

November 20, 2012

Mr. Don Kidd and Mr. Alan Faeorin-Cruich
Smith Valeriote LLP
100-105 Silvercreek Parkway North
Guelph, ON N1H 6S4

Dear Sirs :

RE: P.O.S.E. Investments

We are writing to you to provide a brief update with respect to our court-appointment as Receiver of P.O.S.E.Investments, which commenced on April 2, 2012.

1. Real Estate Marketing / Conditional Offer

On June 28, 2012, we obtained a court order authorizing us to appoint CBRE to market and list both the Georgina and Meaford properties.

We listed the properties for \$1,275,000 and \$1,100,000 for the Meaford and Georgina properties, respectively.

To date, we have received offers from two parties on Georgina and no offers for Meaford.

At this point, we have accepted a conditional offer on the Georgina property and the deadline for removing the condition related to the purchaser's due diligence to assess the feasibility of the development expired on November 19, 2012. Upon acceptance of the offer, we provided the prospective purchaser with the information in our possession to assist with their due diligence. Unfortunately, we have received negative feedback from the prospective purchaser about the status and future development requirements. Through our respective agents, we are making contact to determine if we can negotiate the price to move the transaction forward.

If we are in a position to proceed to closing a transaction on this property then we would attend in court on a timely basis to seek approval.

To date, we have not received an offer for the Meaford property and we have heard negative feedback about the feasibility of development principally due to the tenants occupying long-term land leases, a pending proposal for the development for a wind turbine.

We are now considering a price reduction on the Meaford property and we are asking our agents to review the marketplace to support our decision for a price reduction.

2. Meaford Tenants

Since our appointment, we completed due diligence on the legal status of the leases with a view to maximizing recoveries for the estate. The tenants were notified and we requested payments of current and outstanding rents based on reasonable property tax market value. To date, we have received payments from all but one tenant and we have not received any objections to the revised tax obligations.

To date, we have not taken a position to legally challenge the validity of the leases.

3. Financing

In July, we obtained a \$100,000 mortgage through a broker which was registered against the Georgina property. To date, we have drawn \$80,000 to fund property management and incidental costs, insurance, property taxes, mortgage interest and legal fees.

To date, the receiver has not received any fees.

The interest and fees are relatively expensive due to the development nature of the property, however, it is comparable to the property tax interest and penalties and we had a number of expenses to fund for the preservation of the property. The interest rate is 8.5% per annum and the financing fees were 5.5% of the mortgage amount.

4. Communication with unitholders

At the outset of our appointment, we sent a notice of our appointment and advised the unitholders that no action was required on their part. We established a webpage for our court documents and other correspondence for the unitholders.

Since our appointment, we have responded to several calls from the unitholders, including members of the applicants.

5. Claims Process

To date, we have not established a claims process as we do not have material assets in the estate. It is our plan to propose a reasonable process to the court once we have funds to distribute.

6. Next Steps

Our highest priority is to contact the prospective purchaser for Georgina to discuss new proposed agreement terms on the agreement. As indicated above, we will be issuing instructions to our agent a price reduction on the Meaford property in the next few weeks. In addition, we will be attending in court if we have a transaction to approve.

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Please contact the undersigned at 905-315-5785 should you have any questions.

Yours very truly,

A handwritten signature in blue ink, appearing to read "Biehler".

Rob Biehler, CA•CIRP
Senior Vice President
Deloitte & Touche Inc.
In its capacity as receiver of P.O.S.E. Investments
And not in its personal capacity