

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 reports to the Court dated April 7, 2014 and January 26, 2015.
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, as described in the Receiver's second report to the Court dated January 26, 2015. 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 January 31, 2015, 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:

Melissa Brown
100 Queen Street, Suite 1600
Ottawa, Ontario K1P 5T8
Phone No.: (613) 751-5232
Facsimile No.: (613) 563-2244

Dated at Ottawa, Ontario this 20th day of February, 2015.

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 and Manager's Interim Statement of Receipts and Disbursements

As at January 31, 2015

Property Management Account

Receipts

Cash in bank (as at April 15, 2014)	\$	8	
Interest Income		140	
Monthly occupancy charges received from residents		400,591	<i>Note 1</i>

Total Receipts	\$	<u>400,739</u>	
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Disbursements

Insurance (Townhouses and Pump house)	\$	49,136	
Landscaping services		23,207	
Property taxes		66,685	
Residents Association expenses		329	
Repair and maintenance		11,742	
Security		430	
Snow removal		35,000	
Sump pump services		7,264	
Telephone		3,028	
Office expenses		60	
Utilities		5,040	
Wages and benefits of temporary employees		56,863	<i>Note 2</i>
Water system operator		<u>18,018</u>	
	\$	276,802	

Total HST paid		7,620	
	\$	<u>284,421</u>	

Transfer to Receiver's Reserve Account		18,145	<i>Note 3</i>
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Total Disbursements	\$	<u>302,566</u>	<i>Note 4</i>
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Net receipts over disbursements	\$	<u><u>98,173</u></u>	
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Notes

- 1 Occupancy charges represents amounts collected from residents of Property for the period from February 21, 2014 to January 31, 2015.
- 2 The Receiver retained, as temporary employees, the Project's previous maintenance technician and the Project's previous 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 This 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 and Manager's Interim Statement of Receipts and Disbursements

As at January 31, 2015

Reserve Account

Receipts

Cash in bank (as at April 15, 2014)	\$	30,979	
Advances from Receiver's Property Management Account		18,145	<i>Note 1</i>
Special Assessment		45,500	
Interest Income		81	
		<hr/>	
Total Receipts	\$	94,705	<i>Note 2</i>

Disbursements

Roof replacement - Block of 5 units	\$	35,282	
		<hr/>	
Total Disbursements	\$	35,282	

Net receipts over disbursements \$ 59,423

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 an additional reserve fund of \$112,863.43 (as at September 26, 2014) that is currently being held in a trust account with BMO. The Trustee for these funds is BMO Trust Company pursuant to a Trust Agreement with Hyde Park Residences Inc. dated July 10, 2003. This trust represents the capital reserve fund for the Water Plant as required by the City 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.

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 and Manager's Interim Statement of Receipts and Disbursements

As at January 31, 2015

General Account

Receipts

Cash in bank (as at April 15, 2014)	\$	13	
Interest Income		352	
Loan Advance: Frontenac Management Investment Corporation		750,000	Note 1
HST refund		77,901	

Total Receipts \$ 828,267

Disbursements

Advertising	\$	2,962	
Appraisal fees		17,850	
Change locks		275	
Consulting services		2,451	
Engineering services		2,500	
Equipment rental		703	
Insurance		72,032	
Insurance consulting services		1,500	
Legal fees		64,103	
Official Receiver fees		70	
Propane (for heating)		7,209	
Scaffolding rental (to hold up part of building)		173,498	
Security		1,107	
Snow removal		2,074	
Telephone		3,123	
Utilities		5,100	
Wages and benefits of temporary employee		33,104	Note 2
Receiver's fees and costs		304,883	
HST paid for all disbursements		79,154	
Repairs and maintenance expenses		2,438	
Miscellaneous expenses		3,555	

Total Disbursements \$ 779,691

Net receipts over disbursements

\$ 48,576

Notes

- 1 Loan advances are from Frontenac and bear an interest rate of 9.5% per annum. The amounts advanced are in accordance with the Appointment Order dated February 20, 2014 and shall be secured by the applicant's security. This Order permitted 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 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.