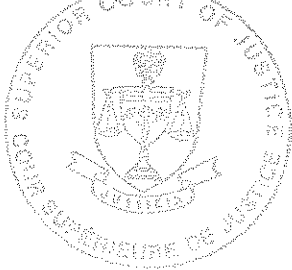


**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MR.) FRIDAY, THE 6TH DAY
)
JUSTICE CAMPBELL) OF MAY, 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

BETWEEN:



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) declaring that all capitalized terms not otherwise defined in the Order shall have the same meaning as in the Eighteenth Report of the Receiver dated May 2, 2011 (the “**Eighteenth Report**”);
- (c) authorizing the Receiver to commence a sales process for the sale of the remaining Assets of RREDI on an *en bloc* basis (the “**Sales Process**”), substantially in accordance with the Sales Process protocol filed herewith (the “**Protocol**”);
- (d) approving the Protocol in the form attached hereto as Schedule “A”;
- (e) approving the retention by the Receiver of CB Richard Ellis Limited (“**CBRE**”) as broker to assist the Receiver in carrying out the Sales Process on the terms and conditions as set out in the Exclusive Listing Agreement attached as Confidential Appendix “1” to the Eighteenth Report (the “**Exclusive Listing Agreement**”) and authorizing and approving the execution by the Receiver of the Exclusive Listing Agreement;
- (f) sealing Confidential Appendix “1” to the Eighteenth Report until further order of this Court;
- (g) approving the Eighteenth Report, and the conduct and activities of the Receiver as described herein; and
- (h) 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.

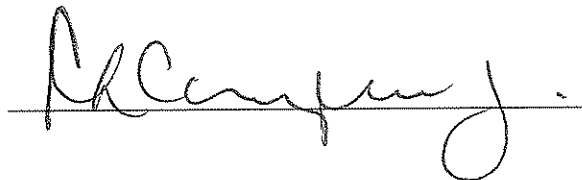
ON READING the Eighteenth Report, the affidavits of service of Jackie Moher and Christina DeLuca, both sworn May 3, 2011, (the “**Affidavits of Service**”), filed, and on hearing the submissions of counsel for WestLB AG, New York Branch and the Receiver, independent counsel for the Receiver, and counsel for Marriott Hotels of Canada, Ltd., no one else appearing,

1. **THIS COURT ORDERS AND DECLARES** that service of the Notice of Motion and the Motion Record in accordance with the Affidavits of Service, including the method and timing of notice, and service to the service list by way of email and courier, 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 Receiver is hereby authorized to commence the Sales Process substantially in accordance with the Protocol.
3. **THIS COURT ORDERS** that the Protocol, in the form attached hereto as Schedule "A" outlining the process by which the Sales Process is to be conducted, be and is hereby approved, and the Receiver is authorized to take such steps as are considered necessary or desirable in carrying out the terms of the Protocol. The Receiver may seek advice and directions from the Court in respect of any aspect of the Protocol.
4. **THIS COURT ORDERS** that the retainer of CBRE as broker to assist the Receiver with the conduct of the Sales Process substantially on the terms and conditions as set out in the Exclusive Listing Agreement is hereby approved. The execution by the Receiver of the Exclusive Listing Agreement is hereby authorized and approved.
5. **THIS COURT ORDERS** that Confidential Appendix "1" to the Eighteenth Report be and is hereby sealed pending further Order of this Court.
6. **THIS COURT ORDERS** that the Eighteenth Report, and the conduct and activities of the Receiver as described therein, are hereby approved.

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

MAY 6 - 2011

PER/PAR:



SCHEDULE "A"

SALES PROCESS PROTOCOL

Background to the Receivership

On May 22, 2009, on the Application of WestLB AG, Toronto Branch (now New York Branch) ("**WestLB**") in its capacity as agent for a syndicate of senior secured lenders (the "**Syndicate**"), the Ontario Superior Court of Justice (the "**Court**") issued an order appointing Alvarez & Marsal Canada ULC ("**A&M**") and Alvarez & Marsal Canada Inc. (formerly McIntosh & Morawetz Inc.) as trustee and interim receiver, respectively (the "**Trustee**" and the "**Interim Receiver**"), pursuant to Section 68 of the *Construction Lien Act* (Ontario) ("**CLA**") and Section 47(1) of the *Bankruptcy and Insolvency Act* (Canada) of all the property, assets and undertakings (the "**Assets**") of The Rosseau Resort Developments Inc. ("**RRDI**"). On June 2, 2009, the Court issued an Amended and Restated Appointment Order continuing the appointment of the Trustee and Interim Receiver and appointing A&M as receiver and manager of the Assets of RRDI (the "**Receiver and Manager**") pursuant to Section 101 of the *Courts of Justice Act* (Ontario) and pursuant to the CLA (the Trustee, Interim Receiver and the Receiver and Manager collectively defined as the "**Receiver**").

Sales Process

The Receiver will undertake a process for the purposes of selling the right, title and interest of RRDI, if any, in the Assets, including the commercial assets, and 132 condominium units and the development lands adjoining The Rosseau at Red Leaves, on an en bloc basis (the "**Sales Process**").

In connection with the Sales Process, the Receiver has appointed CB Richard Ellis Limited ("**CBRE**"), subject to Court approval, as broker to assist with the Sales Process. CBRE has identified, and will continue to identify, parties interested in purchasing the Assets through its network and database of contacts, referrals, and those parties that have expressed an interest in the previous institutional sales process authorized by the Court.

The Receiver has worked with CBRE to develop and prepare all relevant sales materials and to establish a data room for due diligence by prospective purchasers.

Supervision and Reporting

- The Sales Process will be undertaken by the Receiver, with the assistance of CBRE, and subject to the Court's supervision.
- The Receiver will consult with and provide updates to WestLB AG, New York Branch ("**WestLB**") on a regular basis as agreed to by the Receiver and WestLB on the progress and status of the Sales Process (including any material information related to any offers in connection therewith, subject to confidentiality restrictions) and with respect to any proposed transaction relating to the Assets.

- The Receiver will report to the Court on the outcome of the Sales Process and seek Court approval of any final sale agreement or agreements arising out of the Sales Process.

Outline of the Protocol

- The Sales Process will be conducted in accordance with this Sales Process Protocol (the “**Protocol**”).

Sales Materials

- The Receiver, with the assistance of CBRE, is finalizing (a) a brief investment overview letter (the “**Investment Overview**”) that will describe the acquisition opportunity and set out key aspects of the Protocol; (b) a form of confidentiality agreement (the “**Confidentiality Agreement**”); (c) an electronic data room for due diligence purposes; and (d) a template form of agreement of purchase and sale (the “**Template APA**”).
- CBRE will continue to develop its list of prospects by advertising the opportunity by way of press releases and through the distribution of the Investment Overview to its international network of offices and affiliates.

Identification of Potential Purchasers and Qualified Bidders

- Commencing upon Court approval of this Protocol, potential purchasers identified by CBRE and/or the Receiver will be contacted and provided with a copy of the Investment Overview and the form of Confidentiality Agreement.
- In order to be qualified by the Receiver as a bidder (a “**Qualified Bidder**”) and to obtain access to the electronic data room, potential bidders will be required to execute the Confidentiality Agreement and to submit a completed letter of introduction (the “**Introduction Letter**”) to the Receiver that describes: (a) the potential bidder and its business and industry expertise; (b) the potential bidder’s financial wherewithal or ability to obtain financing in order to complete the transaction being contemplated; and (c) whether the potential bidder contemplates any third party equity participation or any form of joint acquisition, and if so, to provide a description of such third party. The information contained in the Introduction Letter must be acceptable to the Receiver in its sole discretion prior to a potential purchaser being qualified by the Receiver as a Qualified Bidder. An Introduction Letter may not be submitted by a person acting as agent for an undisclosed principal.
- Upon a review of the Introduction Letters submitted to the Receiver, in consultation with WestLB the Receiver will identify those who have demonstrated an interest and ability to consummate a transaction, based on the

information submitted by the potential bidders and such other selection criteria as the Receiver may develop, in its discretion, who will be invited to participate in the next phase of due diligence.

Due Diligence Period

- The Qualified Bidders will be provided with access to the electronic data room for due diligence purposes, together with the Template APA that the Receiver requires to be submitted in connection with any offer to purchase. The Receiver will arrange site visits and schedule buyer information presentations, along with CBRE, to the Qualified Bidders regarding the acquisition opportunity as determined to be appropriate by the Receiver.

Submissions of Binding Offers by Bid Deadline

- The submission of binding offers from Qualified Bidders, based on the Template APA, will be required by 5:00 p.m. EST on June 21, 2011, along with a deposit representing 10% of the purchase price, or such other deposit amount as the Receiver, in its sole discretion after consultation with WestLB, may agree in writing to accept.

Negotiations with Qualified Bidders & Selection of Winning Bid

- The Receiver will review binding offers submitted with WestLB. From the binding offers submitted, the Receiver, in consultation with WestLB, will identify a shortlist of Qualified Bidders with whom it will enter into negotiations and ultimately select the successful bidder, in consultation with WestLB and subject to Court approval.

Court Approval of Asset Purchase Agreement & Closing of Transaction

- Court approval of the sale is anticipated to occur on or about July 14, 2011 with closing to occur as soon as practical thereafter.

Miscellaneous

- The Receiver reserves the right to seek to clarify any offer received and the right to reject any or all of the offers received and to extend, abridge or suspend any of the timelines described herein, in consultation with WestLB. The Receiver will be entitled to seek advice and directions from the Court in respect of this Protocol and any steps taken hereunder.
- Court approval will be required in respect of any offer accepted and/or any proposed agreement or agreements completed. The Receiver shall not be required to accept the highest and/or best offers, or any offer, in respect of the Assets, but

shall be entitled to recommend to the Court a transaction that maximizes value for all stakeholders and minimizes closing risk.

Sales Process Protocol Outline and Timelines

Following are the anticipated timelines for the process described above.

Activity	Date
<i>Contact Potential Purchasers</i>	From and after Court Approval of Sales Process on or about May 6, 2011
Activity	Date
<i>Identify Qualified Bidders with Immediate Access to Data Room thereafter</i>	Week of May 9-13, 2011
Activity	Date
<i>Site Visits to be Arranged with Receiver/CBRE</i>	May 16-18, 24-26, 2011
Activity	Date
<i>Buyer Information Sessions</i>	June 1-2, 2011
Activity	Date
<i>Completion of Due Diligence and Submission of Binding Offers</i>	On or before 5:00 p.m. EST June 21, 2011
Activity	Date
<i>Determine Shortlist of Interested Parties for further Negotiation</i>	On or before June 24, 2011
Activity	Date
<i>Confirm Purchaser</i>	On or about June 30, 2011
Activity	Date
<i>Court Approval of Sale to Purchaser</i>	On or about July 14, 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.C. 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 V. THE ROSSEAU RESORT DEVELOPMENTS INC.

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Respondent

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

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