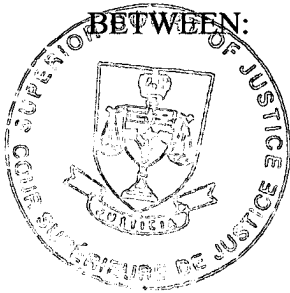


**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MR.) WEDNESDAY, THE 9TH DAY
)
JUSTICE CAMPBELL) OF MARCH, 2011

**IN THE MATTER OF SECTION 47(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, C. C. 43, AS AMENDED, AND
SECTION 68 OF THE *CONSTRUCTION LIEN ACT*, R.S.O. 1990, C. C. 30, AS
AMENDED**



WESTLB AG, TORONTO BRANCH

Applicant

- and -

THE ROSSEAU RESORT DEVELOPMENTS INC.

Respondent

ORDER

THIS MOTION, made by Alvarez & Marsal Canada ULC, in its capacity as Court-appointed receiver and manager pursuant to section 101 of the *Courts of Justice Act* (Ontario) and trustee and receiver and manager under the *Construction Lien Act*

(Ontario), and Alvarez & Marsal Canada Inc., in its capacity as interim receiver pursuant to section 47(1) of the *Bankruptcy and Insolvency Act* (jointly and collectively, the “**Receiver**”), of the undertaking, property and assets (the “**Assets**”) of The Rosseau Resort Developments Inc. (“**RRDI**”), for an Order:

- (a) abridging the time for service of this Notice of Motion and Motion Record, if necessary, validating service of the Notice of Motion and Motion Record, and dispensing with further service thereof;
- (b) terminating the Institutional Sales Process authorized by Order of this Court dated July 9, 2009 and suspended by Order of this Court dated May 19, 2010;
- (c) declaring that the deposits paid by Wayne and Mary Cipollone, Michelle Simmonds, and Farruk D. Robson (the “Terminated Purchasers”) in connection with executed agreements of purchase and sale with RRDI, by its Receiver, as more particularized on Schedule “A” to this Order (the “Forfeited Deposits”), have been forfeited to RRDI by the Terminated Purchasers as a result of their failure to close their respective purchase transactions;
- (d) authorizing that the Forfeited Deposits, held in trust by Blake, Cassels & Graydon LLP (“Blakes”), be remitted by Blakes to the Receiver as property of RRDI and releasing and discharging Blakes and the Receiver from any and all obligations and claims in respect of the Forfeited Deposits upon such remittance;
- (e) directing that of the sum of \$295,655.03 currently retained in trust by McCarthy Tetrault LLP (“McCarthys”) on account of Closing Costs Holdback (as defined in the Fifteenth Report), \$225,000 be paid to McCarthys in full and final settlement of all claims of McCarthys to payment of its accounts rendered during the period December 19, 2009 to May 6, 2009 (the “McCarthy Accounts”) and the balance of \$70,655.03 shall be paid to the Receiver on behalf of RRDI;

- (f) authorizing the Receiver to continue to participate in negotiations with the Potential Purchaser (as defined in the Fifteenth Report);
- (g) approving the Fifteenth Report, and the conduct and activities of the Receiver as described therein;
- (h) sealing and treating as confidential, Confidential Appendix "1" to the Fifteenth Report until further order of this Court; and
- (i) such further and other relief as counsel may request and this Honourable Court deems just,

was heard this day, at 330 University Avenue, Toronto, Ontario.

ON READING the Fifteenth Report, the affidavits of service filed, and on hearing the submissions of counsel for WestLB AG, New York Branch, independent counsel for the Receiver, no one else appearing,

1. **THIS COURT ORDERS** that the method and timing of service of the Notice of Motion and the Motion Record shall be and is hereby abridged and validated, so that this Motion is properly returnable today and any further service thereof upon any interested party other than the persons served with the Motion Record is hereby dispensed with.
2. **THIS COURT ORDERS** that the Institutional Sales Process authorized by Order of this Court dated July 9, 2009 and suspended by Order of this Court dated May 19, 2010 be and is hereby terminated.
3. **THIS COURT ORDERS AND DECLARES** that (i) the Forfeited Deposits have been forfeited to RRDI by the Terminated Purchasers as a result of their failure to close their respective purchase transactions; (ii) that the Forfeited Deposits, held in trust by Blakes, be remitted by Blakes to the Receiver as property of RRDI; and (iii) Blakes and the Receiver be and are hereby released and discharged from any and all obligations and claims in respect of the Forfeited Deposits upon such remittance.
4. **THIS COURT ORDERS** that of the sum of \$295,655.03 currently retained in trust by McCarthys on account of Closing Costs Holdback, \$225,000 shall be paid to

McCarthys in full and final settlement of all claims of McCarthys to payment of the McCarthy Accounts from the Closing Costs Holdback, and the balance of \$70,655.03 shall be paid to the Receiver on behalf of RRDI. No further claims shall be made by McCarthys against RRDI for the McCarthy Accounts.

5. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to continue to participate in negotiations with the Potential Purchaser.

6. **THIS COURT ORDERS** that the Fifteenth Report, and the conduct and activities of the Receiver as described therein be and are hereby approved.

ph6 7. ~~**THIS COURT ORDERS** that Confidential Appendix "1" to the Fifteenth Report shall be sealed and treated as confidential pending further order this Court.~~

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RACAMPUS

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

MAR 09 2011

PER / PAR:

[Signature]

Schedule "A"
Forfeited Deposits

1. Purchase Agreement dated August 22, 2009 re: Suite 1439, Unit 19, Level 4, Muskoka Condominium Plan No. 62.
 - Purchasers: Wayne Cipollone and Mary Cipollone
 - Forfeited Deposit: \$27,000
2. Purchase Agreement dated August 22, 2009 re: Suite 1110, Unit 22, Level 1, Muskoka Condominium Plan No. 62
 - Purchaser: Michelle Simmonds
 - Forfeited Deposit: \$10,000
3. Purchase Agreement dated August 23, 2009 re: Suite 2114, Unit 36, Level 1, Muskoka Condominium Plan No. 62
 - Purchaser: Farruk D. Robson
 - Forfeited Deposit: \$10,000.

ONTARIO

**SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
TORONTO**

ORDER
(March 9, 2011)

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Independent Lawyers for Alvarez & Marsal Canada
ULC, and Alvarez & Marsal Canada Inc., in their
respective capacities as Court-appointed Interim
Receiver, Trustee, Receiver and Manager