

Schedule “I”

SCHEDULE "I"

- 1.1 The Twelfth Report dated November 5, 2010 (the "**Twelfth Report**") provided a comprehensive summary of the Receiver's activities to the date of the filing of the Twelfth Report and was filed in support of the Receiver's motion for an order (a) approving additional Receiver's Borrowings to provide continued financing for the receivership proceedings through to an expected transaction to sell the Assets of RRDI in the spring of 2011 (the "**Third Tranche Receiver's Borrowings**"); (b) authorizing the distribution to WestLB AG, New York Branch of the sum of \$730,380.32 in partial repayment of the First Tranche of Receiver's Borrowings; and (c) approving the activities of the Receiver. On November 12, 2010, the Court issued an order (the "**November 12 Order**") granting the relief sought by the Receiver in the Twelfth Report.
- 1.2 On December 1, 2010, the Receiver filed its thirteenth report to Court (the "**Thirteenth Report**") in support of a motion for, among other things, an order requesting (a) approval of amounts determined by the Receiver in its capacity as trustee under the CLA for certain Construction Lien Claims filed by construction lien claimants (the "**Lien Claimants**") under the Construction Lien Claims Process Order dated July 24, 2009 (the "**Construction Lien Claims Process Order**") pursuant to notices of determination issued by the Construction Lien Trustee in accordance with the Construction Lien Claims Process Order (the "**Notices of Determination**"); (b) confirming the priority

of the Construction Lien Claims determined pursuant to the Notices of Determination over, among other things, all judgments, executions, assignments, attachments, garnishments, receiving orders, conveyances, mortgages/charges or other agreements affecting RRDI's interest in its premises in accordance with the provisions of the CLA including the charges registered in favour of WestLB, Travelers, and Fortress (if any) other than the Receiver's Charge and the Receiver's Borrowings Charge; and (c) approval of the activities of the Receiver.

- 1.3 On December 7, 2010, the Court issued an order (the "**December 7 Order**") granting the relief sought by the Receiver in the Thirteenth Report.
- 1.4 On December 13, 2010, the Receiver filed its fourteenth report (the "**Fourteenth Report**") with the Court in support of a motion by the Receiver for, among other things, authorization to pay to Fasken Martineau DuMoulin LLP ("**Faskens**") an amount in satisfaction of 60% of the amount invoiced by Faskens to Muskoka Standard Condominium Corporation No. 62 (the "**Condominium Corporation**") in respect of RRDI's share (in its capacity as 'owner' of 60% of the Units) of the legal fees and disbursements more particularly described in the Fourteenth Report.
- 1.5 On December 16, 2010, the Court issued an Order (the "**December 16 Order**") granting the relief sought by the Receiver in the Fourteenth Report.
- 1.6 On March 3, 2011, the receiver filed its Fifteenth Report to advise the Court with respect to recent negotiations that had taken place between WestLB and a third party purchaser related to Maureen Fowler, the spouse of Ken Fowler

(the “**Potential Purchaser**”) in respect of a proposed potential sale transaction (the “**Potential Transaction**”) and to seek an order, among other things, authorizing the Receiver to: (a) formally terminate the Institutional Sales Process previously suspended by order of the Court dated May 18, 2010; and (b) continue to participate in the negotiations with the Potential Purchaser to determine whether the Potential Transaction could be completed, subject to approval of the Court.

- 1.7 On March 4, 2011, the Receiver filed its sixteenth report (the “**Sixteenth Report**”) seeking advice and directions with respect to RRDI’s obligation to the Condominium Corporation with respect to condominium fees, and certain obligations of the Condominium Corporation to RRDI under various agreements. The hearing of that motion has been adjourned *sine die* by the Court as a result of discussions to resolve the issues raised therein, as outlined in more detail below.
- 1.8 On March 9, 2011, the Court issued the Order in the form requested by the Receiver in the Fifteenth Report (the “**March 9 Order**”).
- 1.9 On April 11, 2011, the Receiver filed its seventeenth report (the “**Seventeenth Report**”), seeking an order authorizing and directing the Receiver on behalf of RRDI to deliver a full and final release of any and all claims that RRDI may have or could have against certain lenders under the Credit Agreement dated as of February 1, 2007 (the “**Credit Agreement**”), authorizing and directing the Receiver on behalf of RRDI, *nunc pro tunc*, to consent to judgment as against RRDI for the obligations under the Credit Agreement and

approving a water supply agreement dated March 18, 2011 between 1515511 Ontario Inc. (“**The Rock**”) and RRDI, by its Receiver, and the execution and delivery thereof by the Receiver on behalf of RRDI.

- 1.10 On April 13, 2011, the Court issued the order requested by the Receiver (the “**April 13 Order**”).

APPENDIX “A”

Glossary of Defined Terms for Receiver's Eighteenth Report

<u>Term</u>	<u>Definition</u>
A&M	Alvarez & Marsal Canada ULC
Act	<i>Red Leaves Resort Association Act, 2006</i>
Ad Hoc Committee	The Ad Hoc Committee of Unit Owners, consisting of certain Unit Owners and Existing Unit Purchasers
Appointment Order	Amended and Restated Appointment Order issued June 2, 2009, as amended by Orders dated December 21, 2009 and April 15, 2010
Assets	All the property, assets and undertakings of The Rosseau Resort Developments Inc.
BIA	<i>Bankruptcy and Insolvency Act</i> (Canada)
Blakes	Blake, Cassels & Graydon LLP
CBRE	CB Richard Ellis Limited
CJA	<i>Courts of Justice Act</i> (Ontario)
CLA	<i>Construction Lien Act</i> (Ontario)
COA	The sewage treatment plant operates pursuant to Certificate of Approval No. 2176-74DPM9, issued by the Ministry of the Environment on July 20, 2007
Committee	Same as the Ad Hoc Committee
Company	The Rosseau Resort Developments Inc.
Condominium Corporation	The Muskoka Standard Condominium Corporation No. 62
Confidentiality Agreement	A non-disclosure agreement executed by potential bidders in order to become Qualified Bidders
Construction Lien Trustee	Alvarez & Marsal Canada ULC
Court	Ontario Superior Court of Justice
CRA	Conestoga-Rovers & Associates
December 7 Order	The Order issued by the Court on December 7, 2010
December 16 Order	The Order issued by the Court in December 16, 2010
December 21 Order	The Order issued by the Court on December 21, 2009
Development Lands	The undeveloped lands located adjacent to the Hotel on RRDI's property, principally along the waterfront and neighbouring The Rock Golf Course
Disputing Unit Owners	63 Unit Owners who delivered notices of dispute to the Receiver in respect of the RPMA Dispute

<u>Term</u>	<u>Definition</u>
District or District of Muskoka	The District Municipality of Muskoka Corporate and Emergency Services Department
Eighth Report	The Receiver's Eighth Report dated December 14, 2009
Eleventh Report	The Receiver's Eleventh Report dated May 12, 2010
Faskens	Fasken Martineau DuMoulin LLP
Fifteenth Report	The Receiver's Fifteenth Report dated March 3, 2011
FMC	Fraser Milner Casgrain LLP
Fourteenth Report	The Receiver's Fourteenth Report dated December 13, 2010
Hotel	221 unit condominium hotel complex located on the property owned by RRDI situated along the north-west end of Lake Rosseau in Muskoka, Ontario
Independent Directors	The independent directors of the Muskoka Standard Condominium Corporation No. 62
Initial Water Taking Permit	The water taking permit issued on September 21, 2001
Institutional Sales Process	The sales and marketing process for all of the Assets of RRDI on an en bloc basis, as conducted by Colliers
Introduction Letter	Letter submitted by potential bidders in order to become Qualified Bidders, describing: (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
Investment Overview	A brief investment overview letter that will describe the opportunity and set out key aspects of the Sales Process Protocol
July 8 Order	The Order dated July 8, 2009
KFE	Ken Fowler Enterprises Limited
Lender Syndicate	WestLB AG, New York Branch and CIT Financial Ltd.
Listing Agreement	An agreement between CBRE and the Receiver giving CBRE the right to offer the Assets for sale
March 9 Order	The Order of Mr. Justice Campbell dated March 9, 2011
Marriott Hotels	Marriott Hotels of Canada, Ltd.
May 19 Order	The Order of Madam Justice Pepall dated May 19, 2010

<u>Term</u>	<u>Definition</u>
McCarthys	McCarthy Tetrault LLP
Miller Thomson	Miller Thomson LLP
MOE	Ministry of the Environment
New RPMA	New forms of Rental Pool Management Agreements agreed upon by the Committee and RRDI, and approved by the Court
Ninth Report	The Receiver's Ninth Report dated April 9, 2010
Notices of Dispute	The notices delivered to the Receiver by the Disputing Unit Owners in connection with the RPMA Dispute
November 12 Order	The Order issued by the Court on November 12, 2009 granting the relief sought by the Receiver in the Twelfth Report
Outstanding Neighbouring Property Issues	The interaction and interconnectedness between RRDI and its neighbouring properties including matters concerning disputes over water and sewage infrastructure, certain development rights, and the Resort Association
Potential Purchaser	A third party purchaser related to Maureen Fowler, the spouse of Ken Fowler
Potential Transaction	A proposed potential sale transaction of the Assets of RRDI to the Potential Purchaser
Project	The development and construction of the Hotel and surrounding property, all of which is on the property owned by RRDI
Provincial Officer's Order	Consensual Order issued by the MOE on September 29, 2010 requiring RRDI to complete the Remediation Plan by January 31, 2011
Purchase Agreement	An agreement outlining the sale transaction of the Assets of RRDI to the Potential Purchaser, executed by the parties on March 18, 2011
Qualified Bidder	A potential bidder who is qualified by the Receiver, having executed the Confidentiality Agreement and completed an Introduction Letter
Receiver's Borrowings	Collectively, those receiver's borrowings authorized by the Appointment Order, including the First Tranche Receiver's Borrowings, Second Tranche Receiver's Borrowings and Third Tranche Receiver's Borrowings
Resort	Red Leaves Resort complex
Resort Association	The Red Leaves Resort Association
RPMA Dispute	A dispute commenced by the Disputing Unit Owners regarding the Receiver's interpretation of the New RPMA

<u>Term</u>	<u>Definition</u>
RPMA(s)	Rental Pool Management Agreement(s)
RRDI	The Rosseau Resort Developments Inc.
Sales Process	The process the Receiver intends to run in respect of selling the remaining Assets of RRDU in an <i>en bloc</i> basis
Sales Process Protocol	The procedure governing the Sales Process
Service List	List of all interested parties who are entitled to receive copies of all documents filed with the Court and have either served a Notice of Appearance or requested to be added to the Service List
STP	Sewage treatment plant
STP Lease	A lease agreement dated February 13, 2009, between RRDI, as tenant and Wallace Marine, as landlord, for a term of 21 years less a day in respect of the lands on which the sewage treatment plant is situated
Syndicate	The lender syndicate being WestLB AG, New York Branch and CIT Financial Ltd.
Tenth Report	The Receiver's Tenth Report dated April 19, 2010
The Rock	1515511 Ontario Inc. o/a The Rock Golf Club
Thirteenth Report	The Receiver's Thirteenth Report dated December 1, 2010
Township	The Township of Muskoka Lakes
Travelers	Travelers Guarantee Company of Canada
Twelfth Report	The Receiver's Twelfth Report dated November 5, 2010
Unit Owner Proposal	The proposal of the Independent Directors and the Ad Hoc Committee to acquire certain assets of RRDI, specifically the commercial property and operations of the Hotel and RRDI's interest in the Marriott Hotel Agreements and New RPMAs, and simplify the rental pool structure.
Unit Owners	Current owners of Units at the Hotel
Units	The 221 condominium units of the Hotel
Wallace Marine	Wallace Marine Limited
Water Supply Agreement	The Water Supply Agreement between RRDI by its Receiver and The Rock approved by Order of the Court dated April 13, 2011.
Water Taking Permit	Permit No. 0465-5ZTL4C, which provides RRDI with the authority to take water primarily from Lake Rosseau, governed by the Ontario <i>Water Resources Act</i>

<u>Term</u>	<u>Definition</u>
WestLB	WestLB AG, Toronto Branch or WestLB AG, New York Branch
WTP	Water treatment plant that is situated on RRDI's property

APPENDIX “B”

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

APPENDIX “C”



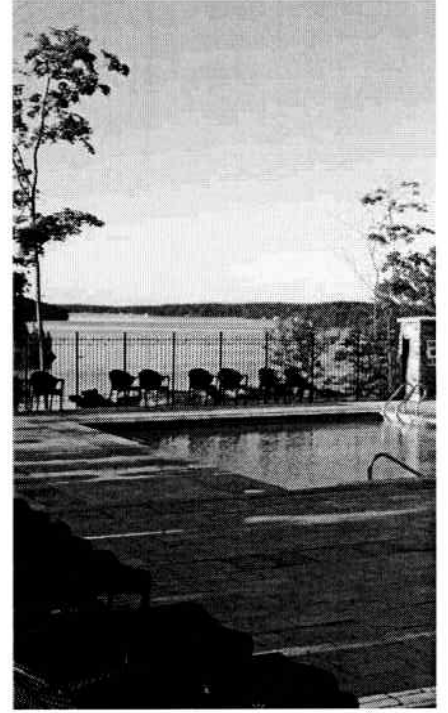
THE ROSSEAU® AT
RED LEAVES®



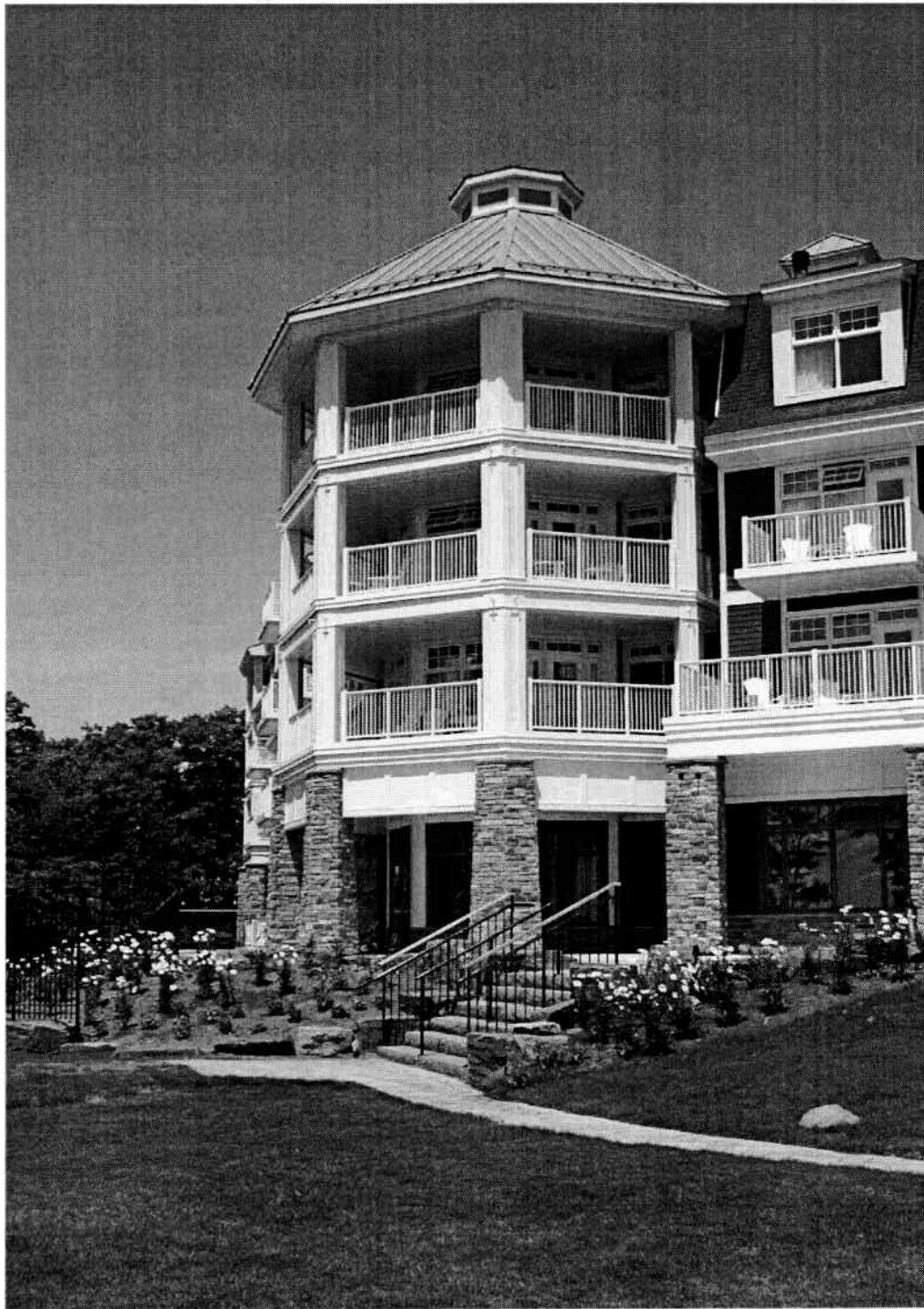
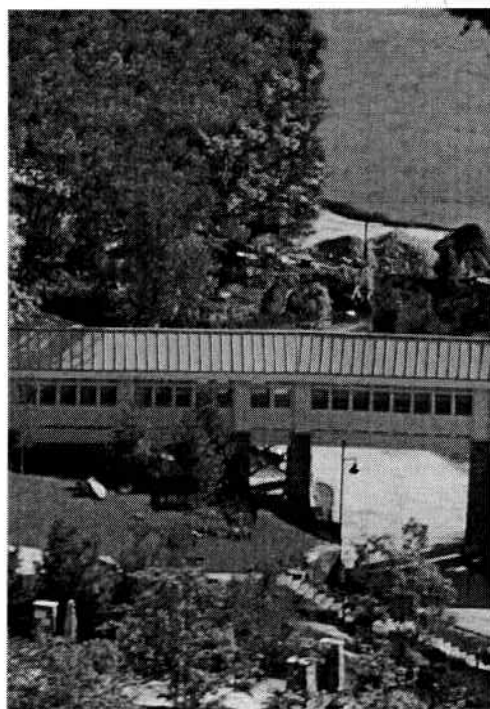
CBRE Hotels
CB RICHARD ELLIS

CBRE Hotels
145 King Street West, Suite 600
Toronto, ON | M5H 1J8
T 416 362 2244 | F 416 362 8085

Investment
Overview



INTRODUCTION





INTRODUCTION

FOREWARD

CBRE Hotels ("CBRE") is pleased to offer for sale The Rosseau at Red Leaves (the "Resort"), a luxurious four-season resort situated on granite bluffs overlooking Lake Rosseau in the heart of Muskoka, Ontario's most prestigious and exclusive resort region.

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" or "Offering") of The Rosseau Resort Developments Inc. ("RRDI"). RRDI owns and developed the Resort.

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").

By order dated May 4, 2011, the Court authorized the Receiver to undertake a process for the purpose of offering for sale and selling the remaining Assets of RRDI on an en bloc or other basis (the "Sales Process").

THE OFFERING

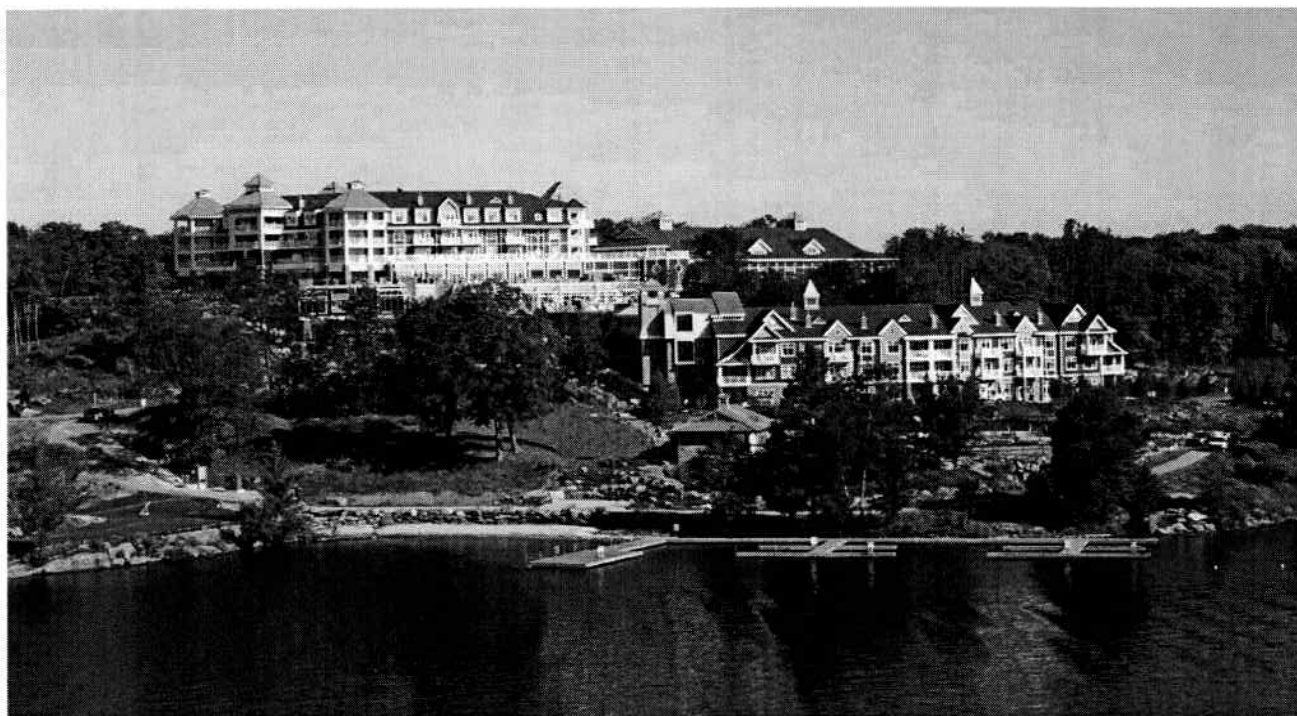
The Assets offered for sale are inclusive of the following components:

- 132 unsold hotel condominium units, together with the hotel management unit;
- the commercial assets and any net income generated from said assets, including four food and beverage operations, Spa Rosseau, a conference centre, administrative areas and corridors, a water treatment facility (on owned land) and a sewage treatment facility (on leased land);
- the assignment of RRDI's rights under certain rental pool management agreements (the "RPMAs") with 89 existing unit owners and the assumption of the obligations of RRDI, as Rental Pool Manager (the "Rental Pool Manager"), pursuant to the RPMAs;
- the right, title and interest of RRDI in the "Red Leaves" and "The Rosseau" trademarks, among other trademarks;
- approximately 19 acres (7.7 hectares) of development lands, plus a small parcel used for hotel signage and another parcel on the east side of Paignton House Road;
- subject to the approval of the hotel manager, the right to an assignment of a hotel management agreement and ancillary agreements with Marriott Hotels of Canada Ltd. ("Marriott") and affiliated companies for the management of the Resort as a JW Marriott Resort & Spa;
- the benefit of certain agreements that have been negotiated by RRDI with neighbouring landowners, including certain access rights; and
- the benefit of certain pre-negotiated arrangements to implement a restructuring of the rental pool management system and the Resort condominium corporation, which arrangements may be adopted by the ultimate purchaser.

SALES PROCESS

This Investment Overview (the "Overview") is being provided by CBRE with the sole intent to give interested parties summary information from which to provide a letter of introduction (the "Introduction Letter") to the Receiver that describes:

- The potential bidder and its business and industry experience;
- The potential bidder's financial wherewithal or ability to obtain financing to complete the transaction; and
- 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 participant.



INTRODUCTION

The information contained in the Introduction Letter must be acceptable to the Receiver in its sole discretion and be accompanied by the Receiver's form of an executed Confidentiality Agreement (the "CA") prior to a potential bidder being qualified by the Receiver as a Qualified Bidder. An Introduction Letter submitted by a person acting as agent for an undisclosed principal will not be accepted by the Receiver.

Upon a review of the Introduction Letters submitted, the Receiver will identify those who have demonstrated an interest and ability to consummate a transaction, and who will be invited to participate in the next phase of due diligence. The Receiver's assessment will be based on the information submitted by the potential bidders and such other selection criteria as the Receiver may develop, in its discretion.

Qualified Bidders will be provided with access to the electronic data room (the "Data Room") for due diligence purposes. In addition, Qualified Bidders will be provided with a template form of agreement of purchase and sale (the "Template APA"). The Receiver will require Qualified Bidders to conform any offer to purchase the Assets to the Template APA. Any information related to the Assets which has been or will be obtained from CBRE or the Receiver or any other person, including, without limitation, all information provided in the Data Room, has been prepared and provided solely for the convenience of the Qualified Bidder. Neither CBRE, nor the Receiver, makes any representation or warranty that such information is accurate or complete. Such information shall not form part of the terms of any agreement of purchase and sale unless otherwise specifically agreed to by the Receiver in a final, definitive and executed agreement to purchase the Assets.

Site visits and information presentations regarding the acquisition opportunity will be solely coordinated by CBRE and the Receiver, and Qualified Bidders may not contact the Resort or any of its employees directly. From the binding offers submitted, the Receiver will identify a shortlist of Qualified Bidders with whom it will enter into negotiations and ultimately select the successful bidder, subject to Court approval.

Interested Qualified Bidders are invited to submit binding offers in the form of the Template APA. Offers will be evaluated based on a number of subjective factors, including the demonstrated wherewithal of the purchaser and the ability to pay cash or secure third party financing, the consideration being offered and strength of deposits, conditions, timing of closing and any other matters deemed relevant by CBRE, the Receiver or the Court. 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 process or timelines described herein and detailed below. The Receiver will be entitled to seek advice and directions from the Court in respect of the Sales Process and any steps taken thereunder.

Court approval will be required in respect of any finalized agreement of purchase and sale with the successful bidder. 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.



TIMELINE

Below is the summary timeline of the Sales Process that may at the sole discretion of the Receiver be amended as required.

SALES PROCESS TIMELINE	
PROCESS PHASE	TIMING
Submission of CA and Introduction Letter	Commencing May 6th
Data Room Access for Qualified Bidders	Commencing May 9th
Site Visits	May 16th - 18th and 24th - 26th
Buyer Information Sessions via Conference Call	June 1st and 2nd (times to be determined)
Submission of Binding Offers	June 21st (submission must be received by 5:00 p.m. EST)
Shortlist of Qualified Bidders	On or before June 24th
Confirm Purchaser	On or about June 30th

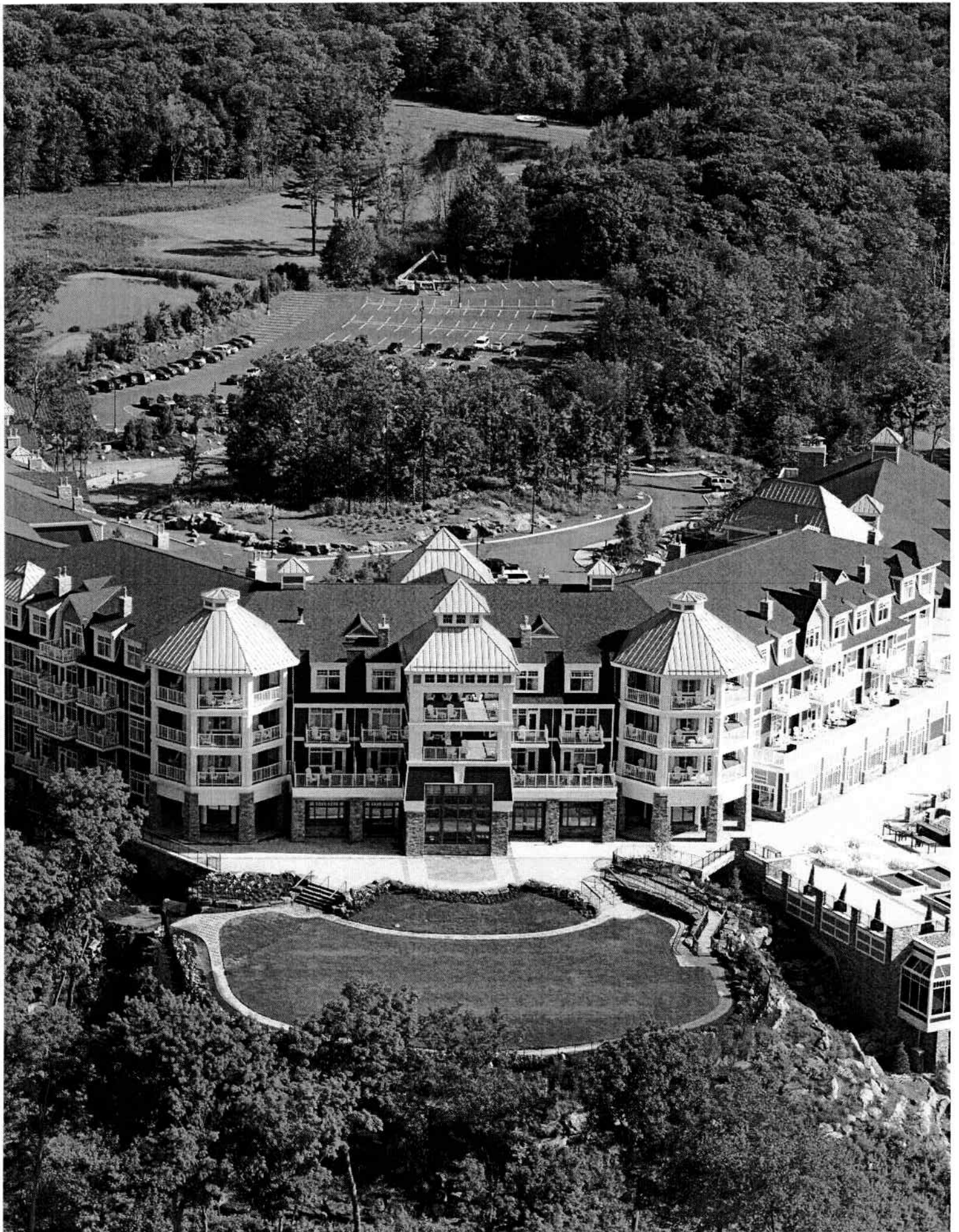
The CBRE Hotels team would be pleased to address any questions regarding the Assets or the Sales Process, or to coordinate a formal tour of the Resort. All enquiries should be directed to the team members identified below:

BILL STONE **
bill.stone@cbre.com
416 815 2371

DEBORAH BOROTSIK *
deborah.borotsik@cbre.com
416 815 2347

MARK SPARROW *
mark.sparrow@cbre.com
416 815 2343

* Sales Representative / ** Broker





EXECUTIVE HIGHLIGHTS

The Rosseau at Red Leaves is Muskoka's foremost luxury resort, capitalizing on an irreplaceable Lake Rosseau setting with breathtaking sightlines, exquisite finishings and furnishings, and a complement of amenities that extends the Resort's year round programming. The Resort offers a variety of guest room and suite types, varied food and beverage options, conference and meeting rooms with state-of-the-art technology, spa facilities, indoor and outdoor recreation programming, private beach and a boat dock area.

The main resort building, Longview, opened in December 2008, and was followed by the full opening of the resort complex in August 2009. A new owner has the operational flexibility to retain existing brand and management, or acquire the Resort unencumbered by brand or management.

This Offering presents considerable scope for a new owner to gain an immediate presence in one of Canada's finest resort destination markets and offers considerable upside as this newly built resort has yet to reach stabilized operating levels and has significant development potential to allow for future expansion and evolution of facility programming.

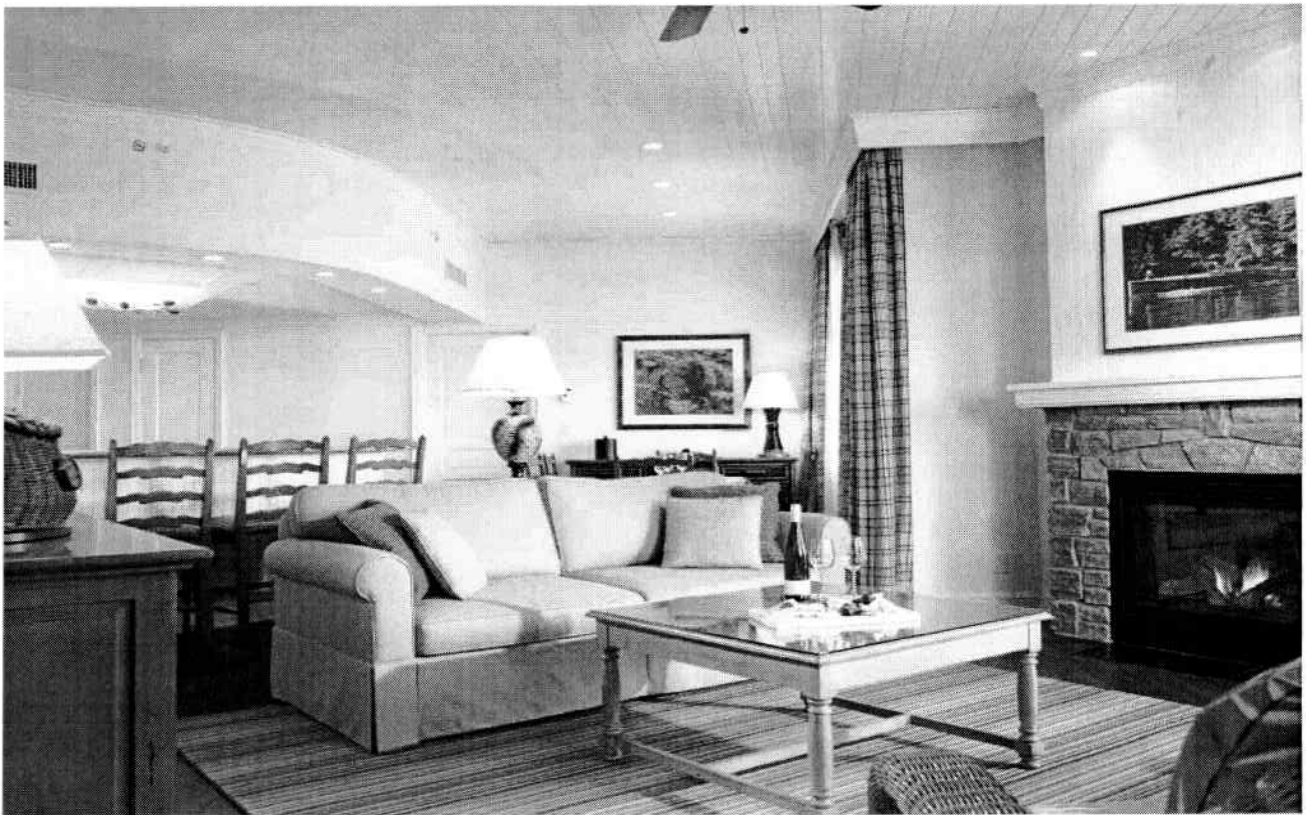
The Rosseau has 221 units (the "Units") and is structured as a mixed-use condominium hotel. 132 Units remain unsold providing a new owner the opportunity to continue including these Units in the daily available room inventory to maximize hotel operations in the near term, while formulating a future sales strategy to realize on the underlying value of this prime real estate. 89 Units have been previously sold and are each subject to an RPMA which requires that those sold Units be included in the Resort's rental pool and included in the daily available room inventory for, at a minimum, 43 weeks of the year.

The Resort is situated within a 1,400 acre (570 hectares) master planned resort community known as Red Leaves, that currently includes a championship golf course known as The Rock, a 700 acre (280 hectare) protected nature reserve, Wallace Marina and Cleveland's House. These assets are not part of this Offering and are in no way involved in the receivership proceedings.



PROPERTY OVERVIEW





PROPERTY OVERVIEW

The following provides a brief overview of the key physical elements of the Resort, including its site and facility programming.

SITE

The Resort is situated on a site approximately 40 acres (16.2 hectares) in size, with frontage on Lake Rosseau. Included in this Offering are approximately 21 acres (8.5 hectares) of additional development lands located along the waterfront and close to The Rock Golf Course, plus two additional small parcels. The sewage treatment plant is situated on lands leased from Wallace Marine Limited, pursuant to a lease having a term, including renewals, of 41 years, and enjoys the benefit of certain easements in perpetuity. The lease is in good standing and assignable to a new purchaser.

Information pertaining to the Site's legal description, encumbrances, easements, reciprocal uses, zoning and site servicing will be made available to Qualified Bidders in the Data Room.

FACILITY PROGRAMMING

Units

The Rosseau is a condominium hotel reminiscent of grand Muskoka architecture. The Resort design includes two distinct lodging buildings connected via an elevated, enclosed bridge. Longview is the main resort building with 178 Units and most of the guest facilities, while Paignton House is a smaller, more intimate complex with 43 Units. Of these, there are 127 studios, 84 one-bedroom suites and 10 two-bedroom suites. Currently, 89 Units are owned by individual unit owners ("Unit Owners") who are bound by an RPMA. The remaining 132 Units are included as part of this Offering and are comprised of 70 studios, 57 one-bedroom suites (inclusive of nine Units with a den) and five two-bedroom suites.

UNIT MIX BY TYPE			
UNIT TYPE	LONGVIEW	PAIGNTON	TOTAL
Studio			
Heritage Suite North	59	7	65
Heritage Suite South	53	9	62
Subtotal	11	16	127
One-Bedroom			
Muskoka Suite North	17	9	26
Muskoka Suite South	29	6	35
Premium Muskoka Suite North	7	3	10
Premium Muskoka Suite South	7	6	13
Subtotal	60	24	84
Two-Bedroom			
Signature Suite South	6	3	9
Penthouse Suite South	1	0	1
Subtotal	7	3	10
TOTAL	178	43	221

Studio units average 460 SF (43 SM), while one bedroom suites are larger at 775 SF (72 SM). Two bedroom suites are considerably more spacious at between 1,200 SF and 1,420 SF (111 SM to 132 SM). All Units feature a king or queen bed, oak plank flooring and traditional wood paneled ceilings, gas-fired stone fireplace, flat screen television(s) with the ability to connect a computer or ipod, granite kitchen and bathroom countertops, fully equipped galley or full kitchen, large closets, oversized five-piece marble bathroom(s), in-room safe and ceiling fan. Unique in-room technology includes front desk capabilities to control the fireplace and lighting settings in individual Units, as well as an in-room light sensor and wireless Internet.

Food & Beverage

All day dining and room service is offered by Cottages, a casual restaurant overlooking Lake Rosseau. The restaurant has 140 indoor seats and a spacious terrace providing 410 seasonal outdoor seats. The Resort's signature dining room is Teca Restaurant, a 68-seat, award winning, Italian restaurant that provides dinner service and features a signature woodstone oven and extensive wine selection. Lakes Lobby Lounge is a gathering place for guests as it is situated just off the main lobby and extends its service through to the Great Room, Muskoka Room and Library. The lounge has 101 indoor seats with additional seating available on the outdoor terrace. The Deck is a seasonal poolside bar and grill situated conveniently between Paignton House and Lake Rosseau.



PROPERTY OVERVIEW

Meeting & Conference Space

The Resort has approximately 13,800 SF (1,280 SM) of meeting space, including the 6,380 SF (590 SM) 'The Rosseau' Ballroom that can accommodate a conference or dinner for up to 500 people. There are six additional meeting rooms on the Terrace level with a patio walk out overlooking Lake Rosseau and the state-of-the-art Minett Boardroom with seating for 16 people. As well, The Great Lawn and the Rooftop Terrace are stunning areas for outdoor weddings and events.

Spa Rosseau

Spa Rosseau, located within Longview, is a full-service spa providing massage, body treatments and facials. It also has a hair salon and retail shop. It comprises about 13,800 SF (1,280 SM) of space over two levels and includes 11 treatment rooms, three relaxation lounges with views of Lake Rosseau, locker rooms, outdoor pool, whirlpools overlooking Lake Rosseau, private couples-only room with relaxation lounge, aroma-infused steam room and sauna.

Fitness Centre

The fitness centre is located adjacent to Spa Rosseau and the indoor-outdoor swimming pool, and offers Life Fitness cardio equipment with personal televisions, five treadmills, three elliptical trainers, free weights and a variety of other equipment for strength, cardio and balance training.

Swimming Pools & Hot Tubs

There are three dedicated swimming areas that include a total of four pools and three hot tubs. Longview has an indoor/outdoor year-round pool and hot tub overlooking Lake Rosseau. Paignton House has a seasonal outdoor pool with a children's wading pool and hot tub. Spa Rosseau has an outdoor pool for the exclusive use of spa guests along with two indoor whirlpool tubs overlooking Lake Rosseau.

Country Market

The Country Market is stocked with travel essentials, gifts, light meals and refreshments, including Starbucks Coffee. It is located within Longview adjacent to the Library and open daily.

Private Beach and Docks

There are two private sandy beaches and three docks that have slips for up to 20 boats.

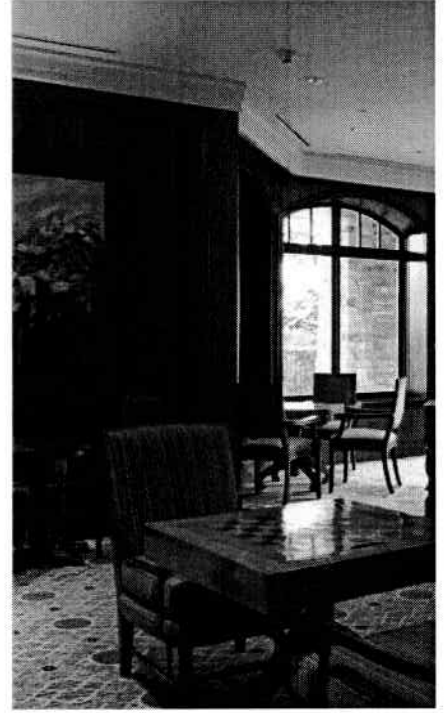
Parking

There is a single level underground parking garage for 52 vehicles and surface parking for 395 vehicles surrounding both Longview and Paignton House. Outdoor parking is complimentary, while garage parking is reserved for valet parking which is fee based.

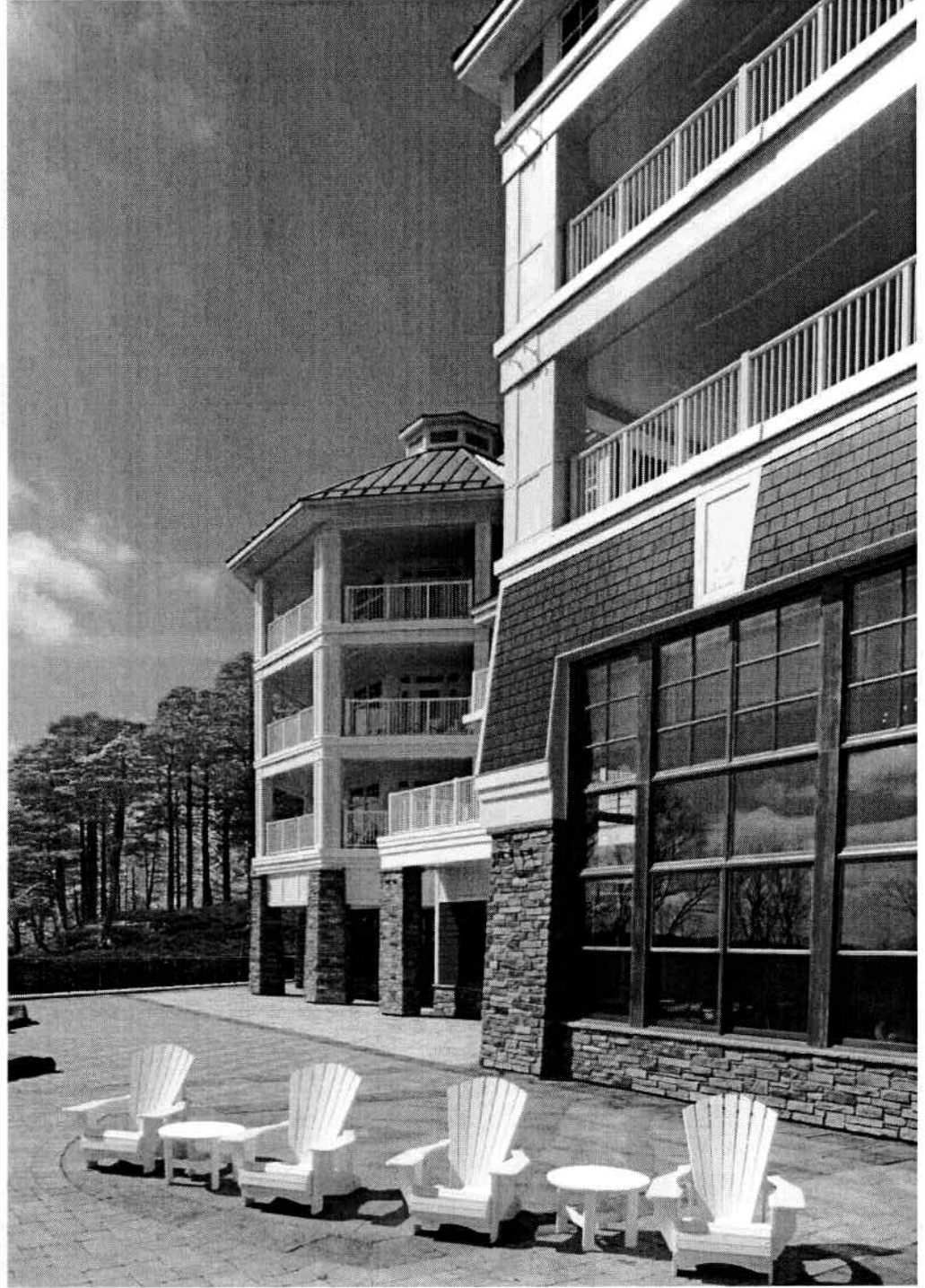
Guest Services

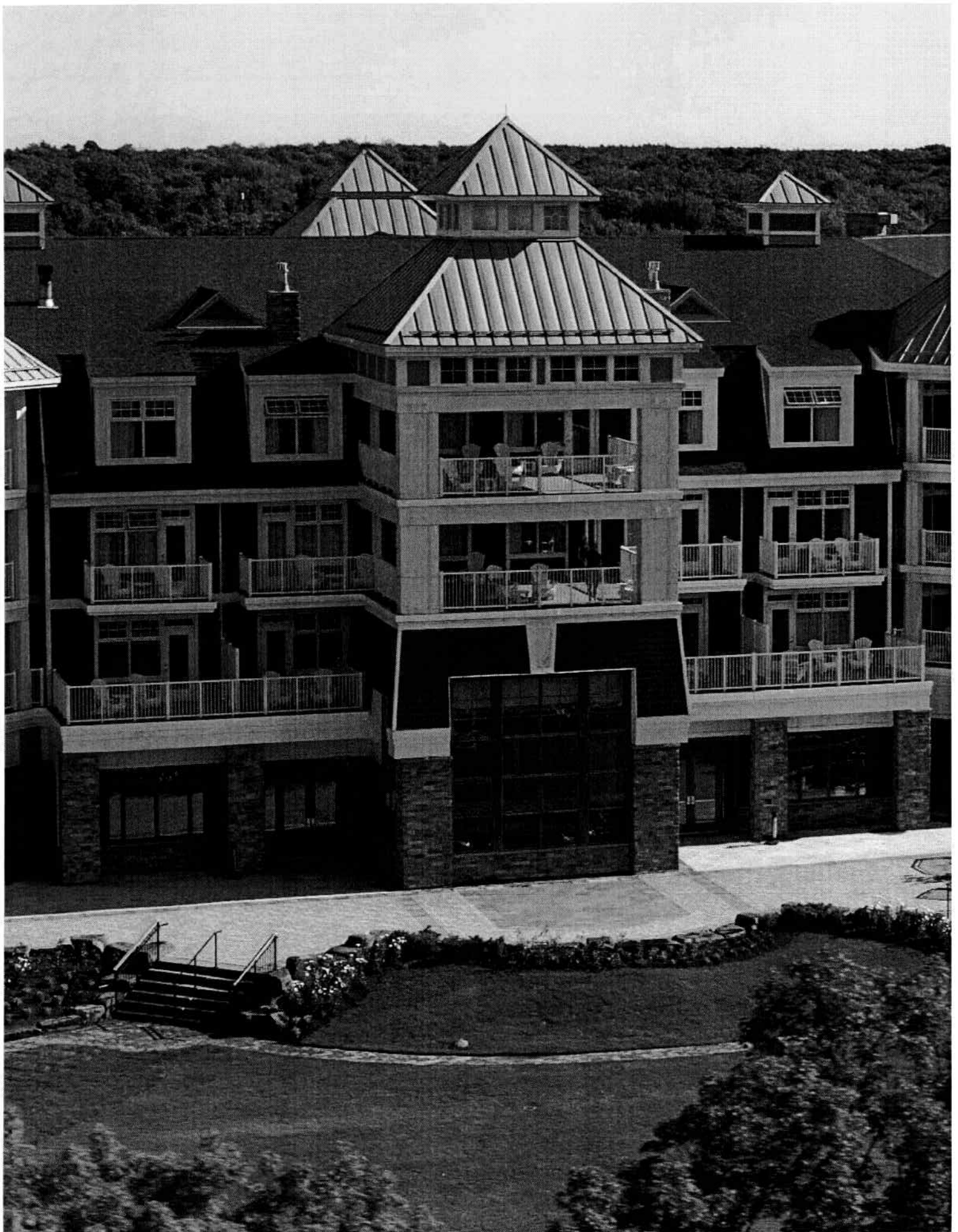
Additional guest services, typical of a luxury establishment, include:

- 24 hour business centre
- Concierge desk
- Laundry, valet and dry-cleaning service
- Wireless Internet throughout Resort



OPERATIONS





OPERATIONS

The following provides a brief overview of significant elements of the Resort operations to provide potential bidders with a basic framework for understanding the operating structure. This is not meant to be an exhaustive list of all agreements and arrangements in place. Qualified Bidders will have the opportunity to review full documentation in the Data Room and participate in Buyer Information Sessions conducted by CBRE, the Receiver and their advisors for greater clarity.

MANAGEMENT

The Resort is presently managed by Marriott. However the Resort may be acquired unencumbered by brand and management.

RENTAL POOL

All Units are required to be part of a formal rental pool that provides lodging to the travelling public, and are subject to an RPMA that places certain restrictions on the personal use of each Unit. RRD1 is the Rental Pool Manager and has presently delegated most of its responsibilities as Rental Pool Manager to Marriott. Pursuant to the RPMA, all Units are required to be available for use by the travelling public for a minimum of 43 weeks per year.

CONDOMINIUM AGREEMENT

All Unit Owners are bound by the Condominium Declaration for Muskoka Standard Condominium Corporation No. 62 made pursuant to the Condominium Act, 1998, and part of the Resort forms part of Muskoka Standard Condominium Plan No. 62.

RESORT ASSOCIATION

A Resort Association was established pursuant to the Red Leaves Resort Association Act, 2006 (Ontario) that mandates that all entities with a real property interest in the lands covered by such Resort Association Act be a member of the Resort Association.





DISCLAIMER

This Overview is being delivered to the potential bidder (the "Recipient") to assist in deciding whether the Recipient wishes to enter the Sales Process. This Overview does not purport to be all-inclusive or to contain all the information that the Recipient may require in deciding whether or not to submit an Introduction Letter. This Overview is for information and discussion purposes only and does not constitute an offer to sell or the solicitation of any offer to buy or invest. The Overview provides selective information relating to certain physical, location, operational and financial characteristics of the Assets.

The information on which this Overview is based has been obtained from various sources considered reliable. Neither CBRE, nor the Receiver, makes, nor will make any representations, declarations, warranties, promises or agreements, express or implied, with respect to or in any way connected with the Assets including without limitation, the title, merchantability, description, fitness for purpose, state, quality, quantity, condition, environmental status nor the existence of any work orders or deficiency notices affecting the Assets nor any other matter or thing regarding the Assets.

The Assets will be sold on an "**as is, where is**" basis. The Recipient is solely responsible for inspecting the Assets and satisfying itself as to title to any of the Assets it is offering to purchase. Further, it is the Recipient's responsibility to conduct its own independent investigation and verification of the information provided herein, and should seek legal, accounting, tax and engineering advice as necessary.

In no event shall any Recipient or any of its agents or contractors contact any governmental authorities concerning the Assets, or make any physical inspection or testing of the Assets, without the prior written consent of CBRE and the Receiver.

Any compliance with the Competition Act shall be the sole responsibility of the successful purchaser of the Resort. The successful purchaser shall seek any clearances required under the Competition Act pertaining to the investment in the Assets, at its sole expense. CBRE and the Receiver and their respective affiliates and advisers shall be indemnified by the successful purchaser against any compliance or costs associated with the Competition Act.

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FOR MORE INFORMATION PLEASE CONTACT:

CBRE | Hotels
CB RICHARD ELLIS

CBRE Hotels
145 King Street West, Suite 600
Toronto, ON | M5H 1J8
T 416 362 2244 | F 416 362 8085

BILL STONE **
bill.stone@cbre.com
416 815 2371

DEBORAH BOROTSIK *
deborah.borotsik@cbre.com
416 815 2347

MARK SPARROW *
mark.sparrow@cbre.com
416 815 2343

* Sales Representative
** Broker