

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**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, 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

**SUPPLEMENTARY REPORT TO THE TWENTY-FIRST REPORT OF
ALVAREZ & MARSAL CANADA ULC,
AS RECEIVER AND MANAGER AND CONSTRUCTION LIEN ACT TRUSTEE
AND
ALVAREZ & MARSAL CANADA INC., AS INTERIM RECEIVER
OF THE ASSETS OF THE ROSSEAU RESORT DEVELOPMENTS INC.**

JULY 19, 2011

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Appendix “A” – Questions posed by Ad Hoc Committee and Responses by the Receiver and Canadian Niagara

1.0 Introduction and Summary of Proceedings to Date¹

- 1.1 On May 22, 2009, the Ontario Superior Court of Justice (the “**Court**”) issued an order appointing Alvarez & Marsal Canada ULC (“**A&M**”) and McIntosh & Morawetz Inc. (now Alvarez & Marsal Canada Inc.) as trustee and interim receiver, respectively (collectively 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 Interim Receiver and appointing A&M as receiver and manager (the “**Receiver and Manager**”) pursuant to Section 101 of the *Courts of Justice Act* (Ontario) and pursuant to the CLA of the Assets of RRDI (the Interim Receiver and the Receiver and Manager are collectively defined as the “**Receiver**”).
- 1.2 To date, the Receiver has filed twenty-one reports with this Court. All background materials in respect of these proceedings, including, among other things, the Receiver’s past reports to Court and orders of the Court, can be found on the Receiver’s website at www.alvarezandmarsal.com/rosseau.

¹ Capitalized terms in this Supplementary Report not otherwise defined herein shall have the meanings ascribed to them in the body of the Twenty-First Report and in the Glossary of Defined Terms attached as Appendix “A” to the Twenty-First Report.

- 1.3 This report (the “**Supplementary Report**” or the “**Report**”) is made supplementary to the Twenty-First Report (the “**Twenty-First Report**”) of the Receiver dated July 11, 2011.

2.0 *Terms of Reference*

2.1 In preparing this Report, the Receiver has relied on unaudited financial information prepared by the Company and the Company's consultants and advisors, the Company's books and records and discussions with certain remaining employees of the Company. The Receiver has not performed an audit or other verification of such information. An examination of the Company's financial forecasts as outlined in the Canadian Institute of Chartered Accountants Handbook has not been performed. Future oriented financial information relied on in this Report is based on assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Receiver expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report, or relied upon by the Receiver in preparing the Report. All references to dollar figures contained in the Report are in Canadian currency unless otherwise specified.

3.0 *Consent of WestLB*

3.1 Paragraph 3.16 of the Twenty-First Report reported that the Purchase Agreement was conditional on the consent of WestLB. On July 18, 2011, WestLB advised the Receiver that it consented to the Receiver's sale to Canadian Niagara, satisfying that condition of the Purchase Agreement.

4.0 *Communications with Ad Hoc Committee of Unit Owners*

- 4.1 The Receiver notified the service list of the proposed sale to Canadian Niagara by letter from Blakes dated July 8, 2011.
- 4.2 In the evening of July 8, 2011, after delivery of the letter to the service list, the Receiver received the email from Gordon Jacobs, on behalf of the Ad Hoc Committee, that is attached as Appendix “C” to the Twenty-First Report.
- 4.3 In that email, Mr. Jacobs stated that “we will oppose any transaction that retains Marriott under the present HMA”. The Twenty-First Report states that the Ad Hoc Committee had advised the Receiver that they would oppose “a sale to a purchaser who assumes Marriott.”
- 4.4 By email dated July 14, 2011 to the Receiver, Mr. Jacobs asked that the Receiver clarify the position of the Ad Hoc Committee as set out in the Twenty-First Report, as they did not view the Receiver’s language as correctly representing their position. As requested by Mr. Jacobs, the Receiver therefore wishes to clarify in this Supplementary Report that the Ad Hoc Committee advised the Receiver that it opposed “any transaction that retains Marriott under the existing HMA” as stated in the email attached as Appendix “C” to the Twenty-First Report.
- 4.5 The Receiver and its legal counsel had a conference call with Mr. Jacobs on Wednesday July 13, 2011 in which the sale transaction with Canadian Niagara was discussed. Among other things, Mr. Jacobs advised the Receiver that the

Ad Hoc Committee had questions regarding the transaction with Canadian Niagara and the latter's future plans for the Hotel subsequent to Closing.

- 4.6 The Receiver spoke to representatives of Canadian Niagara and arranged a meeting between Canadian Niagara and its legal counsel, the Receiver and its legal counsel, and representatives of the Ad Hoc Committee, for Monday, July 18, 2011. The Ad Hoc Committee was invited to, but ultimately declined to bring legal counsel to the meeting.
- 4.7 In the meantime, the Receiver asked Mr. Jacobs to forward to the Receiver in writing the Ad Hoc Committee's questions relating to the proposed transaction with Canadian Niagara, so that such questions could be responded to in advance of the meeting.
- 4.8 Following receipt of the questions of the Ad Hoc Committee in the evening of July 13, 2011, the Receiver's legal counsel forwarded a copy of the questions to Canadian Niagara on July 14, 2011.
- 4.9 The Receiver and Canadian Niagara agreed to answer all of the questions to the extent possible, notwithstanding that, on review, most of the questions were not relevant to the motion for sale approval on July 21, 2011, as they related to the future plans of Canadian Niagara.
- 4.10 The Receiver and Canadian Niagara prepared answers to those questions that were relevant to each of them, and the consolidated answers were forwarded to Mr. Jacobs on the evening of July 17, 2011. Attached hereto as Appendix "A" is a copy of the questions posed and answers given.

4.11 On Monday, July 18, 2011, the Receiver, its legal counsel and its independent legal counsel, a representative of Canadian Niagara and its legal counsel, met with four members of the Ad Hoc Committee, two of whom, Mr. Jacobs and Mr. Klassen, are the Independent Directors of the Condominium Corporation. At that meeting, among the matters discussed, the members of the Ad Hoc Committee advised the Receiver and Canadian Niagara that the Ad Hoc Committee would not oppose the sale to Canadian Niagara at the hearing on July 21, 2011.

5.0 Timeline for Closing of Transaction

- 5.1 The closing date as set out in the Purchase Agreement is the thirty-first day after the issuance of the Approval and Vesting Order, unless the parties agree otherwise. The intention of this provision is to ensure that the appeal period for an appeal to the Ontario Court of Appeal expires prior to closing, unless the condition is waived and the parties close earlier.
- 5.2 Taking weekends into account, if the Approval and Vesting Order is granted on July 21, 2011, the appeal period will expire on Monday, August 22, 2011. However, the closing date would also fall on Monday, August 22, 2011, with the result that Canadian Niagara would be required to close, under the terms of the Purchase Agreement, prior to the expiry of the appeal period, rather than after. The parties have agreed, as a result, to a revised closing date of the thirty-third day after the issuance of the Approval and Vesting Order, which, assuming such order is issued on July 21, 2011, would result in a closing date of August 23, 2011.
- 5.3 The outside closing date of the transaction is stated in the Purchase Agreement to be October 10, 2011. As this date is Thanksgiving Monday, the parties have also agreed to extend the outside closing date to October 11, 2011, but do not wish to delay closing after August 23, 2011 unless necessary to address an appeal on an expedited basis. At present, the Receiver does not anticipate any opposition to the proposed transaction.
- 5.4 Due to the complexity of the contemplated transaction related to the Marriott arrangements, and any possible appeal, it is critical that the Receiver obtain

Court approval of the transaction on July 21, 2011, as scheduled, in order to be in a position to close the sale in accordance with the timeline set out above.

6.0 *Miscellaneous*

- 6.1 The Purchase Agreement provides that Canadian Niagara is required to advise the Receiver at least four business days prior to the hearing of this motion whether the existing contracts between RRDI and Sparling's Propane and RRDI and StaffRes are to be assumed by the Purchaser.
- 6.2 The Receiver was advised on July 15, 2011 that Canadian Niagara will not be assuming the StaffRes agreements. This has been communicated to StaffRes.
- 6.3 At the Purchaser's request, the Receiver has agreed to extend the deadline with respect to contracts with Sparling's Propane to August 5, 2011.

7.0 Conclusion

- 7.1 Based on the foregoing, the Receiver seeks orders approving the sale to Canadian Niagara substantially on the terms as filed with the Twenty-First Report, and seeks the Court's approval of its activities as set out herein.

* * *

All of which is respectfully submitted, this 19th day of July, 2011.

**ALVAREZ & MARSAL CANADA ULC &
ALVAREZ & MARSAL CANADA INC. IN THEIR CAPACITIES AS
CONSTRUCTION LIEN ACT TRUSTEE AND RECEIVER AND MANAGER,
AND INTERIM RECEIVER, RESPECTIVELY, OF THE ASSETS OF
THE ROSSEAU RESORT DEVELOPMENTS INC.**

Per: 
Richard A. Morawetz

APPENDIX “A”
to the Supplementary Report
to the Twenty-First Report

Gordon:

We have reproduced below the questions which you submitted to the Receiver, and have inserted responses after each question. Each response indicates whether it has been provided by the Receiver, or by Canadian Niagara Hotels ("CNH").

Most of your questions and the responses thereto are not relevant to the issues to be determined by the Court on the July 21 motion for approval of the sale of assets to CNH. Many of your questions are directed towards CNH's future plans with the property, which CNH is continuing to formulate, and has no obligation to disclose at this time. However, without acknowledging the relevance of any of your questions below, but in order to facilitate communications, the following responses are provided:

1. When does CNH's ten day rescission period expire under the Condominium Act in order to rescind the APA?

Receiver: The rescission period expired on July 14, 2011. CNH has not delivered a notice of rescission.

2. Marriott is giving you Notice of Termination of the HMA under section 17 of the January 10, 2010 Side Letter Agreement on July 18/11. Will that termination be effective before your Closing Date on or about August 21/11 or thereafter, and will the replacement Marriott franchise agreement commence immediately upon the effective termination of the existing HMA so that there is a seamless transition in the hotel. Will the successor Hotel Operator be an affiliate of CNH or of Marriott or please identify otherwise.

Purchaser: The Effective Marriott Termination Date is October 12, 2011. We anticipate that the closing will take place prior to the Effective Marriott Termination Date. We will of course abide by the provisions of the RPMA in selecting the successor Hotel Operator. It is not our current intention to have Marriott or an affiliate of Marriott as the successor Hotel Operator.

3. What hotel brand/affiliation/logos/signage/exchange programs/loyalty programs will be used?

Purchaser: Our current preference is to continue with a full service Marriott Hotel.

4. Since CNH may be selling its 132 units at some point in the future, it is important that flexible and cost-effective termination provisions be included in the replacement Marriott franchise agreement now to avoid

termination problems in the future. We would not want to see a repeat of the termination problems that have plagued your various sales processes.

Purchaser: We have substantial experience in the negotiation of Franchise Agreements. Notwithstanding, we will take your point under advisement.

5. We will need details of the agreements between CNH and such successor Hotel Operator since such details will ultimately be brought into amended RPMA's. We will certainly provide confidentiality agreements therefore in accordance with Section 5.1(12) of the RPMA.

Purchaser: Again, we will of course abide by the provisions of the RPMA in respect of the appointment of the successor Hotel Operator.

6. Has CNH considered the sale of the commercial assets of the Hotel to the Resort Corporation as was contemplated previously by the receiver and seen favourably by him to the Court so as to integrate the ownership of the commercial assets of the Hotel with the residential assets of the Hotel to eliminate further disputes over cost allocations and other conflicts that could arise therefrom?

Purchaser: We are acquiring the commercial assets. The issue of whether or not we intend to dispose of the commercial assets is an issue that can be discussed post closing. You are welcome to bring forward a proposal at that time.

7. What discussions took place between you and your counsel and CNH throughout the due diligence period and the negotiating period with respect to the RPMA Dispute Settlement Agreement. We note that it is not a condition of closing that this matter be resolved before closing, though it would be most desirable for all parties to settle the matter before the Court date on July 21 and certainly before closing in order to permit the condominium corporation to proceed to fix budgets immediately post-closing. In the case of the previous aborted transaction with the Fowler interests, the purchaser there had agreed to the RPMA Dispute Settlement Agreement prior to that closing but CNH has not done so. We view this as a very high priority item in order to determine our submissions to the Court on July 21. To the extent that you can assist us in immediate discussions with CNH, that would be helpful.

Purchaser: We were provided with the terms of the proposed settlement and are fully aware of the issues. We have not had an opportunity to fully consider and analyze the financial consequences of the settlement but we are nevertheless prepared to close with that as an open issue for future discussion and resolution entirely without prejudice to your rights.

Receiver: The Receiver met with CNH during the early stages of the sales process to discuss and explain to it the various complexities in respect of the Hotel. The Receiver also had an in-depth discussion of the matters pertaining to unit owners.

Representatives of CNH attended at the Receiver's buyer information session, which was held by teleconference on June 7, 2011. This information session was used by the Receiver to introduce the current arrangements under the RPMA, the RPMA Dispute, and the proposed RPMA Dispute Settlement to all the bidders. The Receiver advised all bidders that at their discretion they could: i) accept the settlement agreement as negotiated between the Unit Owners, the Prior Purchaser, and the Receiver; ii) negotiate a new agreement with the Unit Owners; or iii) arbitrate the RPMA Dispute post closing. On June 17, 2011, the Receiver and its legal counsel held a lengthy conference call with CNH and its legal representatives to discuss the RPMA Dispute, the Settlement Agreement and the Fresh Start Approach.

The Receiver has had a number of discussions with CNH since their first bid was submitted to discuss a number of matters, including the RPMA Settlement and options available to CNH.

8. Why was there a change from the original Template Asset Purchase Agreement under the Sale Protocol with respect to the sale-leaseback unit owners from the purchaser assuming those leases to the completed agreement where CNH is not assuming those leases. This change eliminates rental payments for the post-closing stub period under such leases resulting in the loss of approximately \$500,000 of rental income to such unit owners. We do not agree that the leases preclude the post-closing stub period rental payments as a result of any shortfall on sale proceeds at the time of closing. In the case of the previous aborted transaction with the Fowler interests, such payments were to be made and now they are not. We also view this as a very high priority item in order to determine our submissions to the Court on July 21. To the extent that you can assist us in immediate discussions with CNH, that would be helpful.

Receiver: The Template Asset Purchase Agreement provided that the only payment obligations that a purchaser would have under the leases with sale/leaseback unit owners would be to the extent of sale proceeds realized by the Receiver sufficient to cover the Unit Owners' Charges.

In every bid that was submitted, the bidder either expressly provided that it was not assuming the leases, or provided that it would have no payment obligations if proceeds sufficient to cover the Unit Owners' Charges were not realized.

As the proceeds to be realized from the sale to CNH will be insufficient to provide any return under the Unit Owners' Charges, the final purchase agreement with CNH was modified to clarify that the leases were not being assumed.

9. What are CNH's plans with respect to the Development Lands and will they be selling or developing the Development Lands in the foreseeable future or do they intend to hold it in its present state where it forms part of the Hotel amenities? What discussions have taken place between the Receiver and CNH with respect thereto

Purchaser: We are acquiring the Development Lands. The issue of whether or not we intend to dispose of or develop the Development Lands is an issue that will be considered in the future. At present, we have not had the time to fully consider this matter or all of the potential options.

10. With respect to Resort Corporation, what will be the cash position in the various bank accounts and trust accounts at the Closing Date since the most recent information from the Receiver on April 7, 2011 as adjusted for the additional Fasken's fees and meeting fees should put that number at approximately \$860,000.00.

Receiver:

Account	Date	Balance	Notes
MSCC General Account per Bank Statement	30-Jun-11	324,794.79	
Less: O/S Cheques			
Alvarez & Marsal Canada ULC	14-Jul-11	(1,024.91)	[1]
Fasken Martineau LLP	14-Jul-11	(78,844.17)	[2]
AON Reed Stenhouse	14-Jul-11	(5,594.40)	[3]
MSCC General Account Balance	14-Jul-11	239,331.31	
MSCC Trust Account per Bank Statement	30-Jun-11	164,510.87	
Total in MSCC Bank Accounts	14-Jul-11	403,842.18	
Cash to be transferred from money held in trust:			
Common Expense Subsidies		280,247.00	
Indulgence Cards		138,651.00	
Total cash to be transferred from money held in trust		418,898.00	[4]
Total expected cash available on closing		822,740.18	[5]

Notes:

[1] Payment to reimburse A&M for payment to Marriott Hotels re: Condo/Unit Owner Meeting held in June

[2] Payment for professional fees in connection with Opinion, Fresh Start Approach and Settlement Docs

[3] D&O insurance for 8-June-11 to 8-June-12

[4] Note this is the total amount available to be transferred to the Condominium Corporation, conditional on receiving unit owner direction and consent. However, not all unit owners with funds held in trust for common expense subsidies and indulgence cards have provided their consent and direction to the Receiver. If the consents and directions are not received the balance available at closing will be lower than forecast.

[5] The maximum balance potentially available on closing to be transferred to the Condo Corp is \$822,740. This is \$41,313 less than what had been expected to be available in the April 7, 2011 estimate of \$864,053.

The difference in cash available is a result of certain costs that had been incurred but not budgeted for:

Fasken Martineau Professional Fees in excess of \$50,000 estimate	\$ 28,844.17
Alvarez & Marsal Canada ULC - June Unit Owner Meeting	1,024.91
AON Reed Stenhouse - D&O Insurance	5,594.40
AON Reed Stenhouse - General Liability Insurance (paid March 29, 2011)	6,210.00
Total costs incurred but not budgeted for in April 7, 2011 analysis	41,673.48
Difference between this analysis and April 7, 2011 analysis (\$864,053-\$822,740)	41,313.00
Minor difference relates to interest earned in both MSCC accounts.	360.48

11. Will CNH continue to act to have non-CNH directors on the Board of Directors of Resort Corporation such as the present two of five directors representing the 89 unit owners? Will CNH work with such independent directors to choose an independent property manager and independent counsel for Resort Corporation immediately after the Closing Date? Will CNH work with such independent directors to fix the budget for the balance of 2011 and beyond?

Purchaser: We will abide by the provisions of the applicable legislation.

12. Will the Receiver comply with the mandatory Declarant obligations under Section 43 of the Condominium Act in connection with the turnover meeting under that Act? The Court does not have authority to release the Receiver from those statutory obligations on the turnover of documents, etc.

Receiver: Pursuant to section 2.16 of the Purchase Agreement, CNH has acknowledged that neither RRDI nor the Receiver will be fulfilling the obligations of the declarant in respect of a turn-over meeting. At closing, the Receiver will be delivering to CNH all books and records in the Receiver's possession or control relating to the hotel (other than the books and records of the Receiver). This will permit CNH to deliver such records to the condominium corporation at or after a turn-over meeting.

13. The independent directors of the Resort Corporation want to exercise the provisions of Section 113 of the Condominium Act with respect to the Reciprocal Agreement. Have there been any discussions between the Receiver and CNH with respect thereto?

Receiver: The reciprocal agreement is a permitted lien that is being assumed by CNH on closing. There have been no such discussions.

14. Has CNH decided to adopt or otherwise deal with the agreements in place between RRDI and Staff Res as to staff housing and in any event, what plans does CNH have to deal with staff housing since it is a direct or indirect cost to the Hotel of at least \$400,000 annually? We note that CNH must elect within four days prior to the Court hearing on this matter. Since we have spent a great deal of time with StaffRes on considering housing alternatives, it would be productive for us to also discuss this matter with CNH on a timely basis, particularly because the neighbouring land owner has similar housing requirements and we can serve as a bridge between all these interests to find solutions that offer economies of scale and time and cost efficient logistical solutions.

Purchaser: We fully understand the issue. We are not assuming the Agreement with StaffRes. The staff housing issue is currently under consideration.

15. Has CNH decided to adopt or otherwise deal with the Resort Association Undertaking and have there been any discussions among CNH and any of the other members of the Resort Association as to the future of the Resort Association and the communal marketing and programming activities as contemplated by the Red Leaves Resort Association Act, 2006 and what is the nature of those discussions? Will the Receiver and/or CNH be paying the fees owing to the Resort Association under the most recent status certificate issued to the Receiver including all fees that arise as a result of the APA? Will the receiver arrange for the payment of the amounts owing by the Resort Association to Robin Tapley, Gary Froude and Gayle Dempsey and when, since they are also indirect stakeholders in the receivership because we understand that the receiver has not arranged for Marriott to put the Resort Association in funds to honour such payments.

Purchaser: Please see Schedule "F" of the Asset Purchase Agreement which confirms that we are assuming the Resort Association Undertaking. At this point in time we have not engaged in any discussions with other members of the Resort Association.

Receiver: CNH is assuming the Resort Association Undertaking. That undertaking contemplates the implementation of the principal terms of an agreement regarding the Resort Association. These terms include the delivery of funds to the Resort Association, and the waiver of certain fees by the Resort Association, including the entry fee and the real estate revenue fee payable on the completion of the sale to CNH. The Receiver's counsel has sought to confirm with counsel for the Fowler-related members of the Resort Association that the financial terms of the undertaking are operative, in order that funds may be released to the Resort Association. No response has been received.

16. Has CNH decided to adopt or otherwise deal with the agreements between RRD and Intrawest (Resort2Resort) as to continuing the existing exchange programs for unit owners and has it considered entering into similar exchange programs with other exchange companies or with other properties owned directly or indirectly by the principals of CHN?

Purchaser: We have decided not to adopt the Resort2Resort Agreement and at present have not considered entering into similar exchange programs. We are prepared to give this matter further consideration post-closing.

17. What is the status of the Hydro One Contract supplying the Hotel and the Resort Corporation.

Purchaser: In accordance with the Asset Purchase Agreement we are not assuming this contract, but we are aware that a new agreement for the supply of Hydro has to be in place before closing.

18. Has CNH entered into discussions or agreements of any kind with the Fowler interests that own the lands adjacent to the Hotel and that are presently used by Hotel guest such as nature trails and the Wallace Marina and Clevelands House and The Rock golf course and what are the nature of those discussions? What plans does CNH have to work with the neighbouring landowner to ensure continuing use of such lands and amenities by Hotel guests?

Purchaser: No. We have not had the opportunity to fully consider this matter. Our present intention is to work with the neighbouring land owner to ensure the continued use of adjacent lands and amenities by the hotel guests.

19. Has CNH considered any plans to close the Hotel during at least the heavy loss months of January through April?

Purchaser: No, we have not considered this at this time.

20. Has CNH considered the amendments to, or replacement of, the RPMA (including the terms of management fees, formula calculations, cleaning fees and occupancy rights thereunder) that will result from the termination of the existing Hotel Management Agreement and replacement with a franchise agreement since such amendments require the approval of 75% of all the unit owners?

Purchaser: Once a decision is made in respect of the successor Hotel Operator, we will abide by the provisions of the RPMA.

21. Will CMH continue the existing practice of discounts and other incentives offered to unit owners by the current Hotel Operator under the Red Leaves Owners Cards including spa access, valet parking etc.?

Purchaser: No decision has been made on this issue. We are prepared to give this matter further consideration post-closing.

22. Will the receiver ensure that at or prior to closing all encumbrances on the title to the units owned by the 89 unit owners (other than any financing put on such title at the time of the purchase by such unit owners) and that might arise from subsequent construction lien claims or otherwise are expunged or otherwise removed?

Receiver: To the extent that there are liens that have been assigned to WestLB registered against unit owners' units, we will recommend to WestLB that it discharge those liens.

23. What steps has CNH taken to follow up and pursue the representation by Altus of all unit owners with respect to appeals for property tax valuations under the Assessment Act and amendments to the regulations thereunder with respect to resort properties such as Blue Mountain and what are there plans to accelerate the pace of such appeals in order to bring this matter promptly before the Assessment Review Board?

Purchaser: Please see Schedule "F" of the Asset Purchase Agreement which confirms that we are assuming the consulting agreement with Altus.

24. What are CNH's plans with respect to the Red Leaves trademark name and logos since the unit owners view is that such name has significant value in promoting the marketing of the hotel in the Greater Toronto Area?

Purchaser: We are acquiring the trademark and its value to the future of the hotel will be evaluated.

25. What are CNH's plans for the marketing of the Hotel both for leisure guests and corporate meetings and other events? Are there plans to cross-market the Hotel with the other properties of CNH in Niagara Falls and elsewhere and what are those plans?

Purchaser: We have a very knowledgeable and experienced Marketing Department. Marketing plans are currently being considered and will be developed going forward.