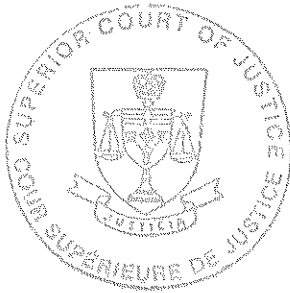


**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MR.)
)
JUSTICE CAMPBELL) FRIDAY, THE 12TH DAY
)
) OF NOVEMBER, 2010

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) authorizing and approving an increase to the Receiver's Borrowings as contemplated by paragraph 20 of the Amended and Restated Appointment Order dated June 2, 2009 (the "**Appointment Order**", as amended by Orders of the Court dated December 21, 2009 (the "**December 21 Order**") and April 15, 2010), by further amending the Appointment Order to provide for a third tranche of Receiver's Borrowings in the amount of \$8.7 million (the "**Third Tranche Receiver's Borrowings**") to be provided as a separate facility by WestLB AG, New York Branch on the terms substantially as set out in a term sheet (the "**Third Tranche Term Sheet**") attached as Appendix "F" to the Twelfth Report of the Receiver dated November 5, 2010 (the "**Twelfth Report**"), to be secured by the Receiver's Borrowings Charge (as defined in the Appointment Order);
- (c) providing that all Receiver's Certificates issued by the Receiver in respect of the Third Tranche Receiver's Borrowings under the Third Tranche Term Sheet shall rank subordinate to all Receiver's Certificates issued by the Receiver in connection with the Term Sheet (as defined in the Appointment Order), and shall rank in priority to all Receiver's Certificates issued by the Receiver in connection with the Second Tranche Term Sheet (as defined in the Appointment Order);
- (d) authorizing the distribution to WestLB AG, New York Branch of the sum of \$730,380.77 in repayment of the Receiver's Borrowings under the Term Sheet (as defined in the Appointment Order);
- (e) approving the Twelfth Report and the conduct and activities of the Receiver as described therein; and
- (f) 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 Twelfth Report, 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, no one else appearing,

1. **THIS COURT ORDERS** that service of the Notice of Motion and the Motion Record shall be and is hereby abridged and validated, if necessary, 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 that the Appointment Order is amended by deleting paragraph 20 and replacing it with the following:

“20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby authorized and empowered to: (a) borrow from the Lenders, such monies from time to time as it may consider necessary or desirable, in the amount and on the terms as set out in the Term Sheet provided to the Receiver by WestLB and/or WestLB AG, New York Branch dated May 15, 2009, substantially in the form attached as Exhibit “S” to the Dyck Affidavit (the “Term Sheet”), (b) borrow from WestLB AG, Toronto Branch and/or WestLB AG, New York Branch such monies from time to time as it may consider necessary or desirable, in the principal amount of \$7,500,000, on the terms as set out in a term sheet to be delivered, which will provide for a commitment fee of 4% and the same Prime rate of interest as in the Term Sheet plus 7% (the “Second Tranche Term Sheet”), and (c) borrow from WestLB AG, New York Branch such monies from time to time as it may consider necessary and desirable, in the principal amount of \$8,700,000, on the terms as set out in a term sheet attached as Appendix “F” to the Twelfth Report of the Receiver dated November 5, 2010, which will provide for the same Prime rate of interest as in the Term Sheet plus 7% (the “Third Tranche Term Sheet”), provided that the aggregate principal amount drawn pursuant to the Term Sheet, the Second Tranche Term Sheet and the Third Tranche Term Sheet does not exceed \$31,200,000 (or such greater amount as this Court may by further Order authorize), at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures (collectively, the “Receiver’s Borrowings”).

The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, construction liens, charges and encumbrances, statutory or otherwise in favour of any Person, but subordinate in priority to the Receiver's Charge. The Receiver is hereby authorized to execute and deliver such other commitment letters, fee letters, credit agreements, mortgages, charges, hypothecs and security documents as the Lenders and/or WestLB AG Toronto Branch and/or WestLB AG, New York Branch may require from time to time to carry into effect the terms of the Term Sheet and/or the Second Tranche Term Sheet and/or the Third Tranche Term Sheet."

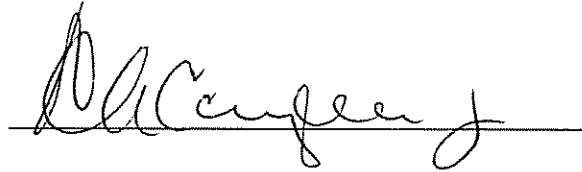
3. **THIS COURT ORDERS** that paragraph 25 of the Appointment Order is amended by deleting paragraph 25 and replacing it with the following:

"25. THIS COURT ORDERS that the Receiver is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the Lenders, WestLB AG, Toronto Branch and/or WestLB AG, New York Branch, under and pursuant to the Term Sheet, the Second Tranche Term Sheet, the Third Tranche Term Sheet and the Receiver's Certificates as and when the same become due and are to be performed."

4. **THIS COURT ORDERS** that notwithstanding paragraph 24 of the Appointment Order and paragraph 4 of the December 21 Order, all Receiver's Certificates issued by the Receiver in respect of the Third Tranche Term Sheet shall rank *pari passu* as among themselves, but shall rank in priority to those Receiver's Certificates issued in respect of the Second Tranche Term Sheet, and shall rank subordinate to all Receiver's Certificates issued by the Receiver in connection with the Term Sheet.

5. **THIS COURT ORDERS** that the distribution by the Receiver to WestLB AG, New York Branch of the sum of \$730,380.77 in repayment of Receiver's Borrowings under the Term Sheet is hereby authorized and approved.

6. **THIS COURT ORDERS** that the Twelfth Report and the conduct and activities of the Receiver to date described therein be and are hereby approved.

A handwritten signature in cursive script, appearing to read "J. McCauley", is written over a horizontal line.

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

NOV 12 2010

PER / PAR:

A small, stylized handwritten signature or mark.

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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ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

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