

Court No.: 33-165410
Estate No.: 33-165410

**IN THE MATTER OF THE RECEIVERSHIP OF
HYDE PARK RESIDENCES INC
Of the City of Ottawa, In the Province of Ontario**

**RECEIVER'S INTERIM REPORT AND STATEMENT OF ACCOUNTS
(Subsection 246(2) of the Act)**

The Receiver gives notice and declares that:

1. Deloitte Restructuring Inc. was appointed Receiver and Manager ("Receiver") of the property and undertaking of Hyde Park Residences Inc. ("Hyde Park") pursuant to an Order of the Ontario Superior Court of Justice dated February 20, 2014. Hyde Park was the owner and developer of a partially completed retirement housing community in the village of Richmond, Ontario (the "Project")
2. The Receiver took possession and control of the Project on February 21, 2014, which included the following assets (as described in the books and records of Hyde Park at that time):

<u>Asset</u>	<u>Book Value</u>
Cash and investments:	
Reserve account	\$ 40,148
General account	148,061
Property Management account	20,941
BMO Harris Private Banking account – Reserve	112,861
Deposits with City of Ottawa	635,420
Accounts Receivable	76,726
Work in Process	28,722,536
Fixed Assets:	
Building	13,415,161
Pump house	396,917
Infrastructure, Roads, and Utilities	3,136,693
Real Property	899,529

3. Further information on the above noted assets was provided in the Receiver's first report to the Court dated April 7, 2014.
4. The Receiver realized \$31,000 from Hyde Park's bank accounts; however, \$30,979 of this amount represents a reserve for major repairs and capital replacement for ninety-two (92) townhouses and their common areas and facilities.
5. The Receiver is still in the process of realizing on the other assets noted above through a formal tender sale. It is not yet know when a sale of the assets will be complete.
6. Enclosed, as Appendices A to C, are the Receiver's Interim Statements of Receipts and Disbursements, for the period from February 21, 2014 to July 31, 2014, for the following three (3) trust accounts it is operating for this receivership:
 - a) A 'Property Management Account' to record all receipts and disbursements relating to the ninety-two (92) townhouses and the water plant (which provides clean water for the residents);
 - b) A 'Reserve Account' to record all receipts and disbursements relating to reserve funds; and
 - c) A 'General Account' to record all receipts and disbursements relating to all other receivership matters excluding those that relate to property management or reserve funds.
7. The contact person for the Receiver is:

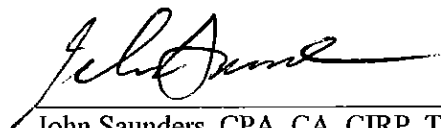
Maxime Meunier
100 Queen Street, Suite 1600
Ottawa, Ontario K1P 5T8
Phone No.: (613) 751-5263
Facsimile No.: (613) 563-2244

Dated at Ottawa, Ontario this 11th day of August, 2014.

DELOITTE RESTRUCTURING INC.

In its capacity as Receiver and Manager of Hyde Park Residences Inc.
and not in its personal capacity

Per:



John Saunders, CPA, CA, CIRP, Trustee
Vice-President

Appendix "A"

In the Matter of the Receivership of Hyde Park Residences Inc.
Of the Town of Dunrobin, in the City of Ottawa, in the Province of Ontario
Receiver's Interim Statement of Receipts and Disbursements
(Subsection 246(2) of the Act)

As at July 31, 2014

Property Management Account

Receipts

Cash in bank	\$	8	
Interest Income		25	
Monthly occupancy charges received from residents		183,164	Note 1

Total Receipts 183,197

Disbursements

Insurance (for Townhouses and Pump House)		19,737	
Landscaping services		6,380	
Property taxes		66,685	
Residents Association expenses		329	
Repairs and maintenance		750	
Security		209	
Snow removal		14,095	
Sum pump services		6,256	
Telephone		1,513	
Utilities		2,216	
Wages and benefits of temporary employees		24,303	Note 2
Water system operator		6,101	
		<u>148,574</u>	

Total HST paid 4,524
153,098

Transfer to Receiver's Reserve Account 9,158 Note 3

Total Disbursements 162,256 Note 4

Net receipts over disbursements \$ 20,941

Notes

- 1 Occupancy charges represents amounts collected from residents of Property for the period from February 21 to July 31, 2014.
- 2 The Receiver retained, as temporary employees, the Project's current maintenance technician and the Project's current client service manager to respond to all resident inquiries and property management issues. The maintenance technician also inspects and helps to monitor the Water Plant every day. The cost of the related payroll and benefits have been paid out of the Receiver's Property Management Account; however, wages of the maintenance technician that directly relate to the upkeep and maintenance of Apartment A and Immanuel House are reimbursed from the Receiver's General Account.
- 3 The amount represents of 5% of occupancy charges transferred from the Receiver's Property Management Account to its Reserve Account in accordance with the life lease occupancy agreements.
- 4 All professional fees of the Receiver have been charged to the Receiver's General Account at this time.

Appendix "B"

In the Matter of the Receivership of Hyde Park Residences Inc.
Of the Town of Dunrobin, in the City of Ottawa, in the Province of Ontario
Receiver's Interim Statement of Receipts and Disbursements
(Subsection 246(2) of the Act)

As at July 31, 2014

Reserve Account

Receipts

Cash in bank	\$	30,979	
Advances from Receiver's Property Management Account		9,158	Note 1
Interest Income		<u>11</u>	
Total Receipts		<u>40,148</u>	Note 2

Disbursements

	<u>-</u>
Total Disbursements	<u>-</u>

Net receipts over disbursements \$ 40,148

Notes

- 1 This amount represents of 5% of monthly occupancy charges transferred to the Receiver's Reserve Account from the Receiver's Property Management Account in accordance with the life lease occupancy agreements.
- 2 These receipts do not include the following additional reserve funds:
 - i) \$112,860.67 (as at June 30, 2014) that is currently being held in a trust account with BMO Trust Company ("BMO"). BMO is the Trustee for these funds pursuant to a Trust Agreement with Hyde Park dated July 10, 2003. This trust represents the capital reserve fund for the Water Plant as required by the City of Ottawa pursuant to the Water System Agreement. The Receiver requested BMO to freeze this account but is not able to have these funds transferred to the Receiver's trust account without approval from the Ontario Ministry of the Environment and/or the City of Ottawa.

Appendix "C"

In the Matter of the Receivership of Hyde Park Residences Inc.
Of the Town of Dunrobin, in the City of Ottawa, in the Province of Ontario
Receiver's Interim Statement of Receipts and Disbursements
(Subsection 246(2) of the Act)

As at July 31, 2014

General Account

Receipts

Cash in bank	\$	13	
Interest Income		149	
Loan Advance: Frontenac Management Investment Corporation		700,000	Note 1
HST refund		64,251	

Total Receipts 764,413

Disbursements

Advertising	2,962	
Appraisal fees	17,850	
Change locks	275	
Consulting services	2,451	
Engineering services	2,500	
Equipment rental	703	
Insurance	44,331	
Insurance consulting services	1,500	
Legal fees	64,103	
Official Receiver fees	70	
Propane (for heating)	4,380	
Scaffolding rental (to hold up part of building)	78,909	
Security	722	
Snow removal	860	
Telephone	1,251	
Utilities	3,591	
Wages and benefits of temporary employee	13,454	Note 2
Receiver's fees and costs	304,883	
HST paid for all disbursements	67,410	
Miscellaneous expenses	4,147	

Total Disbursements 616,353

Net receipts over disbursements

\$ 148,061

Notes

- 1 Loan advances are from Frontenac Management Investment Corporation and bear an interest rate of 9.5% per annum. The amounts advanced are in accordance with the Court Order dated February 20, 2014 and shall be secured by the applicant's security. The Order permits the Receiver to obtain a loan to an amount not to exceed \$750,000 without court approval.
- 2 This amount represents the wages of the Project's current maintenance technician that relate directly to the maintenance and monitoring of Apartment A and Immanuel House. These wages were originally paid through the Property Management Account. The General Account reimburses the Property Management Account for these costs.