's use of the Unit in accordance with the Owner's obligations under the RPMA, and Tenant may offset the amount of such costs against the next installment of rent due under this Lease and provide Landlord with a written itemization of such costs; and
 - (ii) subject to the terms of the RPMA, Tenant shall be responsible for all maintenance and repair costs incurred in connection with or as a result of Tenant's use of the Unit.

13. ***Insurance.***

- (a) Tenant shall maintain a broad form of comprehensive public liability insurance in an amount not less than five million dollars (\$5,000,000.00). A copy of such insurance will be maintained at Tenant's office for inspection.
- (b) Landlord shall maintain the insurance required to be maintained by the Owner under the RPMA with the Tenant named as an additional insured.

14. ***Defense and Indemnity.*** Except as expressly set forth to the contrary herein, Landlord agrees to defend, indemnify, and hold Tenant and A&M harmless from and against any liability or damages incurred by Tenant or A&M as a result of Landlord's use of the Unit.

15. ***Compliance with Laws.*** Subject to any contrary terms contained elsewhere in this Lease, Tenant shall comply with all statutes, ordinances, rules and regulations that apply to Tenant's use of the Unit. Landlord shall comply with all statutes, ordinances, rules and regulations that apply to Landlord's use of the Unit and the physical condition of the Unit.

16. ***Damage and Destruction.*** In case of damage to or destruction of the structure or interior of the Unit by fire, wind, flood, earthquake or other casualty, Tenant shall have the right to terminate this Lease upon thirty (30) days notice to Landlord, such termination to be effective as of the date of the damage or destruction with any rent prorated as of such date.

17. **Compliance with Bylaws.** With respect to Tenant's use of the Unit, Tenant shall not violate or breach the terms of any lawful bylaws or rules of the Condominium Corporation now or hereinafter in effect.
18. **Events of Default.** The following shall constitute events of default (each an "**Event of Default**") under this Lease:
 - (a) Failure to pay when due any rent or other sums due under this Lease within thirty (30) days following receipt of written notice from the nondefaulting party; or
 - (b) The breach of or failure to perform any term, condition or covenant contained in this Lease other than as set forth above and the failure of the defaulting party to cure the same within thirty (30) days following receipt of notice from the nondefaulting party (or failure to commence such cure within such 30 days and prosecute the same to completion if such cure cannot be completed within 30 days).
19. **Rights and Remedies Upon an Event of Default.** In case of any Event of Default, Landlord and Tenant shall have all rights and remedies at law or in equity. Notwithstanding the foregoing, the Landlord acknowledges that it is subject to the terms of the Appointment Order.
20. **Quiet Possession.** Tenant shall, upon compliance with and subject to the terms of this Lease, be entitled to peaceful and quiet possession of the Unit for the term of this Lease.
21. **Termination by Landlord.** Landlord shall have the right to terminate this Lease effective on the thirtieth (30th) day after Landlord gives written notice of termination to Tenant.
22. **Prior Unit Rentals.** Upon expiry or termination of the Lease, Landlord agrees that it and any purchaser or transferee from it will be bound by and subject to any reservations for rentals of the Unit for future use made by the Tenant or by Marriott Hotels of Canada, Ltd. as hotel operator.
23. **No Sale by Landlord.** Landlord covenants and agrees with Tenant that it will not sell or transfer the Unit or assign this Lease at any time prior to the expiry of this Lease, and, in the event of any such sale or transfer of the Unit or assignment of this Lease at any time prior to the expiry of this Lease, this Lease shall terminate immediately without further notice.
24. **Not a Residential Tenancy.** Landlord and Tenant acknowledge and agree that this Lease is not a "tenancy agreement" and the Unit is not a "rental unit" or "residential property" as those terms are defined in the *Tenant Protection Act* (Ontario).
25. **Notices.** Any notice under this Lease shall be mailed to the respective parties at their addresses set forth below and shall be effective upon delivery or three days after mailing, postage prepaid.

Landlord:

Tenant:

**THE ROSSEAU RESORT
DEVELOPMENTS INC., by Alvarez
& Marsal Canada ULC, solely in its
capacity as receiver and manager of
the Assets of The Rosseau Resort
Developments Inc., and not in its
personal capacity, Royal Bank Plaza,
200 Bay Street, Suite 2000, Toronto,
ON M5J 2J1**

26. **Miscellaneous.** This Lease shall bind and benefit the heirs, executors, successors and assigns of the Tenant. Wherever used herein, the singular shall include the plural and the use of any gender shall be applicable to all genders. If there is more than one person signing this Lease as Tenant, the liability of such persons hereunder shall be joint and several.
27. **Legal Fees.** If a dispute arises to enforce or interpret any term of this Lease, then the prevailing party in any such dispute shall be entitled to recover from the losing party all reasonable legal fees and costs incurred.
28. **Entire Agreement.** This Lease represents the entire agreement between the parties with respect to the leasing of the Unit from Landlord to Tenant. No prior oral representations or agreements shall be of any force or effect.
29. **Counterparts.** This Lease may be executed in two or more counterparts, each of which counterparts shall be deemed an original. In proving this Lease, it shall not be necessary to produce or account for more than one of the counterparts.
30. **Governing Law.** This Lease shall be governed by and construed in accordance with the laws of Ontario which shall be deemed to be the proper law hereof.
31. **Amendment.** This Lease may be amended only by a written agreement signed by both parties.
32. **Registration.** Neither party shall have the right to register this Lease or evidence hereof against title to the Unit.
33. **Assignment.** The Tenant may assign its interest in this Lease as collateral security to a lender to the Tenant, provided that the Tenant shall continue to be liable for the fulfilment of all of its obligations hereunder. The Tenant may assign its interest in this Lease to a purchaser of the Development and in such case the Tenant shall have no further liability for the fulfilment of all of its obligations hereunder.

34. ***Amounts Payable.*** Notwithstanding anything else contained in this Lease, any and all amounts payable under this Lease by the Tenant shall be payable out of proceeds approved by the Court for distribution arising out of the proceeds of realization by A&M of the Tenant's assets. No payments under this Lease will be made by the Tenant until A&M has realized sufficient proceeds, in A&M's sole opinion, to make payments to all Unit Purchasers (as defined in that Unit Owner Settlement Agreement entered into between Landlord and Tenant, by A&M, solely in its capacity as receiver and manager of the assets of Tenant, and not in its personal capacity, dated the 17th day of August, 2009 (the "**Unit Owner Settlement Agreement**")) who have closed their purchase transaction and enter into a New Lease (as defined in the Unit Owner Settlement Agreement).
35. ***Limitation of Receiver's Liability.*** A&M is signing this Agreement in its capacity as receiver and manager of the assets of the Tenant and shall have no personal liability hereunder for any payment or for any other obligation. The Landlord shall have no recourse in respect of this Lease against any property or asset except for an unsecured claim against the Tenant's existing and after-acquired assets, provided that, on and after the assignment by the Tenant of its rights and interests pursuant to this Agreement to an assignee, the Tenant shall have no further liability hereunder and the assignee shall be personally liable for all obligations of the Tenant hereunder.

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LANDLORD:

Signed, Sealed and Delivered
in the presence of

)
)
)
)
)
)

IN WITNESS WHEREOF

By:
Name:
Title:

I have the authority to bind the corporation

TENANT:

THE ROSSEAU RESORT DEVELOPMENTS INC.,
by Alvarez & Marsal Canada ULC, solely in its
capacity as receiver and manager of the assets of
The Rosseau Resort Developments Inc., and not in its
personal capacity

Per: _____
Authorized Signatory

LANDLORD:

Signed, Sealed and Delivered)
in the presence of)

_____))
Witness)

_____))
Name (Print)

By: _____
Name:
Title:

I have the authority to bind the corporation

TENANT:

THE ROSSEAU RESORT DEVELOPMENTS INC.,
by Alvarez & Marsal Canada ULC, solely in its
capacity as receiver and manager of the assets of
The Rosseau Resort Developments Inc., and not in its
personal capacity

Per:


Authorized Signatory