

APPENDIX “J”

WATER SUPPLY AGREEMENT

THIS AGREEMENT made as of the 15th day of March, 2011 (the "Execution Date")

B E T W E E N:

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

(**"RRDI"**)

- and -

1515511 ONTARIO INC.

(**"1515511"**)

WHEREAS:

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 Alvarez & Marsal Canada Inc. (formerly 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 property, assets and undertakings (the "**Assets**") of RRDI. By amended and restated appointment 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) ("**CJA**");

B. RRDI owns a portion of and operates a recreational resort known as The Rosseau (the "**Resort**") on lands located at 1050 Paignton House Rd., Lot 25, Concession 11, Medora Original, Township of Muskoka Lakes, Ontario (the "**RRDI Lands**"), all as described and shown on the attached **Schedule "A"**;

C. 1515511 owns and operates a golf course on lands located immediately adjacent to the RRDI Lands and described in the attached **Schedule "B"** (the "**1515511 Lands**");

D. A water taking and distribution system is located on the RRDI Lands that in the past and currently draws water from Lake Rosseau for the use of the Resort and 1515511, which includes a pump house, electrical equipment and system of water lines or pipes that are shown in the

colours red and blue on Schedule "A", but not including any water piping or equipment located on the 1515511 Lands (the "**Water Taking System**");

E. RRDI expects to be issued a ten (10) year permit for the Water Taking System by the Ontario Ministry of the Environment pursuant to the *Ontario Water Resources Act* to authorize the taking of up to 3,900,000 litres of water per day from Lake Rosseau, of which sixty percent (60%) or up to 2,400,000 litres per day is to be allocated to 1515511 (referred to in the permit as "The Rock Golf Club") for the purposes of golf course irrigation and the remaining forty percent (40%) or up to 1,500,000 litres per day is to be allocated to RRDI for its use, a draft of which is attached as **Schedule "C"** (the "**Water Permit**"); and

F. The parties are entering into this Agreement (i) to provide for the continued delivery of water to 1515511 for the irrigation of its golf course ;(ii) to provide for the sharing of the costs involved in operating and maintaining the Water Taking System as provided for herein on a cost recovery basis; and (iii) to agree to the ownership of the Water Taking System.

NOW THEREFORE in consideration of the mutual covenants and agreements hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. **Ownership and Operation of the Water Taking System**

In consideration of the entering into of this Agreement by the parties, 1515511 quitclaims and releases in favour of RRDI any and all of its rights of ownership of all or part of the Water Taking System and acknowledges that RRDI shall be the sole owner and operator of the Water Taking System from this date on and 1515511 shall make the payments provided for herein for the benefit of being supplied water by RRDI.

2. **Annual Costs**

- (a) In this Agreement "**Annual Costs**" shall mean the full annual operational and maintenance costs reasonably and properly incurred by RRDI with respect to the Water Taking System (but not a "**Capital Expense**" as described in Section 4 (e)), based on the twelve (12) month period immediately preceding each anniversary of the commencement date set out in Section 5 of this Agreement (each such anniversary date, the "**Anniversary Date**"), which costs shall include, without limitation, but without duplication, and subject to Section 4 (g), all costs reasonably and properly incurred to operate, maintain and repair the Water Taking System, including all utility and electricity costs (but excluding any costs relating to sewage treatment), any third party costs reasonably and properly incurred by RRDI and/or out of pocket costs reasonably and properly incurred by the operator of the Resort (currently being Marriott Hotels of Canada Ltd., but also to include any successors or assigns thereto or replacement thereof - the "**Resort Operator**"), and all reasonably and properly incurred cost of salaries, benefits, and other compensation and

amounts paid to engineers, consultants and others (whether employees, operators (including the Resort Operator), managers or contractors of RRDI) directly required to operate, maintain, monitor and report on the Water Taking System in accordance with applicable law and the Water Permit. However, such costs shall not include allocations of general overhead or other fixed expenses that cannot be directly and clearly attributed to the operation, maintenance and repair of, or the monitoring and reporting with respect to, the Water Taking System.

- (b) RRDI and 1515511 agree that the Annual Costs proposed to form the basis of any payments required of 1515511 to RRDI pursuant to this Agreement after the first Anniversary Date shall be determined by RRDI based upon an annual review carried out in accordance with Section 4 herein. A summary of the proposed Annual Costs shall be delivered in writing to 1515511 with the **"Annual Costs Notice"** described in Section 4. 1515511 may request additional information with respect to the Annual Costs Notice and object to the Annual Costs within the time periods and as provided for by Section 11 herein, in which case, the Annual Costs for the applicable year shall be mutually agreed to or determined as provided for in Section 11. Until such time as the Annual Costs are finally resolved pursuant to this Agreement, the monthly Water Payments described in Section 4 (b) to be made in respect of such year shall be those of such prior year as were last mutually agreed to by the parties or as provided for in Section 11 herein.

3. Water Supply

- (a) Subject to the terms and conditions of this Agreement, RRDI shall provide or make available to 1515511 up to a maximum of 2,400,000 litres of water per day from the Water Taking System (the "Water Supply"). The actual amount of water to be taken in any day up to such maximum shall be determined by 1515511, subject to RRDI's obligation under the Water Permit to ensure that the maximum amount available to 1515511 is not exceeded. The water shall be supplied to 1515511 via the existing water line connecting the 1515511 Lands and the Water Taking System as shown in blue colour on Schedule "A", subject to any changes thereto after the date hereof.
- (b) RRDI shall have the right to temporarily interrupt the Water Supply or relocate all or parts of the Water Taking System in order to (i) facilitate or conduct repairs, maintenance, or improvements to the Water Taking System; (ii) in connection with any development on the RRDI Lands; or (iii) to comply with the requirements of applicable law or the Water Permit; so long as RRDI uses reasonable commercial efforts to minimize the nature and length of time of the interruption of the Water Supply to 1515511 such that the benefit of the Water Supply to 1515511 is not materially diminished. Where the daily volume of water

available in the whole system is not eliminated, but reduced from its normal volume, both RRDI and 1515511 shall exercise reasonable commercial efforts to manage their respective daily water use so that 1515511 obtains approximately 60% and RRDI obtains approximately 40% of the available water within each 72 hour period in a manner and at times that do not conflict with each other's water needs to the extent reasonably possible. RRDI shall provide 1515511 with thirty (30) days notice of any such planned interruption of the Water Supply or where the circumstances require immediate action, as much notice as is reasonably possible in the circumstances. In the event and to the extent that the Water Supply is not provided in full to 1515511 as a result of a matter referred to herein, 1515511's monthly Water Payment obligations hereunder shall be reduced by the proportion of the number of days in the month that less than 25% of 1515511's normal water supply at the time of year that the interruption(s) occurs, is provided or available to 1515511.

- (c) The Parties shall provide reasonable cooperation to each other with respect to the use of water at each other's property, including with respect to any water supply interruption. In particular and without limitation, they shall provide each other with reasonable access to each other's water volume consumption records and measuring devices to ensure their respective compliance with the terms of this Agreement.

4. **Water Payments**

- (a) Upon the execution of this Agreement and prior to A&M seeking Court approval of this Agreement, 1515511 shall pay RRDI \$17,360.00 CDN, which represents a contribution towards the cost incurred by RRDI to supply water to 1515511 prior to and during the month of the execution of this Agreement.
- (b) During the first twelve (12) months of this Agreement (unless terminated earlier pursuant to Section 7 of this Agreement) and until such time thereafter that a new monthly amount has been determined in accordance with this Agreement, 1515511 shall, subject to receiving or having available the water as contemplated herein, pay to RRDI a monthly amount of \$1,240.00 CDN, plus any applicable taxes (including GST, PST or HST) for the Water Supply, and this amount and each monthly amount determined thereafter shall be paid to RRDI on the first day of each month in advance.
- (c) During each twelve (12) month period following the first Anniversary Date of this Agreement and each subsequent Anniversary Date thereafter, commencing after a new monthly amount has been determined in accordance with this Agreement and subject to any objection by 1515511 pursuant to Section 2(b) and 1515511 receiving or having available the water as contemplated herein, 1515511 shall pay RRDI a monthly amount for the Water Supply that is one twelve (1/12) of sixty percent (60%) of the Annual Costs of the Water Taking System, plus any applicable taxes (including GST, PST or HST), based upon the Annual Costs of

the twelve (12) months immediately preceding the applicable Anniversary Date. RRDI shall deliver to 1515511 a written summary or statement of such Annual Costs (the “**Annual Costs Notice**”) within thirty (30) days of each Anniversary Date of this Agreement, unless terminated.

- (d) At the time that the Annual Costs have been determined as provided herein, 1515511 shall also be charged or refunded an additional annual amount (unless neither is due) being the difference between the total amount paid by 1515511 during the previous twelve (12) month period and the Annual Costs and applicable taxes determined for the same period (the “**Annual Adjustment Payment**”). In the case of an Annual Adjustment Payment to be made by either 1515511 or RRDI, it shall be paid within thirty (30) days of such determination.
- (e) RRDI acknowledges that on October 5, 2010, 1515511 paid its legal counsel, Blake, Cassels & Graydon LLP (“Blakes”) \$18,540.00 CDN, to be used to reimburse RRDI for sixty percent (60%) of the cost to purchase and install an electricity meter to measure the electricity consumption of the water taking system and to replace one of the water pumps (turbine and motor) that failed in August 2010, along with the existing pump sled. RRDI has confirmed that \$24,295.00 CDN was spent on the replacement of the pumps in October 2010 and that upon execution of this agreement, \$14,577.00 may be released by Blakes to RRDI.
- (f) As soon as reasonably possible after the completion and closing of the purchase agreement between RRDI and 2244811 Ontario Inc., dated March __, 2011 (the “Purchase Agreement”), the amount of \$3,963.00 shall be released by Blakes to 1515511. If the Purchase Agreement is terminated and the transaction thereunder does not close, Blakes shall not release the \$3,963.00 as stated above, but shall release this amount to RRDI upon receiving evidence that an electricity meter has been purchased and installed by RRDI to measure the electricity consumption of the Water Taking System. RRDI shall install such an electricity meter as soon as reasonably possible after the date that the Purchase Agreement is terminated and in any event, prior to August 31, 2011, and the total expense to purchase and install the electricity meter shall be subject to subsection 4 (g) of this Agreement; considered a Capital Expense ; and the \$3,963.00 referred to herein and released by Blakes to RRDI shall be credited towards 1515511's share of the of the electricity meter Capital Expense. In the event that RRDI fails to install the electricity meter by August 31, 2011, Blakes shall release the \$3,963.00 to 1515511 as soon as reasonably possible after that date.
- (g) In the event that during the term of this Agreement RRDI reasonably and properly incurs a capital cost or expense with respect to the Water Taking System, including but not limited to the cost to replace equipment or piping, or the cost to repair equipment or piping, exceeding in any individual instance one thousand (\$1,000.00) dollars CDN (a “**Capital Expense**”), 1515511 shall reimburse RRDI sixty percent (60%) of the Capital Expense within thirty (30) days following the

delivery to 1515511 by RRDI of written evidence of its payment of such expense, unless 1515511 delivers written notice to RRDI that it disputes the expense within the said thirty (30) days. In any event, RRDI shall provide as much advance notice and information to 1515511 as is reasonably possible in the circumstances concerning an anticipated Capital Expense. Any dispute of a Capital Expense will be resolved pursuant to Section 11 of this Agreement.

- (h) Notwithstanding anything to the contrary contained herein, no amounts shall be charged to 1515511 in respect of water treatment or sewage treatment costs or expenditures of any nature whatsoever, and all references to 60% in Section 4(e) shall be replaced by 50% in respect of all costs or expenditures related to the control panel for the water pumps located in the "Water System Electrical Control Building", to reflect the additional costs related to the Resort's need for water pressure.
- (i) Subject to receiving or having available the water as contemplated herein, 1515511 shall pay the amounts described herein ("**Water Payments**") due to RRDI, notwithstanding the actual amount of water provided to or consumed by 1515511 under this Agreement, on the first day of each month in advance and any party to this Agreement who fails to pay the other party a Water Payment when due shall be charged interest at the rate of five percent (5%) per annum on the amount over due.

5. Term of Agreement

The term of this Agreement shall commence on the Execution Date and shall end on the latest date that the Water Permit or any renewal or replacement thereof expires (but shall continue during the time of any pending application to renew or replace the Water Permit), unless terminated earlier pursuant to this Agreement. RRDI agrees that until this Agreement is terminated as provided for in Sections 6 or 7 of this Agreement, it shall exercise commercially reasonable efforts to renew or replace the Water Permit on terms that include the taking of a quantity of water for the purposes of golf course irrigation by 1515511 as set out in the Water Permit.

6. Early Termination Rights

- (a) Either RRDI or 1515511 may terminate this Agreement after the first Anniversary Date of this Agreement by providing the other with not less than twelve (12) months prior written notice, which notice shall state the effective date of termination (the "Initial Termination Date").
- (b) In the event that RRDI exercises its right to terminate this Agreement pursuant to this Section 6, RRDI shall, at its sole option, either (i) convey or quitclaim its ownership interest in the Water Taking System to 1515511 or (ii) reimburse

1515511 for any past financial contributions it made towards the Water Taking System by payment to 1515511 of an amount that equals one hundred percent (100%) of the reasonable cost for 1515511 to build its own system for taking from Lake Rosseau the amount of water provided for 1515511 in the Water Permit (and no more water) for golf course irrigation purposes and in a cost effective manner, but in any event, such amount shall not exceed \$450,000.00 CDN. RRDI and 1515511 shall exercise good faith efforts to agree on the cost to build such a water taking system for 1515511 within sixty (60) days of the delivery of written notice by RRDI to 1515511 of its termination herein or such longer period as the parties may agree, failing which the cost of such water taking system shall be determined by an Adjudicator in accordance with the provisions of subsections 11 (b) and (c) of this agreement, any necessary and appropriate changes to those provisions being made.

- (c) In the event that 1515511 exercises its right to terminate the Agreement, it shall not be entitled to any reimbursement or compensation whatsoever with respect to the Water Taking System.
- (d) The termination of this Agreement under this Section 6 or Section 7 shall in no event take away, diminish or otherwise affect any other rights that 1515511 has now or is entitled to create or have created in the future in, over, under, on or with respect to the RRDI Lands or any part thereof, pursuant to that grant of easements registered against the RRDI Lands on February 13, 2009 as Instrument No. MT62692. 1515511 shall remain liable to pay any unpaid Water Payments due to RRDI in respect of the period up to the effective date of termination.
- (e) In the event that 1515511 is seeking and unable to obtain any regulatory permit or approval required to establish a new water taking system for its use after having provided or received a notice of termination as provided for in this Section 6, the Initial Termination Date established by such notice shall be extended and all rights and obligations under this Agreement shall continue, until such time that such regulatory permits or approvals have been obtained, but only on the strict condition that 1515511 and its agents continually and consistently exercise reasonable best efforts to obtain such regulatory permits and approvals throughout the termination notice period and the extension period and are not otherwise in default of this Agreement and such default is not cured within ten (10) days of the date of the receipt of written notice of default by 1515511 (it being recognized that 1515511 cannot be responsible for delays caused by events or persons beyond its control).
- (f) In addition, to facilitate the issuance of a water taking permit to 1515511 by the Ontario Ministry of the Environment as a result of the early termination of this agreement herein, RRDI shall upon 1515511's request apply to the Ontario Ministry of the Environment to amend its water taking permit to remove the water volumes allocated to it for the purpose of golf course irrigation on 1515511 Lands and RRDI shall not oppose and shall provide commercially reasonable

cooperation to 1515511 in its application for such a water taking permit (but at no cost to RRDI).

- (g) RRDI agrees that if it should determine, at its sole option or discretion, that it no longer needs the Water Taking System, it shall terminate this Agreement as provided for herein and convey or quitclaim its ownership interest in the Water Taking System to 1515511.

7. Termination for Default

This Agreement may be terminated by either party by providing written notice to the other party (the "Defaulting Party") of the other party's default of or non-compliance with any term or condition of this Agreement and such default or non-compliance is not cured within sixty (60) days of the date of the receipt of such notice by the Defaulting Party (unless the default cannot reasonably be cured within 60 days, in which case the cure period shall be extended for a further 30 days provided that the Defaulting Party is taking steps in good faith to cure the default). Events of default include, without limitation:

- (a) 1515511 fails to make a Water Payment to RRDI in default of this Agreement; or
- (b) RRDI fails to supply water to 1515511 in default of this Agreement.

In the event of termination, both parties shall remain liable for any prior obligations due to the other party, up to and as of the effective date of termination.

8. Easements and Permits

The parties confirm their agreement and understanding that nothing in this Agreement derogates in any way from their easements over each other's lands. Either party may seek its own water permit, based on the allocation in recital E above, in the event that this Agreement is terminated or a notice of termination is provided in respect thereof, and in such event the parties shall provide any necessary and reasonable cooperation to each other with respect thereto at the cost, if any, of the party requesting such cooperation. This clause survives any termination of this Agreement.

9. Compliance With Laws

Neither RRDI nor 1515511 shall, with respect to their obligations under this Agreement, take any action or omit any action in violation of any applicable laws, statutes, by-laws, rules, regulations, permits, orders, ordinances, codes, treatises, directives having the force of law, decrees and judicial, arbitral, administrative, ministerial or departmental judgments, awards or requirements of any governmental authority having jurisdiction, including the Water Permit and any environmental laws ("Laws") that could result in liability being imposed on the other party to the extent not contemplated in this Agreement. More particularly, to the extent within its

power and control, each party shall provide reasonable cooperation or assistance to the other in order to ensure their individual or collective compliance with the terms and conditions of the Water Permit and any Laws applicable to the Water Taking System.

10. Inability To Provide Water Supply and Limitation of Liability

Notwithstanding any other term or provision of this Agreement, neither RRDI nor any of its officers, directors, employees and agents shall be liable to 1515511 for any losses, costs, expenses, damages, liabilities, claims or demands, direct or consequential, sustained or incurred by 1515511, nor shall RRDI be considered to be in default with respect to its obligations hereunder in the event that RRDI is unable to provide any of the Water Supply to 1515511 as contemplated by this Agreement (i) by reason of force majeure, matters beyond its control, an order or direction of the Ontario Ministry of the Environment or any other governmental agency or regulatory body, or by reason of any third party utility supplier failing to provide the relevant utility to RRDI or due to any other cause not resulting from a failure by RRDI or its employees, contractors or agents to exercise reasonable care; or (ii) by reason of the natural or original quality of the lake water provided to 1515511 pursuant to this Agreement. In no event shall RRDI or its officers, directors, employees and agents be liable to 1515511, its officers, directors, employees and agents, or any other person for incidental, indirect, consequential, special or punitive damages (including, without limitation, loss of profit, loss of revenue, loss of use of buildings, structures, land or equipment, business interruption, cost of capital, cost of substituted facilities or services, downtime costs, costs of labour, loss of goodwill, or economic losses of any nature whatsoever) howsoever caused or arising and whether suffered directly or indirectly by 1515511 or by others. In the event and to the extent that the Water Supply is not provided in full as a result of a matter referred to in this Section 10, 1515511's monthly payment obligations hereunder shall be accordingly reduced in the same proportion.

11. Right To Verify And Dispute Annual Costs And Annual Adjustment Payment

- (a) Upon written request or notice given by 1515511 to RRDI, made not later than thirty (30) days after receiving the Annual Costs Notice with respect to the preceding twelve (12) month period of this Agreement, RRDI shall provide 1515511 with such reasonable information in its possession or control as may be necessary or desirable for 1515511 to verify the Annual Costs or Annual Adjustment Payment set out in the notice, as soon as reasonably possible. 1515511 shall have thirty (30) days after receipt of such information to dispute the correctness or completeness of such Annual Costs or Annual Adjustment Payment and provide RRDI with the written notice of same, including (to the extent practicable) detailed particulars of the matters in dispute. If no such dispute notice is received by RRDI, the subject Annual Costs and Annual Adjustment Payment shall be deemed to be complete, correct, conclusive and binding on 1515511.
- (b) If 1515511 disputes the Annual Costs, Annual Adjustment Payment or a Capital Expense as provided for in Sections 2(b) or 4 of this Agreement, or if the parties

fail to agree on the reasonable cost for 1515511 to build its own system for taking water from Lake Rosseau as provided for in Section 6 (b) of this Agreement, the dispute shall be resolved by submitting the matter to an independent accountant or other qualified professional acceptable to both parties (the “**Adjudicator**”), within fifteen (15) days of RRDI’s receipt of 1515511’s written notice of dispute as provided for herein or the expiration of the time provided for the parties’ agreement by Section 6 (b). As soon as reasonably possible thereafter the Adjudicator shall review the matters in dispute, any written submissions made by the parties and any other information that the Adjudicator may request of the parties that is reasonably relevant to the matters in dispute. The Adjudicator shall complete his or her review of the matters in dispute as expeditiously and inexpensively as reasonably possible and in any event, render a decision of what he or she believes are the reasonable actual Annual Costs, Annual Adjustment Payment, Capital Expense or the fair and reasonable cost for 1515511 to build a water taking system, as the case may be, within sixty (60) days of having been chosen and retained by the parties (or as soon thereafter as practicable, recognizing that the parties cannot control this matter). The costs or fees of the Adjudicator shall be paid by the unsuccessful party in the dispute, as determined by the Adjudicator. In the event that the parties cannot agree on an Adjudicator, then either party may request a court to make such selection under the Ontario *Arbitrations Act, 1991*, S.O. 1991, c.17, as replaced or amended from time to time.

- (c) The final decision of the Adjudicator with respect to the matters in dispute (including making an increase to the amounts set out in an Annual Costs Notice) shall be deemed to be complete, correct, conclusive and binding on 1515511 and RRDI. Any Annual Adjustment Payment, Capital Expense or difference between the final adjudicated Water Payments and what was actually paid by 1515511 to RRDI during the time period that is subject to the Annual Costs Notice under dispute shall be paid within fifteen (15) days of the Adjudicator’s final decision.
- (d) For greater certainty, during a dispute the last Annual Costs and monthly Water Payment amounts mutually agreed to by the parties or resolved by this Section 11 shall apply until the dispute is resolved and 1515511 shall continue to pay such Water Payments to RRDI and RRDI shall continue to supply 1515511 with water, as contemplated, but subject to the termination rights provided for, in this Agreement.

12. Limitation of Receiver's Liability

Alvarez & Marsal Canada ULC is signing this Agreement in its capacity as receiver and manager of the Assets of RRDI and shall have no personal liability hereunder for any payment or for any other obligation. 1515511 shall have no recourse in respect of this Agreement against any property or asset except for an unsecured claim against RRDI’s existing and after-acquired assets, provided that, notwithstanding anything contained in paragraph 15 below, on and after the assignment by RRDI of its rights and interests pursuant to this Agreement to an assignee, RRDI

shall have no further liability hereunder and the assignee shall be personally liable for all obligations of RRDI hereunder.

13. Court Approval

The obligation of RRDI to comply with its covenants and agreements contained in this Agreement shall be conditional on RRDI obtaining an order approving this Agreement on or before sixty (60) days following the execution hereof, which it shall use its reasonable commercial efforts to obtain, failing which, at RRDI's option, this Agreement shall be null and void and of no further force or effect, in which case neither party shall have any further obligations to the other hereunder.

Until so approved, neither RRDI nor 1515511 shall take any further steps in respect of the final issuance of the Water Permit without their mutual approval. When so approved, RRDI shall seek the prompt issuance of the Water Permit and 1515511 shall provide all reasonable assistance in doing so, including communicating to the Ministry of the Environment that 1515511 has no objection to the issuance of the Water Permit in its draft form to RRDI and that 1515511 has agreed to satisfactory terms for the supply of water to it from RRDI.

14. Notice

Any notice, demand, approval, consent, information, request or other communication (a "Notice") to be given under or in connection with this Agreement shall be in writing and shall be given by personal delivery, prepaid regular mail or by facsimile, addressed or sent as set out below or to such other address or facsimile number as may from time to time be the subject of a Notice:

- (a) if to RRDI at:

The Rosseau Resort Developments Inc.
c/o Alvarez & Marsal Canada ULC
200 Bay Street, Suite 2900
P.O. Box 22
Toronto, ON, M5J 2J1
Attention: Mr. Adam Zalev
Facsimile: 416-847-5201

- (b) if to 1515511 at:

The Rock Golf Course
PO Box 30
Minett, Ontario
P0B 1G0

Attn: Director of Golf
Facsimile: 705-765-0282

and to

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, ON, M5L 1B9

Att: Simon Romano
Fax: (416) 947-0866

Any Notice, if personally delivered, shall be deemed to have been validly and effectively given and received on the date of such delivery if it is received before 5:00 p.m. (Toronto time) on a business day, and otherwise shall be deemed to have been validly and effectively given and received on the next following business day. Any Notice, if sent by facsimile, shall be deemed to have been validly and effectively given and received on the business day next following the day that it was transmitted. Any Notice if sent by prepaid regular mail, shall be deemed to have been validly and effectively given and received on the fifth day following the mailing thereof.

15. Successors and Assigns

This Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns. Other than pursuant to section 12 above, no assignment by a party of its obligations hereunder shall release that party from such obligations unless expressly agreed to in writing by the other party or where the assignee enters into an agreement in favour of the other party assuming all of the obligations of the assigning party under this Agreement (the "Assumption Agreement"). Upon the execution and delivery of such Assumption Agreement, the original party is released from its obligations under this Agreement.

For greater certainty, RRDI shall, unless this Agreement is terminated in accordance with its terms, assign this Agreement and have all of its obligations thereunder assumed by any purchaser or other acquirer of RRDI's interest in the Resort (a "RRDI Purchaser"), other than a purchaser of individual units at the Resort and shall ensure that the purchase or other agreement contains a similar covenant of such purchaser or acquirer in respect of future purchasers or acquirers from it, and so on, so as to ensure the continuation in force of this Agreement unless and until terminated in accordance with its terms.

Should 1515511 assign its rights under this Agreement (including to a mortgagee, as security) 1515511 shall request (in good faith) such assignee to execute and deliver an Assumption Agreement in favour of RRDI in a form satisfactory to RRDI, acting reasonably. In the case of an Assumption Agreement from a mortgagee, the Assumption Agreement shall provide that such mortgagee is responsible for the liabilities and obligations of 1515511 hereunder while such mortgagee is in possession or control of the 1515511 Lands.

Should a RRDI Purchaser or any successor or assign thereof assign its rights under this Agreement (including to a mortgagee, as security) it shall request (in good faith) such assignee to

execute and deliver an Assumption Agreement in favour of 1515511 in a form satisfactory to 1515511, acting reasonably. In the case of an Assumption Agreement from a mortgagee, the Assumption Agreement shall provide that such mortgagee is responsible for the liabilities and obligations of RRDI hereunder while such mortgagee is in possession or control of the RRDI Lands.

16. Governing Law.

This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

17. Counterparts

This Agreement may be executed in several counterparts and by facsimile or other form of electronic transmission of an originally executed document, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

18. Further Assurances

Each of the parties hereto shall from time to time hereafter and upon any reasonable request of the other, execute and deliver, make or cause to be made all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

19. Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

20. Amendment

No amendment to this Agreement will be effective unless made in writing and signed by the parties to this Agreement.

21. Headings, Extended Meanings

The headings in this Agreement are inserted for convenience of reference only and shall not constitute a part hereof and are not to be considered in the interpretation hereof. In this Agreement, words importing the singular include the plural and vice versa; words importing the

masculine gender include the feminine gender and vice versa; and words importing persons include firms or corporations and vice versa.

22. Entire Agreement

This Agreement and the other documents required to be delivered by a party pursuant to this Agreement constitute the entire agreement between the parties hereto with respect to the subject matter hereof and cancels and supersedes any prior understanding or agreement between the parties hereto with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as set forth in this Agreement. However, nothing in this section is intended to affect the parties' existing easement rights over each other's lands.

23. Estoppel Certificates

RRDI and 1515511 agree, upon written request of the other, to execute and deliver to the other, or to such person or entity as may be designated by the other within 30 days following each such request, a certificate which (a) identifies this Agreement and any amendments hereto and states that this Agreement as so amended is in full force and effect and has not been further amended; (b) specifies the date through which amounts owing under this Agreement have been paid; and (c) states that, to the knowledge of the party delivering such certificate, neither RRDI nor 1515511 is in default of any of its respective obligations under this Agreement (or, if any such default or defaults is claimed, identifying the same).

24. Continuance of Supply after End of Term

If RRDI continues to provide water and 1515511 continues to accept water following the termination of this Agreement pursuant to Sections 6 or 7 hereof, then such shall be provided on the terms and conditions set out in this Agreement, to the extent applicable or as otherwise agreed in writing by the parties. Such arrangement may be cancelled at any time by either party on sixty (60) days' prior written notice.

25. Time of Essence

Time shall be of the essence of this Agreement.

26. Registration

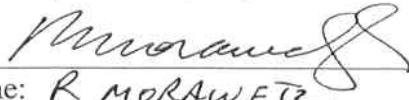
Notice of this Agreement may be registered on title to the RRDI Lands and the 1515511 Lands, if permitted by law.

(signature page follows)

IN WITNESS WHEREOF the parties have executed this Agreement as of the Execution Date first mentioned.

**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

By: 
Name: R MORAWETZ
Title:

I have authority to bind the corporation

1515511 ONTARIO INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

I/We have authority to bind the corporation

IN WITNESS WHEREOF the parties have executed this Agreement as of the Execution Date first mentioned.

**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

By: _____

Name:

Title:


I have authority to bind the corporation

1515511 ONTARIO INC.

By:  _____

Name:

Title:

By:  _____

Name:

Title:

I/We have authority to bind the corporation

SCHEDULE "A"

RRDI LANDS LEGAL DESCRIPTION

Resort Condominium Lands

ALL THOSE UNITS STILL REGISTERED IN THE NAME OF RRDI COMPRISING MUSKOKA STANDARD CONDOMINIUM PLAN NO. 62 AND THEIR APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS: *FIRSTLY*: PT LT 24 CON 11 MEDORA PT 13, 35R22417; *SECONDLY*: PT LT 24 & 25 CON 11 MEDORA PT 21 & 22, 35R22417; *THIRDLY*: PT LT 25 CON 11 MEDORA PT 24, 37, 38, 40, 41, 48, 49, 50 & 52, 35R22417; *FOURTHLY*: PT LT 25 CON 11 MEDORA, PT RDAL BTN LT 25 & 26 CON 11 MEDORA CLOSED BY DM105704 PT 25, 35R22417; T/W & S/T EASEMENTS AS SET OUT IN SCHEDULE "A" TO DECLARATION NO. MT63413; MUSKOKA LAKES; THE DISTRICT MUNICIPALITY OF MUSKOKA

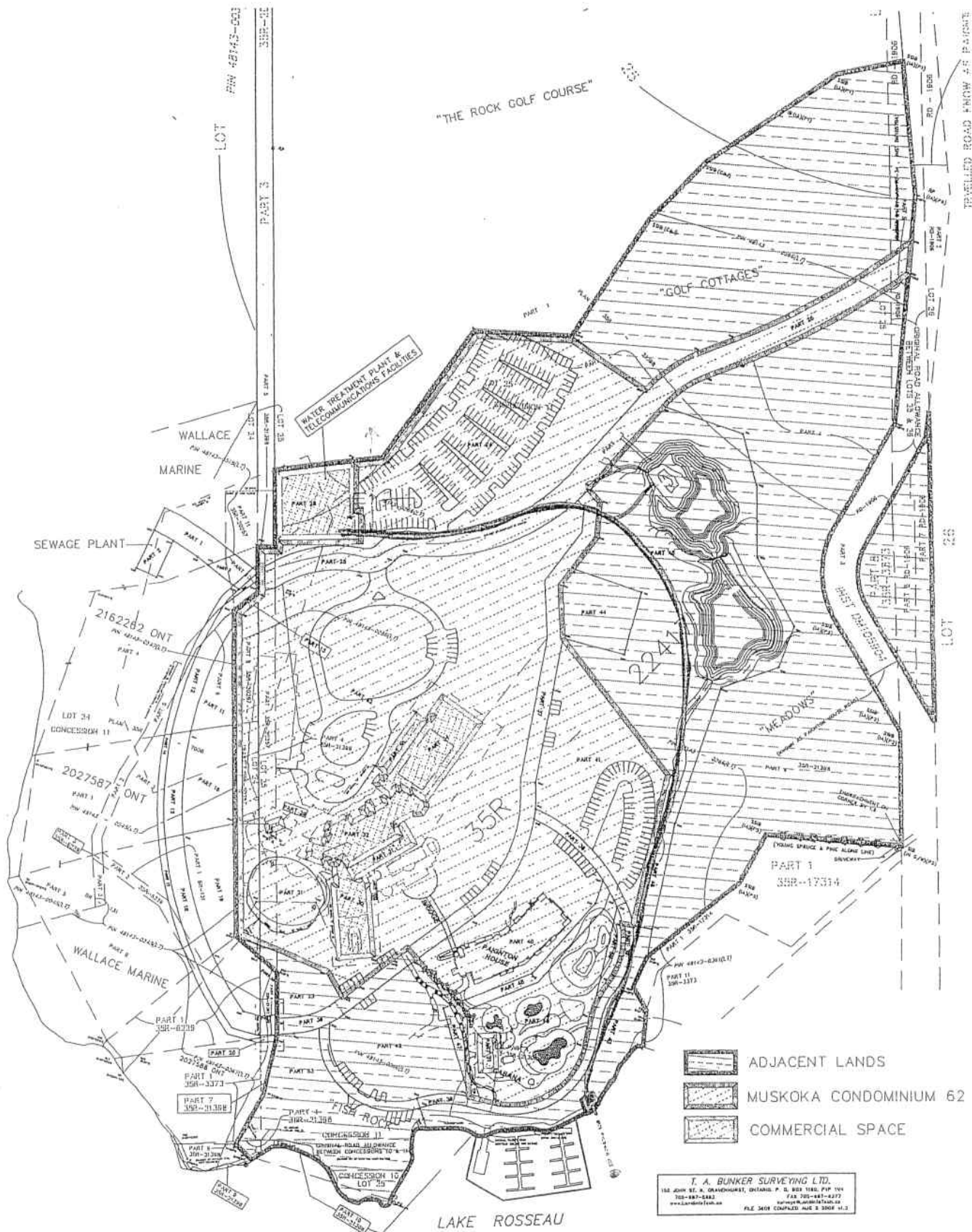
Adjacent Lands [Including Commercial Lands]

PIN 48143-0527(LT)

FIRSTLY: PT LT 25 CON 11 MEDORA PT RDAL BTN LT 25 & 26 CON 11 MEDORA CLOSED BY DM105704 PT 2 35R21398; PT LT 25 CON 11 MEDORA PT RDAL BTN LT 25 & 26 CON 11 MEDORA CLOSED BY DM105704 PT 3, 35R21398; S/T EASEMENT AS IN ME5721; PT LT 25 CON 11 MEDORA, PT RDAL BTN LT 25 & 26 CON 11 MEDORA CLOSED BY DM105704, PT LT 25 CON 10 MEDORA, PT RDAL BTN CON 10 & 11 MEDORA IN FRONT LT 25 CLOSED BY ME1289, PT RDAL BTN CON 10 & 11 MEDORA IN FRONT LT 24 CLOSED BY DM12512 PT 4 35R21398; PT LT 25 CON 11 MEDORA, PT LT 25 CON 10 MEDORA, PT RDAL BTN CON 10 & 11 MEDORA IN FRONT LT 25 CLOSED BY ME1289, PT RDAL BTN CON 10 & 11 MEDORA IN FRONT LT 24 CLOSED BY DM12512 PT 10 35R21398; *SECONDLY*: PT LT 24 CON 11 MEDORA PT 8, 35R20257; *THIRDLY*: PT LT 24 CON 11 MEDORA PT 7, 35R20257; *FOURTHLY*: PT LT 24 CON 11 MEDORA PT 5 & 6, 35R20257; T/W EASEMENT OVER PT LT 24 CON 11 MEDORA AS IN LT22475; *FIFTHLY*: PT LT 24 CON 11 MEDORA PT 2, 35R3373; *EXCEPT MCP 62*; S/T EASEMENT IN FAVOUR OF PT LT 25 CON 11 MEDORA, PT RDAL BTN LT 25 & 26 CON 11 MEDORA CLOSED BY DM105704 PT 1 35R21398 AS IN MT62692; T/W EASEMENT OVER PT LT 25 CON 11 MEDORA PT RDAL BTN LT 25 & 26 CON 11 MEDORA CLOSED BY DM105704 PT 1 35R21398 AS IN MT62693; T/W EASEMENT OVER *FIRSTLY*: PT LT 24 CON 11 MEDORA AS IN MT47346; *SECONDLY*: PT LT 25 CON 11 MEDORA PT 1 & 2 35R22417 FOR PURPOSES AS SET OUT IN MT62703; T/W EASEMENT OVER PT LT 24 CON 11 MEDORA PT 3 - 10 INCL & PT 12 35R22417 AS IN MT62714; T/W EASEMENT OVER PT LT 24 CON 11 MEDORA PT 14 & 15 35R22417 AS IN MT62715 AND OVER PT 17 & 18 35R22417 AS IN MT62717 AND OVER PT LT 24 & 25 CON 11 MEDORA PT 20 35R22417 & PT LT 25 CON 11 MEDORA PT 27 35R22417 AS IN MT62718; T/W EASEMENT OVER COMMON ELEMENTS MCP 62 AS IN MT63413; T/W EASEMENT OVER PT COMMON ELEMENTS MCP 62 PT 25, 37 & 38 35R22417 AS IN MT63413; S/T EASEMENT IN FAVOUR OF MCP 62 AS IN MT63413; S/T EASEMENT OVER PT 36, 39, 43, 44, 45 & 51 35R22417 IN FAVOUR OF MCP 62 AS IN MT63413; S/T EASEMENT OVER PT 36, 39, 43 & 45 35R22417 IN FAVOUR OF LANDS SET OUT IN SCHEDULE A OF DECLARATION MT63413 UNDER GOLF COURSE ACCESS EASEMENT AND GOLF COURSE WATER EASEMENT AS IN MT63413; S/T EASEMENT OVER PT 36 & 39 35R22417 IN FAVOUR OF LANDS SET OUT IN SCHEDULE A OF DECLARATION MT63413 UNDER WALLACE MARINE BAY PROPERTIES ACCESS EASEMENT AS IN MT63413; MUSKOKA LAKES; THE DISTRICT MUNICIPALITY OF MUSKOKA.

SKETCH OF RRDI LANDS AND WATER TAKING SYSTEM

(Next Page)



SKETCH OF RRDI LANDS AND WATER TAKING SYSTEM

SCHEDULE "B"
1515511 (GOLF COURSE) LANDS LEGAL DESCRIPTION

PIN 48142-0341 BEING PT LT 26-27 CON 12 MEDORA PT 1 TO 3, 35R12393; T/W EASEMENT OVER FIRSTLY: PT COMMON ELEMENTS MCP 62 PT 24, 25, 37, 38, 41 & 52 35R22417; SECONDLY: PT LT 25 CON 11 MEDORA PT 36, 39, 43 & 45 35R22417 AS IN MT63413; MUSKOKA LAKES; THE DISTRICT MUNICIPALITY OF MUSKOKA

PIN 48143-0504 BEING PT LT 24-25 CON 12 MEDORA; PT LT 25 CON 11 MEDORA PT 1 TO 8, 10 & 11 35R17316, PT 1 35R19995 & PT 2 35R17901; S/T DM305532; PT RDAL BTN LT 25 AND LT 26 CON 12 MEDORA CLOSED BY DM347050, PT 1 35R17901; T/W EASEMENT OVER FIRSTLY: PT COMMON ELEMENTS MCP 62 PT 24, 25, 37, 38, 41 & 52 35R22417; SECONDLY: PT LT 25 CON 11 MEDORA PT 36, 39, 43 & 45 35R22417 AS IN MTMT63413; MUSKOKA LAKES; THE DISTRICT MUNICIPALITY OF MUSKOKA.

PIN 48143-0260 BEING PART LT 25 CON 11 MEDORA, PT RDAL BTN LT 25 & 26 CON 11 MEDORA (CLOSED BY BY-LAW 72-34, INST. DM105704) PT 1 35R21398 ; T/W EASEMENT OVER THE LANDS AND FOR PURPOSES SET OUT IN MT62692; S/T EASEMENT IN FAVOUR OF LANDS IN FAVOUR OF AND FOR PURPOSES SET OUT IN MT62693; S/T EASEMENT IN FAVOUR OF PT LT 24 CON 11 MEDORA PT 1 & 2 35R22417 AS IN MT62704; MUSKOKA LAKES; THE DISTRICT MUNICIPALITY OF MUSKOKA

PIN 48143-0201 BEING PCL 35678 SEC MUSKOKA; PT LT 24 CON 11 MEDORA PT 4 35R19477; T/W EASEMENT OVER FIRSTLY: PT COMMON ELEMENTS MCP 62 PT 24, 25, 37, 38, 41 & 52 35R22417; SECONDLY: PT LT 25 CON 11 MEDORA PT 36, 39, 43 & 45 35R22417 AS IN MT63413; MUSKOKA LAKES; THE DISTRICT MUNICIPALITY OF MUSKOKA

PIN 48143-0269 BEING PT LT 24 CON 11 MEDORA CLOSED BY BY-LAW LT235179 PT 2, 3 & 5 35R19477; T/W EASEMENT OVER FIRSTLY: PT COMMON ELEMENTS MCP 62 PT 24, 25, 37, 38, 41 & 52 35R22417; SECONDLY: PT LT 25 CON 11 MEDORA PT 36, 39, 43 & 45 35R22417 AS IN MT63413; MUSKOKA LAKES; THE DISTRICT MUNICIPALITY OF MUSKOKA

SCHEDULE "C"
DRAFT WATER PERMIT



Ministry of the Environment
Ministère de l'Environnement

DRAFT

PERMIT TO TAKE WATER
Surface Water
NUMBER 3350-82DJZM

Pursuant to Section 34 of the Ontario Water Resources Act, R.S.O. 1990 this Permit To Take Water is hereby issued to:

The Rosseau Resort Developments Inc.
1112 Juddhaven Rd
Minett, Ontario, P0B 1G0
Canada

For the water taking from: Lake Rosseau

Located at: 1050 Paignton House Rd Lot 25, Concession 11, Medora Original
Township
Muskoka Lakes, District Municipality of Muskoka

For the purposes of this Permit, and the terms and conditions specified below, the following definitions apply:

DEFINITIONS

- (a) "Director" means any person appointed in writing as a Director pursuant to section 5 of the OWRA for the purposes of section 34, OWRA.
- (b) "Provincial Officer" means any person designated in writing by the Minister as a Provincial Officer pursuant to section 5 of the OWRA.
- (c) "Ministry" means Ontario Ministry of the Environment.
- (d) "District Office" means the Barrie District Office.
- (e) "Permit" means this Permit to Take Water No. 3350-82DJZM including its Schedules, if any, issued in accordance with Section 34 of the OWRA.
- (f) "Permit Holder" means The Rosseau Resort Developments Inc..
- (g) "OWRA " means the *Ontario Water Resources Act*, R.S.O. 1990, c. O. 40, as amended.

You are hereby notified that this Permit is issued subject to the terms and conditions outlined below:

TERMS AND CONDITIONS

1. Compliance with Permit

- 1.1 Except where modified by this Permit, the water taking shall be in accordance with the application for this Permit To Take Water, dated July 1, 2009 and signed by Adam Zalev, and all Schedules included in this Permit.
- 1.2 The Permit Holder shall ensure that any person authorized by the Permit Holder to take water under this Permit is provided with a copy of this Permit and shall take all reasonable measures to ensure that any such person complies with the conditions of this Permit.
- 1.3 Any person authorized by the Permit Holder to take water under this Permit shall comply with the conditions of this Permit.
- 1.4 This Permit is not transferable to another person.
- 1.5 This Permit provides the Permit Holder with permission to take water in accordance with the conditions of this Permit, up to the date of the expiry of this Permit. This Permit does not constitute a legal right, vested or otherwise, to a water allocation, and the issuance of this Permit does not guarantee that, upon its expiry, it will be renewed.
- 1.6 The Permit Holder shall keep this Permit available at all times at or near the site of the taking, and shall produce this Permit immediately for inspection by a Provincial Officer upon his or her request.
- 1.7 The Permit Holder shall report any changes of address to the Director within thirty days of any such change. The Permit Holder shall report any change of ownership of the property for which this Permit is issued within thirty days of any such change. A change in ownership in the property shall cause this Permit to be cancelled.

2. General Conditions and Interpretation

- 2.1 Inspections
The Permit Holder must forthwith, upon presentation of credentials, permit a Provincial Officer to carry out any and all inspections authorized by the OWRA, the *Environmental Protection Act*, R.S.O. 1990, the *Pesticides Act*, R.S.O. 1990, or the *Safe Drinking Water Act*, S. O. 2002.
- 2.2 Other Approvals
The issuance of, and compliance with this Permit, does not:
 - (a) relieve the Permit Holder or any other person from any obligation to comply with any other applicable legal requirements, including the provisions of the *Ontario Water Resources Act*, and

the *Environmental Protection Act* , and any regulations made thereunder; or

(b) limit in any way any authority of the Ministry, a Director, or a Provincial Officer, including the authority to require certain steps be taken or to require the Permit Holder to furnish any further information related to this Permit.

2.3 Information

The receipt of any information by the Ministry, the failure of the Ministry to take any action or require any person to take any action in relation to the information, or the failure of a Provincial Officer to prosecute any person in relation to the information, shall not be construed as:

(a) an approval, waiver or justification by the Ministry of any act or omission of any person that contravenes this Permit or other legal requirement; or

(b) acceptance by the Ministry of the information's completeness or accuracy.

2.4 Rights of Action

The issuance of, and compliance with this Permit shall not be construed as precluding or limiting any legal claims or rights of action that any person, including the Crown in right of Ontario or any agency thereof, has or may have against the Permit Holder, its officers, employees, agents, and contractors.

2.5 Severability

The requirements of this Permit are severable. If any requirements of this Permit, or the application of any requirements of this Permit to any circumstance, is held invalid or unenforceable, the application of such requirements to other circumstances and the remainder of this Permit shall not be affected thereby.

2.6 Conflicts

Where there is a conflict between a provision of any submitted document referred to in this Permit, including its Schedules, and the conditions of this Permit, the conditions in this Permit shall take precedence.

3. Water Takings Authorized by This Permit

3.1 Expiry

This Permit expires on **December 31, 2020**. No water shall be taken under authority of this Permit after the expiry date.

3.2 Amounts of Taking Permitted

The Permit Holder shall only take water from the source, during the periods and at the rates and amounts of taking specified in Table A. Water takings are authorized only for the purposes specified in Table A.

Table A

Source Name / Description:	Source: Type:	Taking Specific Purpose:	Taking Major Category:	Max. Taken per Minute (litres):	Max. Num. of Hrs Taken per Day:	Max. Taken per Day (litres):	Max. Num. of Days Taken per Year:	Zone/ Easting/ Northing:
1 Lake Rosseau	Lake	Other - Commercial	Commercial	9,092	24	3,900,000	365	17 606971 5002446
Total Taking:						3,900,000		

- 3.3 The maximum daily taking from Lake Rosseau (Source No.1) shall be 1,500,000 litres per day for the purpose of communal water supply to Rosseau Resort Development Inc. and 2,400,000 litres per day for the purpose of golf course irrigation on the adjacent lands now known as The Rock Golf Club.

4. Monitoring

- 4.1 The Permit Holder shall maintain a record of all water takings. This record shall include the dates and times of water takings, and the total measured amounts of water pumped per day for each day that water is taken under the authorization of this Permit. The Permit Holder shall keep all required records up to date and available at or near the site of the taking and shall produce the records immediately for inspection by a Provincial Officer upon his or her request. The total amounts of water pumped shall be measured using a flow meter or equivalent measuring device.

- 4.2 The Permit Holder shall record separately the total measured amounts of water taken per day and used as described in Condition 3.3 for:

- i) the purpose of communal water supply to Rosseau Resort Development Inc., and
- ii) the purpose of golf course irrigation.

The Permit Holder shall keep all required records up to date and available at or near the site of the taking and shall produce the records immediately for inspection by a Provincial Officer upon his or her request. The total amounts of water pumped shall be measured using a flow meter or equivalent measuring device.

- 4.3 The Permit Holder shall upon any application submitted to the Ministry for renewal or amendment of this Permit shall be accompanied by all records required by the conditions of this Permit.

5. Impacts of the Water Taking

5.1 Notification

The Permit Holder shall immediately notify the local District Office of any complaint arising from the taking of water authorized under this Permit and shall report any action which has been taken or is proposed with regard to such complaint. The Permit Holder shall immediately notify the local District Office if the taking of water is observed to have any significant impact on the surrounding waters. After hours, calls shall be directed to the Ministry's Spills Action Centre at 1-800-268-6060.

5.2 For Surface-Water Takings

The taking of water (including the taking of water into storage and the subsequent or simultaneous withdrawal from storage) shall be carried out in such a manner that streamflow is not stopped and is not reduced to a rate that will cause interference with downstream uses of water or with the natural functions of the stream.

5.3 The Permit Holder shall maintain and ensure the effectiveness of an end-of-pipe fish screen to prevent entrainment, as occurs when a fish is drawn into a water intake and cannot escape, and impingement, as occurs when a fish is held in contact with the intake screen and is unable to free itself, of fish that frequent the waters of Lake Rosseau.

6. Director May Amend Permit

The Director may amend this Permit by letter requiring the Permit Holder to suspend or reduce the taking to an amount or threshold specified by the Director in the letter. The suspension or reduction in taking shall be effective immediately and may be revoked at any time upon notification by the Director. This condition does not affect your right to appeal the suspension or reduction in taking to the Environmental Review Tribunal under the *Ontario Water Resources Act*, Section 100 (4).

The reasons for the imposition of these terms and conditions are as follows:

1. Condition 1 is included to ensure that the conditions in this Permit are complied with and can be enforced.
2. Condition 2 is included to clarify the legal interpretation of aspects of this Permit.
3. Conditions 3 through 6 are included to protect the quality of the natural environment so as to safeguard the ecosystem and human health and foster efficient use and conservation of waters. These conditions allow for the beneficial use of waters while ensuring the fair sharing, conservation and sustainable use of the waters of Ontario. The conditions also specify the water takings that are authorized by this Permit and the scope of this Permit.

*In accordance with Section 100 of the Ontario Water Resources Act, R.S.O. 1990, you may by written notice served upon me, the Environmental Review Tribunal and the Environmental Commissioner, **Environmental Bill of Rights**, R.S.O. 1993, Chapter 28, within 15 days after receipt of this Notice, require a hearing by the Tribunal. The Environmental Commissioner will place notice of your appeal on the Environmental Registry. Section 101 of the Ontario Water Resources Act, as amended provides that the Notice requiring a hearing shall state:*

1. The portions of the Permit or each term or condition in the Permit in respect of which the hearing is required, and;
2. The grounds on which you intend to rely at the hearing in relation to each portion appealed.

In addition to these legal requirements, the Notice should also include:

3. The name of the appellant;
4. The address of the appellant;
5. The Permit to Take Water number;
6. The date of the Permit to Take Water;
7. The name of the Director;
8. The municipality within which the works are located;

This notice must be served upon:

*The Secretary
Environmental Review Tribunal
655 Bay Street, 15th Floor
Toronto ON
M5G 1E5*

AND

*The Environmental Commissioner
1075 Bay Street
6th Floor, Suite 605
Toronto, Ontario M5S 2W5*

AND

*The Director, Section 34
Ministry of the Environment*

Further information on the Environmental Review Tribunal's requirements for an appeal can be obtained directly from the Tribunal:

by telephone at (416) 314-4600

by fax at (416) 314-4506

by e-mail at www.ert.gov.on.ca

*This instrument is subject to Section 38 of the **Environmental Bill of Rights** that allows residents of Ontario to seek leave to appeal the decision on this instrument. Residents of Ontario may seek to appeal for 15 days from the date this decision is placed on the Environmental Registry. By accessing the Environmental Registry, you can determine when the leave to appeal period ends.*

Dated at this day of , .

*Director, Section 34
Ontario Water Resources Act , R.S.O. 1990*

Schedule A

This Schedule "A" forms part of Permit To Take Water 3350-82DJZM, dated .

1. Application for Permit to Take Water signed by Adam Zalev, dated July 1, 2009.
2. Report titled "Renewal Application of OWRA Section 52 Permits to Take Water for Rosseau Resort Developments Inc. and The Rock Golf Club, Township of Muskoka", prepared by Azimuth Environmental, signed by Mike Jones and dated June 2009.
3. Email and supporting documents to Christopher Munro, December 23, 2009 from Robert M Fishlock, Blake, Cassels & Graydon LLP.

APPENDIX “K”

CONFIRMATION AND ESTOPPEL AGREEMENT

TO: The Rosseau Resort Developments Inc. ("RRDI"), by Alvarez & Marsal Canada ULC, in its capacity as trustee and receiver and manager of all property, assets and undertakings (the "Assets") of RRDI, and not in its personal capacity, and by Alvarez & Marsal Canada Inc., in its capacity as interim receiver of the Assets of RRDI, and not in its personal capacity (collectively, the "Receiver"), and any successors and permitted assigns of each of the foregoing

AND TO: The purchaser of any or all of RRDI's right, title and interest in the Resort who purchases all or any part of RRDI's interest in the Resort in accordance with the terms of paragraph 6 below (the "Purchaser"), and any lenders/mortgagees to the Purchaser (a "Mortgagee"), and any successors and permitted assigns of each of the foregoing

RE: The Rosseau, a JW Marriott Resort & Spa, Muskoka Lakes, Ontario (the "Resort")

WHEREAS:

(A) RRDI owns a portion of the Resort, including 133 condominium units, commercial space and certain development lands;

(B) RRDI, as tenant, entered into a lease made as of February 13, 2009, as amended by lease amending agreement made as of March 18, 2011 (collectively, the "Sewage Treatment Plant Lease") with Wallace Marine Limited ("Wallace Marine"), as landlord, pursuant to which RRDI leases certain lands (the "Sewage Treatment Plant Lands") from Wallace Marine for the operation of a private sewage treatment plant that provides sewage treatment services to the Resort;

(C) Wallace Marine also granted to RRDI, for the benefit of the Resort lands: (i) an easement in perpetuity over the Sewage Treatment Plant Lands to install, operate, maintain, alter, replace or reconstruct a sewage treatment plant and related facilities on the Sewage Treatment Plant Lands, which easement was registered against the Sewage Treatment Plant Lands on February 13, 2009 as Instrument No. MT62703; and (ii) a services and access easement in perpetuity over lands (the "Access Lands") adjacent to the Sewage Treatment Plant Lands, which easement was registered against the Access Lands on February 13, 2009 as Instrument No. MT62717 (collectively, the "Easements"); and

(D) 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 Alvarez & Marsal Canada Inc. (formerly 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

the Assets of RRDI. By amended and restated appointment 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).

Now therefore in consideration of Ten Dollars and other good and valuable consideration, including the entry into of a water supply agreement (the "Water Supply Agreement") between RRDI, by its receiver and manager, Alvarez & Marsal Canada ULC, and 1515511 Ontario Inc. ("1515511"), the receipt and sufficiency of which are hereby acknowledged by Wallace Marine, Wallace Marine hereby confirms, agrees and certifies, to and in favour of the addressees noted above, as follows:

1. The Sewage Treatment Plant Lease is unamended, is in full force and effect, and, together with the Easements, contains the entire agreement between RRDI and Wallace Marine relating to the terms of the use and occupation by RRDI of the Sewage Treatment Plant Lands and the Access Lands, and there are no other agreements or understandings between RRDI and Wallace Marine relating to the Sewage Treatment Plant Lands and the Access Lands, other than oral agreements with affiliates of Wallace Marine to connect to the sewage facility, which oral agreements have been terminated as of the date hereof and are of no further force or effect.
2. For greater certainty, Wallace Marine confirms that the sewage treatment plant and all other improvements (existing and future) constructed or installed in the sewage treatment plant or on the Sewage Treatment Plant Lands are, shall be and shall remain, subject to the provisions of paragraph 3 hereof, the sole property of RRDI or of the then tenant under the Sewage Treatment Plant Lease (the "Tenant"), as the case may be, all of which can be removed in whole or in part by RRDI or by the Tenant, as the case may be, at any time, provided that RRDI or the Tenant, as the case may be, shall be responsible for repairing any damage to Wallace Marine's property caused by the removal in whole or in part of such sewage treatment plant and other improvements and shall indemnify and save Wallace Marine harmless from any and all costs, losses, damages, claims and liabilities (including all legal fees and disbursements) arising from or in connection with such removal including, without limitation, injury or damage to persons or property.
3. Notwithstanding the provisions of section 2.01 of the Sewage Treatment Plant Lease, at the expiration or earlier termination of the Sewage Treatment Plant Lease, the Tenant may, but shall not be obligated to, remove the sewage treatment plant and other improvements on the Sewage Treatment Plant Lands. If the Tenant chooses not to remove or fails to remove such plant and improvements, then such plant and improvements shall become the property of Wallace Marine without any payment or compensation to the Tenant.
4. Base Rent (as defined in the Sewage Treatment Plant Lease) has been paid to February 12, 2012, and, to the best knowledge of Wallace Marine, all other

payments required to be made by RRDl pursuant to the terms of the Sewage Treatment Plant Lease have been paid to date.

5. To the knowledge of Wallace Marine and except as qualified at the end of this paragraph 5, RRDl has complied with all of its covenants and agreements contained in the Sewage Treatment Plant Lease as of the date of this Agreement, there is no default or breach under the Sewage Treatment Plant Lease on the part of RRDl or Wallace Marine, and the Sewage Treatment Plant Lease is in good standing. Wallace Marine agrees that the receivership of RRDl pursuant to the Initial Appointment Order and the Appointment Order, as such orders may be amended from time to time, shall not constitute a default under the terms of the Sewage Treatment Plant Lease, and any such default is hereby irrevocably waived by Wallace Marine. However, Wallace Marine is aware that from time to time in calendar year 2010 sewage effluent discharged from the Sewage Treatment Plant Lands has not complied with the concentration limits contained in the Ontario Ministry of the Environment (the "MOE") Amended Certificate of Approval No. 2176-74DPM9 issued for the establishment and operation of the sewage treatment plant. As long as RRDl is acting expeditiously and diligently to correct such non-compliance in consultation with the MOE, Wallace Marine and 1515511, complies fully with any orders issued by the MOE in connection with such non-compliance (including, without limitation, Provincial Officer's Order No. 8242-89KPNY dated September 29, 2010) within the time frame specified by the MOE, and otherwise complies with the terms of the Sewage Treatment Plant Lease, such non-compliance shall not constitute a default under the terms of the Sewage Treatment Plant Lease.
6. Subject to obtaining any requisite consents from The District Municipality of Muskoka (the "District"), the MOE or any other governmental authorities and otherwise complying with the terms of the developer's responsibility agreement dated January 28, 2009 (and February 4, 2009 by the District) between, *inter alia*, RRDl, Wallace Marine and the District, RRDl agrees, upon request and on condition that the sewage treatment plant on the Sewage Treatment Plant Lands has excess or unused sewage treatment capacity, to negotiate in good faith, and each Minett Landowner (as defined below) also agrees to negotiate in good faith, the terms of a sewage treatment services agreement(s) with Wallace Marine, 2162262 Ontario Inc., 2027587 Ontario Inc., 2027588 Ontario Inc., Ken Fowler Enterprises Limited and/or 1515511 (collectively, the "Minett Landowners") only in respect of the lands set out in Schedule "A" hereto (collectively, the "Adjoining Minett Lands"). In considering whether there is excess or unused sewage treatment capacity, it shall be appropriate for RRDl to consider and to ensure that any such services agreement(s) to service any or all of the Adjoining Minett Lands shall leave sufficient sewage treatment capacity for the Resort's then current use and reasonably anticipated needs in the future, the sewage treatment plant's then current supply obligations and the future sewage treatment requirements of RRDl's development lands legally described in Schedule "B" hereto. If there is not sufficient excess or unused sewage treatment capacity to

service all or any of the Adjoining Minett Lands, RRDI agrees upon request to consider in good faith, and at the reasonable expense of the Minett Landowners, whether it is possible to expand the capacity of the sewage treatment plant on terms and conditions acceptable to RRDI, acting reasonably.

RRDI also agrees, upon request, to participate with any or all of the Minett Landowners, and each Minett Landowner also agrees to participate with RRDI, in good faith negotiations or discussions concerning the development of municipally owned and operated sewage treatment and water facilities, to service their respective lands located in the vicinity of the Sewage Treatment Plant Lands, including the Resort, but only on condition that RRDI's own sewage or water needs or those of the Resort justify its participating in such negotiations or discussions.

7. If RRDI, by its Receiver, sells all or any part of RRDI's interest in the Resort to one Purchaser who also requests an assignment of RRDI's interest in the Sewage Treatment Plant Lease, the consent of Wallace Marine shall not be required to an assignment of the Sewage Treatment Plant Lease to such Purchaser, provided that (i) the transaction with such Purchaser is approved by the Court, (ii) such Purchaser enters into the assumption agreement with Wallace Marine contemplated in section 15.02(a) of the Sewage Treatment Plant Lease and also assumes the obligations of RRDI in paragraph 6 hereof, in a form satisfactory to Wallace Marine, acting reasonably, (iii) such Purchaser assumes the obligations of RRDI under the Water Supply Agreement in a form satisfactory to 1515511, acting reasonably, (iv) any construction liens, if any, that are registered against RRDI's interest in the Sewage Treatment Plant Lands shall be discharged, vested out or otherwise removed from title to such Sewage Treatment Plant Lands on or before the closing of the transaction with such Purchaser; and (v) RRDI, by its Receiver, delivers a certificate to Wallace Marine confirming that, to its knowledge, the agreement of purchase and sale with the Purchaser does not contain any provisions that would have a material adverse effect on Wallace Marine's freehold interest in the Landlord's Lands (as defined in the Sewage Treatment Plant Lease).
8. Wallace Marine confirms that the provisions of Article 16 (Leasehold Mortgage) of the Sewage Treatment Plant Lease are for the benefit of any and all Mortgagees to the Purchaser who purchases all or any part of RRDI's interest in the Resort in accordance with the terms of paragraph 7 above. As contemplated in section 16.05 of the Sewage Treatment Plant Lease, Wallace Marine will, if requested by any such Mortgagee, enter into a separate agreement with such Mortgagee to give effect to the provisions of Article 16 together with such reasonable amendments or other similar provisions as such Mortgagee may reasonably require.
9. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. Except with the consent of Wallace Marine as contemplated in section 15.01 of the Sewage

Treatment Plant Lease, the benefit of this Agreement shall not extend to any other assignee of RRDI or the Purchaser.

DATED March 18, 2011

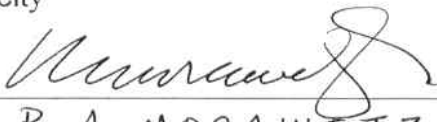
WALLACE MARINE LIMITED

By: _____
Name:
Title:

The parties below agree to be bound by and only by the provisions of paragraph 6 above.

DATED March 18, 2011

**THE ROSSEAU RESORT
DEVELOPMENTS INC.**, by 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, and by Alvarez &
Marsal Canada Inc., solely in its
capacity as interim receiver of the
Assets of RRDI and not in its personal
capacity

By: 
R.A. MORAWETZ

1515511 ONTARIO INC.

By: _____


2162262 ONTARIO INC.

By: _____

Treatment Plant Lease, the benefit of this Agreement shall not extend to any other assignee of RRDI or the Purchaser.

DATED March 18, 2011

WALLACE MARINE LIMITED

By: 
Name:
Title:

The parties below agree to be bound by and only by the provisions of paragraph 6 above.

DATED March 18, 2011

THE ROSSEAU RESORT

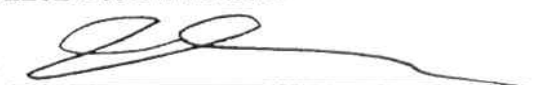
DEVELOPMENTS INC., by Alvarez & Marsal Canada ULC, solely in its capacity as receiver and manager and trustee of the Assets of RRDI and not in its personal capacity, and by Alvarez & Marsal Canada Inc., solely in its capacity as interim receiver of the Assets of RRDI and not in its personal capacity

By: _____
R. A. MORAWETZ

1515511 ONTARIO INC.

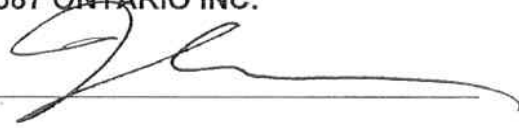
By: 

2162262 ONTARIO INC.

By: 

2027587 ONTARIO INC.

By: _____

A handwritten signature in black ink, appearing to be 'JL', written over a horizontal line.

2027588 ONTARIO INC.

By: _____

A handwritten signature in black ink, appearing to be 'JL', written over a horizontal line.

KEN FOWLER ENTERPRISES
LIMITED

By: _____

A handwritten signature in black ink, appearing to be 'JL', written over a horizontal line.

SCHEDULE "A"

The hole in the doughnut and the other golf course lands south of Juddhaven Road (owned by 1515511), and all of the village core lands (owned by Wallace Marine).

SCHEDULE "B"

DEVELOPMENT LANDS

Part of PIN 48143-0527(LT)

FIRSTLY: PT LT 25 CON 11 MEDORA PT RDAL BTN LT 25 & 26 CON 11 MEDORA CLOSED BY DM105704 PT 2 35R21398; PT LT 25 CON 11 MEDORA PT RDAL BTN LT 25 & 26 CON 11 MEDORA CLOSED BY DM105704 PT 3, 35R21398; S/T EASEMENT AS IN ME5721; PT LT 25 CON 11 MEDORA, PT RDAL BTN LT 25 & 26 CON 11 MEDORA CLOSED BY DM105704, PT LT 25 CON 10 MEDORA, PT RDAL BTN CON 10 & 11 MEDORA IN FRONT LT 25 CLOSED BY ME1289, PT RDAL BTN CON 10 & 11 MEDORA IN FRONT LT 24 CLOSED BY DM12512 PT 4 35R21398; PT LT 25 CON 11 MEDORA, PT LT 25 CON 10 MEDORA, PT RDAL BTN CON 10 & 11 MEDORA IN FRONT LT 25 CLOSED BY ME1289, PT RDAL BTN CON 10 & 11 MEDORA IN FRONT LT 24 CLOSED BY DM12512 PT 10 35R21398; SECONDLY: PT LT 24 CON 11 MEDORA PT 8, 35R20257; THIRDLY: PT LT 24 CON 11 MEDORA PT 7, 35R20257; FOURTHLY: PT LT 24 CON 11 MEDORA PT 5 & 6, 35R20257; T/W EASEMENT OVER PT LT 24 CON 11 MEDORA AS IN LT22475; FIFTHLY: PT LT 24 CON 11 MEDORA PT 2, 35R3373; EXCEPT MCP 62; S/T EASEMENT IN FAVOUR OF PT LT 25 CON 11 MEDORA, PT RDAL BTN LT 25 & 26 CON 11 MEDORA CLOSED BY DM105704 PT 1 35R21398 AS IN MT62692; T/W EASEMENT OVER PT LT 25 CON 11 MEDORA PT RDAL BTN LT 25 & 26 CON 11 MEDORA CLOSED BY DM105704 PT 1 35R21398 AS IN MT62693; T/W EASEMENT OVER FIRSTLY: PT LT 24 CON 11 MEDORA AS IN MT47346; SECONDLY: PT LT 25 CON 11 MEDORA PT 1 & 2 35R22417 FOR PURPOSES AS SET OUT IN MT62703; T/W EASEMENT OVER PT LT 24 CON 11 MEDORA PT 3 - 10 INCL & PT 12 35R22417 AS IN MT62714; T/W EASEMENT OVER PT LT 24 CON 11 MEDORA PT 14 & 15 35R22417 AS IN MT62715 AND OVER PT 17 & 18 35R22417 AS IN MT62717 AND OVER PT LT 24 & 25 CON 11 MEDORA PT 20 35R22417 & PT LT 25 CON 11 MEDORA PT 27 35R22417 AS IN MT62718; T/W EASEMENT OVER COMMON ELEMENTS MCP 62 AS IN MT63413; T/W EASEMENT OVER PT COMMON ELEMENTS MCP 62 PT 25, 37 & 38 35R22417 AS IN MT63413; S/T EASEMENT IN FAVOUR OF MCP 62 AS IN MT63413; S/T EASEMENT OVER PT 36, 39, 43, 44, 45 & 51 35R22417 IN FAVOUR OF MCP 62 AS IN MT63413; S/T EASEMENT OVER PT 36, 39, 43 & 45 3 5R22417 IN FAVOUR OF LANDS SET OUT IN SCHEDULE A OF DECLARATION MT63413 UNDER GOLF COURSE ACCESS EASEMENT AND GOLF COURSE WATER EASEMENT AS IN MT63413; S/T EASEMENT OVER PT 36 & 39 35R22417 IN FAVOUR OF LANDS SET OUT IN SCHEDULE A OF DECLARATION MT63413 UNDER WALLACE MARINE BAY PROPERTIES ACCESS EASEMENT AS IN MT63413; MUSKOKA LAKES; THE DISTRICT MUNICIPALITY OF MUSKOKA

SAVE AND EXCEPT PART OF LOT 25, CONCESSION 11, MEDORA, DESIGNATED AS PARTS 28, 29, 30, 31, 32, 33, 34, 35, 46 AND 51, PLAN 35R22417 [Commercial Lands]

MUSKOKA LAKES; THE DISTRICT MUNICIPALITY OF MUSKOKA

APPENDIX “L”

GROUND LEASE AMENDING AGREEMENT

THIS AGREEMENT dated as of the 18th day of March, 2011,

BETWEEN:

WALLACE MARINE LIMITED
(the "Landlord")

- and -

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

WHEREAS:

A. The Landlord and the Tenant entered into a ground lease made as of February 13, 2009 (the "Lease") with respect to the lands in the Township of Muskoka Lakes, District Municipality of Muskoka, designated as Parts 1 and 2 on Plan 35R-22417 as more particularly described in the Lease; and

B. The Landlord and the Tenant have agreed to amend the Lease on the terms and conditions more particularly set out in this Agreement.

NOW THEREFORE, in consideration of the sum of \$2.00 paid by each party to the other and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

1. Interpretation

Unless the context otherwise requires, capitalized terms used but not defined herein shall have the meanings given to them in the Lease.

2. Amendment to Definitions

- (a) The definition of "Access and Effluent Areas" contained in Article 1.01 of the Lease shall be deleted and replaced with:

"**Access and Effluent Areas**" means, collectively, those portions of the Landlord's Lands upon or beneath which are located, from time to time, (i) one or more access roads or routes and other means of ingress and egress to and from the Landlord's Lands; (ii) a creek or other natural watercourse through which effluent from

the Building may be released into; and (iii) pipes, conduits and other related equipment used to transport effluent from the Building across the Landlord's Lands".

- (b) The definition of "Term" contained in Article 1.01 of the Lease shall be deleted and replaced with:

"**Term**" means the term of this Lease as established in Section 3.05 hereof, including any extensions thereof".

3. **Grant of Easement Over Access and Effluent Areas**

The Landlord grants to the Tenant, its servants, agents, invitees, officers and representatives, for the benefit of the Lands, during the Term (including any extensions thereof), a non-exclusive, uninterrupted and unobstructed right-of-way and easement at all times over, upon, along and through the Access and Effluent Areas, at no cost to the Tenant. The rights described in this Section constitute transfers of easements and rights in the nature of easements between the Landlord and Tenant and, accordingly, such rights and interests benefit and are appurtenant to the Lands and burden and run with and are binding against the Landlord's Lands.

4. **Planning Act**

Article 21.06 of the Lease shall be deleted and replaced with the following:

"It is an express condition of this Lease that the provisions of Section 50 of the *Planning Act* (Ontario), as amended, or any legislation in substitution therefor or in addition thereto are complied with if applicable in law. Until any necessary consent to this Lease is obtained, the Term (including any extensions or renewals thereof) and the Tenant's rights and entitlements granted by this Lease shall be deemed not to exceed a period of 21 years less one day from the Commencement Date. In the event that the Tenant applies for and pursues such a consent at the sole cost and expense of the Tenant, the Landlord agrees to co-operate with and assist the Tenant in seeking and obtaining a final and binding consent."

5. **Tenant's Extension Options**

The Tenant shall have the right to extend the term of this Lease for four (4) further consecutive periods of five (5) years each (each of which is individually an "**Extension Term**"), with the first Extension Term commencing the day following the last day of the initial Term. Each Extension Term shall be on the same terms and conditions as set out in the Lease for the initial Term (including, without limitation, Rent, but excluding remaining options to extend, which shall be as set out herein and applicable in the circumstances). Each such Extension Term shall be exercisable by the Tenant on written notice to the Landlord delivered no later than six (6) months prior to the expiry of the initial Term or applicable Extension Term, as the case may

be, and failing delivery of such notice within the time frame set out herein, said option to extend (and all remaining options to extend, if any) shall be null and void and of no further force and effect.

6. Environmental Results

There shall be a new Section 8.02 of the Lease as follows:

“8.02 Environmental Test Results

The Landlord shall have the right to ask the Tenant for whatever environmental reports the Tenant may have in its possession or control relating to the Building or the Demised Premises in order for the Landlord to satisfy itself, acting reasonably, that the Tenant is in compliance with all applicable Ontario Government environmental standards relating to the operation of the Building, such request not to be made more frequently than annually (unless the Landlord has reason to believe, acting reasonably, that the Building is not in compliance with such environmental standards). The Tenant shall also provide the Landlord with all sewage effluent quality and related environmental test results obtained by the Tenant from time to time, which indicate non-compliance with the applicable Ontario Government environmental standards, within ten (10) days from the Tenant's receipt of such results.”

7. Confirmation

Save as amended by this Agreement, all other terms and conditions of the Lease shall remain in full force and effect unamended.

8. Headings

The division of this Agreement into Articles and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

9. Successors and Assigns

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

10. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in that Province and shall be treated, in all respects, as an Ontario contract.

11. Limitation of Receiver's Liability

Alvarez & Marsal Canada ULC is signing this Agreement in its capacity as receiver and manager of the assets, property and undertaking of RRDI 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 Agreement against any property or asset except for an unsecured claim against RRDI's existing and after-acquired assets, provided that, on and after the assignment by RRDI of its rights and interests pursuant to this Agreement to an assignee, RRDI shall have no further liability hereunder and the assignee shall be personally liable for all obligations of the Tenant hereunder.

(intentionally left blank)

Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or faxed form and the parties adopt any signatures received by a receiving fax machine as original signatures of the parties; provided, however, that any party providing its signature in such manner shall promptly forward to the other party an original of the signed copy of this Agreement which was so faxed.

IN WITNESS WHEREOF the parties have executed this Agreement.

WALLACE MARINE LIMITED

By: 

Name:

Title:

I have authority to bind the Corporation.

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

Per: _____

Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or faxed form and the parties adopt any signatures received by a receiving fax machine as original signatures of the parties; provided, however, that any party providing its signature in such manner shall promptly forward to the other party an original of the signed copy of this Agreement which was so faxed.

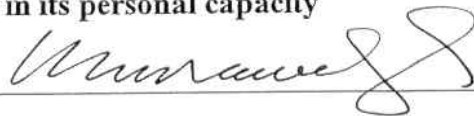
IN WITNESS WHEREOF the parties have executed this Agreement.

WALLACE MARINE LIMITED

By: _____
Name: _____
Title: _____

I have authority to bind the Corporation.

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

Per:  _____
R. A. MORAWETZ

Properties

PIN 48143 - 0518 LT ✓ Affects Part of Prop
Description PART LOT 24, CONCESSION 11 MEDORA DESIGNATED AS PARTS 1 AND 2, PLAN 35R22417; TOWNSHIP OF MUSKOKA LAKES; THE DISTRICT MUNICIPALITY OF MUSKOKA
Address MINETT

Consideration

Consideration \$ 0.00

Applicant(s)

The notice is based on or affects a valid and existing estate, right, interest or equity in land

Name THE ROSSEAU RESORT DEVELOPMENTS INC.
Address for Service c/o Alvarez & Marsal Canada ULC
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
P.O. Box 22
Toronto, ON M5J 2J1

I, Richard Morawetz, Managing Director for Alvarez & Marsal Canada ULC, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Statements

This notice is pursuant to Section 71 of the Land Titles Act.

This notice may be deleted by the Land Registrar when the registered instrument, MT62702 registered on 2009/02/13 to which this notice relates is deleted

Schedule: See Schedules

This document relates to registration no.(s) MT62702

Signed By

Mary Louise Walker	199 Bay Street, Suite 2800 Toronto M5L 1A9	acting for Applicant(s)	Signed	2011 05 09
Tel	416-863-2400			
Fax	4168632653			

I have the authority to sign and register the document on behalf of the Applicant(s).

Submitted By

BLAKE CASSELS & GRAYDON LLP	199 Bay Street, Suite 2800 Toronto M5L 1A9	2011 05 09
Tel	416-863-2400	
Fax	4168632653	

Fees/Taxes/Payment

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

File Number

Applicant Client File Number: 75334/2

SCHEDULE

The Applicant herein, as tenant under a lease, notice of which was registered as Instrument No. MT62702, is The Rosseau Resort Developments Inc. ("RRDI") by its receiver and manager, Alvarez & Marsal Canada ULC in its capacity as court-appointed receiver and manager and not in its personal capacity, of all the assets, undertakings and properties of RRDI.