

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

THE EQUITABLE TRUST COMPANY

Applicant

- and -

**TUESDAY EQUITIES LTD. as General Partner for and on behalf of
PRINCE ROYAL LIMITED PARTNERSHIP**

Respondents

**MOTION RECORD
(Returnable August 25, 2010)**

August 19, 2010

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Attention: Vic Gupta

**AND TO: ASHIANA HOLDINGS LIMITED
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Attention: Vic Gupta

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2.	Second Report of the Receiver dated August 19, 2010
A.	Exhibit "A" - Appointment Order dated May 26, 2010
B.	Exhibit "B" - Marketing Order dated June 17, 2010
C.	Exhibit "C" - Summary of Offers Received (Confidential)
D.	Exhibit "D" - Pearle Offer dated August 11, 2010
E.	Exhibit "E" - Pearle Sale Agreement dated August 19, 2010
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G.	Exhibit "G" - Affidavit of Ira Gerstein sworn August 18, 2010
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3.	Draft Order (Revised Marketing Process)
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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

THE EQUITABLE TRUST COMPANY

Applicant

- and -

**TUESDAY EQUITIES LTD. as General Partner for and on behalf of
PRINCE ROYAL LIMITED PARTNERSHIP**

Respondents

NOTICE OF MOTION

Deloitte & Touche Inc., in its capacity as the receiver and manager (the “**Receiver**”) of all of the assets, undertakings and properties of Tuesday Equities Ltd. and Prince Royal Limited Partnership (together, the “**Debtors**”) acquired for, or used in relation to the following businesses carried on by the Debtors, including all proceeds thereof: (i) The Benmiller Inn & Spa; (ii) The Elora Mill Inn; and (iii) the Hidden Valley Resort (collectively, the “**Property**”), will make a motion to a Judge presiding over the Commercial List on Wednesday, August 25, 2010 at 10:00 a.m. at 330 University Avenue, in the City of Toronto.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An order, if necessary, abridging the time for service of the Notice of Motion and Motion Record herein and dispensing with further service thereof.
2. An order approving the Receiver’s activities as described in the Second Report of the Receiver dated August 19, 2010 (the “**Second Report**”) including, without limitation, the

rejection by the Receiver of all offers received to purchase the Property pursuant to the Marketing Process approved by order of the Court dated June 17, 2010, other than the Pearle Offer, as described in the Second Report..

3. An order approving the professional fees and disbursements of the Receiver for the period February 18, 2010 to July 11, 2010, and its independent legal counsel, ThorntonGroutFinnigan LLP, for the period from May 14, 2010 to July 31, 2010.
4. An order authorizing and directing the Receiver to accept the Pearle Offer.
5. An order authorizing and directing the Receiver to enter into and carry out the terms of the Pearle Sale Agreement, as described in the Second Report, together with any amendments thereto, as the parties may agree, and vesting title to that part of the Property comprised by The Elora Mill Inn in and to Pearle Hospitality Inc., or as it may direct, upon closing of the Pearle Sale Agreement.
6. An order that if the Pearle Sale Agreement is terminated in accordance with its terms, authorizing and directing the Receiver to commence negotiations with any other party or parties identified by the Receiver through the Marketing Process, the Revised Marketing Process, as such terms are defined in the Second Report, or otherwise whereby the Receiver shall sell The Elora Mill Inn to such party or parties.
7. An order approving the Revised Marketing Process, as described in the Second Report.
8. An order authorizing and directing the Receiver to carry out the sale of the remaining Property comprised by The Benmiller Inn & Spa and the Hidden Valley Resort pursuant to the Revised Marketing Process.
9. An order that the summary of offers received by the Receiver pursuant to the Marketing Process attached to the Second Report as Confidential Exhibit "C" be redacted from the version of the Second Report served on any party other than the Court and the Applicant, and directing that the information contained therein be sealed from the public record until further order of this Honourable Court.

10. Such further and other relief as counsel may advise and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

1. As set out in the Second Report.
2. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. The Second Report of the Receiver; and
2. Such further and other material as counsel may advise and this Honourable Court may permit.

August 19, 2010

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TO: THIS HONOURABLE COURT

AND TO: THE SERVICE LIST

THE EQUITABLE TRUST COMPANY

and

**TUESDAY EQUITIES LTD. as General Partner for and on behalf of
PRINCE ROYAL LIMITED PARTNERSHIP**

Applicant(s)

Respondent(s)

Court File No.: CV-10-8592-00CL

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at **Toronto**

NOTICE OF MOTION

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TAB 2

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

THE EQUITABLE TRUST COMPANY

Applicant

- and -

**TUESDAY EQUITIES LTD. as General Partner for and on behalf of
PRINCE ROYAL LIMITED PARTNERSHIP**

Respondent

**SECOND REPORT OF THE RECEIVER
DATED AUGUST 19, 2010**

INTRODUCTION

1. By Order of this Honourable Court dated May 26, 2010 (the “**Appointment Order**”), Deloitte & Touche Inc. (“**Deloitte**”) was appointed as the receiver and manager (the “**Receiver**”) of all of the assets, undertakings and properties of Tuesday Equities Ltd. and Prince Royal Limited Partnership (together, the “**Debtors**”) acquired for, or used in relation to the following businesses carried on by the Debtors, including all proceeds thereof: (i) The Benmiller Inn & Spa; (ii) The Elora Mill Inn; and (iii) the Hidden Valley Resort (collectively, the “**Property**”). A copy of the Appointment Order is attached hereto as Exhibit “A”.
2. The Appointment Order authorized the Receiver to, among other things, take possession of, and exercise control over the Property and any and all proceeds, receipts and disbursements, arising out of, or from, the Property. In addition, the Receiver was authorized to sell, convey, transfer, lease or assign the Property or any part thereof out of the ordinary course:

- (a) without the approval of this Honourable Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
 - (b) with the approval of this Honourable Court in respect of any transaction exceeding \$100,000 or exceeding \$250,000 in the aggregate.
3. On June 11, 2010, the Receiver issued its First Report to the Court (the “**First Report**”) for the purposes of, *inter alia*, seeking an order of this Honourable Court approving the marketing plan proposed by the Receiver for the sale of the Property. By order of this Honourable Court dated June 17, 2010 (the “**Marketing Order**”), the Receiver’s plan for marketing the Property as set out in the First Report (the “**Marketing Process**”) was approved. A copy of the Marketing Order is attached hereto as Exhibit “**B**”.
4. The purpose of this Second Report of the Receiver (the “**Second Report**”) is to:
- (a) provide a summary of the Marketing Process undertaken by the Receiver with respect to the Property; and
 - (b) provide this Honourable Court with the evidentiary basis to make an Order:
 - (i) approving the activities of the Receiver as described in the Second Report including, without limitation, the rejection by the Receiver of all offers received to purchase the Property pursuant to the Marketing Process other than the Pearle Offer, as defined below;
 - (ii) authorizing and directing the Receiver to accept the offer (the “**Pearle Offer**”) from Pearle Hospitality Inc. (“**Pearle**”) to purchase the Debtors’ and the Receiver’s right, title and interest, if any, in the Property comprised by The Elora Mill Inn;
 - (iii) authorizing and directing the Receiver to enter into and carry out the terms of the Agreement of Purchase and Sale between the Receiver and Pearle (the “**Pearle Sale Agreement**”) together with any amendments thereto deemed necessary by the Receiver in its sole opinion and vesting title to

that part of the Property comprised by The Elora Mill Inn in and to Pearle upon closing of the Pearle Sale Agreement;

- (iv) if the Pearle Sale Agreement is terminated in accordance with its terms, authorizing and directing the Receiver to commence negotiations with any other party or parties identified by the Receiver through the Marketing Process, the Revised Marketing Process (as defined below) or otherwise whereby the Receiver shall sell The Elora Mill Inn to such party or parties, subject to Court approval;
- (v) authorizing and directing the Receiver to carry out the Revised Marketing Process with respect to the balance of the Property comprised by The Benmiller Inn & Spa and Hidden Valley Resort;
- (vi) approving the professional fees and disbursements of the Receiver for the period February 18, 2010 to July 11, 2010, and its independent legal counsel, ThorntonGroutFinnigan LLP (“TGF”) for the period from May 14, 2010 to July 31, 2010; and
- (vii) authorizing and directing the Receiver to redact from the version of the Second Report served on any party other than the Court and The Equitable Trust Company (“Equitable”) the summary of offers received by the Receiver pursuant to the Marketing Process attached hereto as Confidential Exhibit “C”.

5. A copy of the Order, together with related Court documents and the Notice to Creditors dated June 4, 2010 have been posted on the Receiver’s website at http://www.deloitte.com/view/en_CA/ca/specialsections/insolvencyandstructuringproceedings/TuesdayEquities-PrinceRoyal/index.htm.
6. Unless otherwise provided, capitalized terms not otherwise defined in this Second Report are as defined in the Appointment Order.

TERMS OF REFERENCE

7. In preparing the Second Report and making the comments contained herein, Deloitte has been provided with and has relied upon unaudited financial information, the Debtors' books and records, the financial information prepared by the Debtors and their advisors, and discussions with management of the Debtors. Deloitte has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information and, accordingly, Deloitte expresses no opinion or other form of assurance on the information contained in the Second Report.
8. Unless otherwise stated, all dollar amounts contained in the Second Report are expressed in Canadian dollars.

BACKGROUND

9. The Receiver has only been appointed over the Property, which is all located in the Province of Ontario. The Receiver understands that the Debtors may have additional property located outside of Ontario, but the Receiver has no additional information in this regard. The following is a brief description of The Benmiller Inn & Spa, The Elora Mill Inn and the Hidden Valley Resort (together, the "**Hotels**") comprising the Property subject to this receivership.

The Benmiller Inn & Spa

10. The Benmiller Inn & Spa is an historic country inn located in Goderich, Ontario. The Inn consists of 6 main buildings, with 57 guest rooms, food and beverage services that include a 125 seat dining room, 80 seat seasonal patio and 33 seat lounge, 4 meeting rooms, a full service spa and various recreational amenities including an indoor pool, outdoor tennis courts and access to walking/cross-country skiing trails. The Inn also includes a decommissioned turbine generator that has not been operational for the past seven years. The Debtors employ approximately 61 employees at The Benmiller Inn & Spa.

The Elora Mill Inn

11. The Elora Mill Inn is located in the village of Elora, Ontario. The Elora Mill Inn is a designated historical building consisting of four main buildings with 32 guest rooms and suites, food and beverage service that includes a 70 seat restaurant, 60 seat lounge and a 16 seat enclosed patio overlooking the Elora Gorge, meeting space comprised of a 1,886 square foot main function room, 594 square foot smaller meeting room, a 583 square foot tea room as well as 528 square feet in the James Ross House. The Inn also includes a non-utility generator that provides electricity to the local power grid. The Debtors employ approximately 58 employees at The Elora Mill Inn.

Hidden Valley Resort

12. The Hidden Valley Resort is located in Huntsville, Ontario on approximately 6 acres of land with waterfront access to Peninsula Lake, directly across from the Hidden Valley Highlands Ski Hill. The resort consists of 94 guest rooms, 2 hospitality suites, a 220 seat restaurant with an adjacent lounge and licensed outdoor patio overlooking Peninsula Lake, meeting space comprised of 2,223 square foot and 2,108 square foot function rooms, as well as indoor and outdoor pools, fitness room, sauna and tennis courts. The Debtors employ approximately 47 employees at Hidden Valley Resort.
13. Prior to the appointment of the Receiver, the Hotels were managed by Crescent Hotels and Resorts Canada Company (“**Crescent**”). Crescent is continuing as manager of the Hotels.

SECURED CREDITORS

14. The Receiver has been advised by Equitable that it granted loans secured by first mortgages (the “**First Mortgages**”) in respect of the acquisition of the Hotels by the Debtors from various entities who are related to Rose Corporation (“**Rose**”). Upon granting the First Mortgages, Rose provided Equitable with a covenant and postponement of charge with a guarantee up to \$1,500,000 on the First Mortgages. In addition, the Debtors granted to Equitable, security interests in their personal property pursuant to

general security agreements (the “**Security Agreements**”). By way of an Assumption Agreement between Equitable and the Debtors dated December 31, 2007, the Debtors assumed all of the First Mortgages and Security Agreements. Equitable is owed approximately \$10,500,000 by the Debtors. The foregoing indebtedness is not apportioned among the Hotels.

15. As set out in the Affidavit of Andrew Moor sworn May 14, 2010 filed in support of the application to appoint the Receiver, the Receiver understands that Ballycurkeen Investment Corp. (“**Ballycurkeen**”), Ashiana Holdings Ltd. (“**Ashiana**”), and 432567 B.C. Ltd. (together, the “**Second Mortgagees**”) hold second mortgages on the Hotels. The Receiver also understands that Ashiana assigned its mortgage security to Ballycurkeen in late February 2010.
16. The Receiver has obtained a current enquiry response certificate under the *Personal Property Security Act* (Ontario) from the Ontario Ministry of Consumer and Business Services in respect of each of the Debtors. In addition to the registrations in favour of Equitable, there are two registrations (the “**GE PPSA Registrations**”) in favour of GE Canada Equipment Financing G.P. (“**GE**”) in respect of specific equipment. The GE PPSA Registrations relate only to two tractors, one utilized at The Benmiller Inn & Spa, and the other at Hidden Valley Resort. TGF has reviewed the security held by GE and advised the Receiver that GE appears to have obtained a valid purchase-money security interest in the two tractors enforceable against the Receiver. The Receiver has returned one tractor to GE and the second tractor continues to be utilized at The Benmiller Inn & Spa. A PPSA registration has also been made against “Hidden Valley Resort” and “Checkers Hotel Properties Limited Partnership” (a party related to the Rose Corporation) by Xerox Canada Ltd. against the collateral classes “equipment” and “other”.
17. The Receiver has retained TGF as its independent legal counsel to, amongst other things, review the security held by each of Equitable and the Second Mortgagees. The results of that security review will be disclosed in a subsequent report to the Court.

RECEIVER'S MARKETING ACTIVITIES

18. Following issuance of the Marketing Order, the Receiver, with the assistance of CB Richard Ellis Canada (“**CBRE**”), took the following steps in accordance with the Marketing Process:
- (a) retained CBRE to assist the Receiver in conducting the Marketing Process in accordance with the terms of the exclusive listing agreement attached as Exhibit “B” to the First Report;
 - (b) developed a list of potential purchasers based on discussions with CBRE and former management of the Debtors, expressions of interest received by the Receiver from interested parties, parties contacted by CBRE and the Receiver’s experience and contacts;
 - (c) sent an information overview document (“**Flyer**”) outlining the Hotels to over 700 potential purchasers along with a confidentiality agreement to be executed in order to receive further information in respect of the Hotels;
 - (d) obtained signed confidentiality agreements from 35 of the parties contacted by the Receiver or CBRE;
 - (e) prepared a confidential information memorandum (“**CIM**”) providing detailed information in respect of the Hotels, which was sent to all potential purchasers which executed a confidentiality agreement. The CIM also included the Conditions of Sale and the form of offer approved pursuant to the Marketing Order;
 - (f) prepared and placed in a password protected electronic data room detailed financial information for each of the Hotels for potential purchasers which signed a confidentiality agreement;
 - (g) placed advertisements in the national edition of The Globe and Mail on June 22 and 24, 2010;

- (h) entered into a multiple listing service (“**MLS**”) agreement with respect to each of the Hotels on the same terms as the exclusive listing agreement with CBRE. The list prices for each of the Hotels was as follows:
 - (i) The Elora Mill Inn - \$2,200,000;
 - (ii) The Benmiller Inn & Spa - \$3,800,000; and
 - (iii) Hidden Valley Resort - \$3,800,000.
- (i) assisted in responding to inquiries from prospective purchasers throughout the Marketing Process;
- (j) liaised with and received reporting from CBRE with respect to the Marketing Process;
- (k) provided periodic reporting to Equitable regarding the status of the Marketing Process;
- (l) provided potential purchasers with access to the data room, additional requested information, tours of the Hotels and access to management of the Hotels as required;
- (m) prepared and posted to the data room a template sale agreement in respect of each of the Hotels; and
- (n) set August 12, 2010 as the deadline for the submission of binding offers to purchase the Hotels (the “**Offer Date**”).

OFFERS RECEIVED

19. Pursuant to the Marketing Process, prospective purchasers were required to submit bids by the Offer Date. A summary of the offers to purchase the Hotels submitted to the Receiver is attached as Confidential Exhibit “C”.
20. As authorized by the Marketing Order, the Receiver reviewed the terms of all of the offers with Equitable. Other than the Pearle Offer, none of the offers were acceptable to the Receiver. Accordingly, the Receiver rejected all offers to purchase the Property other

than the Pearle Offer. As described below, the Receiver, in consultation with CBRE, has developed a revised marketing plan for The Benmiller Inn & Spa and the Hidden Valley Resort with a view to improving upon the results of the Marketing Process.

SALE OF THE ELORA MILL INN

21. The purchase price under the Pearle Offer is \$1,850,000. The Pearle Agreement contains no material amendments to the form of template sale agreement prepared by the Receiver in respect of The Elora Mill Inn and will proceed on an “as is, where is” basis. Copies of the Pearle Offer and the Pearle Agreement are attached hereto as Exhibits “D” and “E” respectively. As authorized by the Marketing Order, the Receiver has accepted the Pearle Offer and executed the Pearle Agreement subject to approval of this Honourable Court.
22. The Receiver recommends that this Honourable Court authorize and direct the Receiver to accept the Pearle Offer and to carry out the terms of the Pearle Agreement for the following reasons:
 - (a) the Marketing Process conducted by the Receiver and CBRE resulted in a broad and thorough exposure of the Hotels to the marketplace. Although, as noted in the First Report, the Receiver is not in possession of an appraisal of any of the Hotels, CBRE has provided to the Receiver an analysis of recent sales of hotel properties comparable to The Elora Mill Inn. The Pearle Offer compares favourably to that sales history;
 - (b) as noted above, the Pearle Agreement contains no material amendments to the form of template sale agreement prepared by the Receiver and, accordingly, contains no significant conditions other than with respect to due diligence concerning title to the real property comprising The Elora Mill Inn;
 - (c) the Pearle Agreement represents the highest and best offer received by the Receiver for The Elora Mill Inn pursuant to the Marketing Process;
 - (d) following consultation with CBRE, the Receiver has concluded that it is unlikely it would obtain a superior offer for The Elora Mill Inn if it rejected the Pearle Offer and continued to canvass the market. Accepting the Pearle Offer will

remove The Elora Mill Inn as an asset under administration within this receivership, thus reducing costs associated with ongoing administration of this asset and eliminating uncertainty for the stakeholders of The Elora Mill Inn; and

- (e) Equitable supports the Receiver's recommendation that it be authorized and directed to accept the Pearle Offer.
23. The Receiver recommends that if the Pearle Sale Agreement is terminated in accordance with its terms, the Receiver be authorized to commence negotiations with any other party or parties identified by the Receiver through the Marketing Process, the Revised Marketing Process or otherwise whereby the Receiver shall sell The Elora Mill Inn to such party or parties, subject to Court approval.

REVISED MARKETING PROCESS FOR THE REMAINING HOTELS

24. As noted above, the Receiver has rejected all offers submitted to the Receiver other than the Pearle Offer. The Receiver recommends that it be authorized to continue to market both The Benmiller Inn & Spa and Hidden Valley Resort in accordance with the Revised Marketing Process described below.
25. During the course of marketing the Hotels, a number of potential purchasers expressed concern to CBRE regarding their ability to obtain sufficient financing to purchase one or more of the Hotels. Equitable has advised the Receiver that, subject to its usual underwriting criteria, Equitable would be prepared to provide financing to purchase the remaining Hotels either on an individual or *en bloc* basis.
26. Since the Marketing Process did not produce any offers satisfactory to the Receiver to purchase either The Benmiller Inn & Spa or Hidden Valley Resort, the Receiver recommends that, rather than repeating the tender process, the Receiver be authorized and directed to solicit offers to purchase the remaining Hotels from a limited number of parties which had expressed the strongest interest in purchasing the remaining Hotels during the course of the Marketing Process. The Receiver is of the view that this type of targeted marketing approach, in conjunction with the potential for purchase financing

from Equitable, will provide the Receiver with the best opportunity to sell the remaining Hotels as quickly as possible on terms satisfactory to the Receiver.

27. The Receiver therefore recommends that it be authorized by this Honourable Court to carry out the following revised marketing process (the “**Revised Marketing Process**”) for the remaining Hotels:
- (a) the Receiver will continue the MLS listing with respect to The Benmiller Inn & Spa and Hidden Valley Resort. If deemed necessary by the Receiver to generate further interest in these Hotels, the listing prices may be reduced;
 - (b) the Receiver will develop with Equitable the terms of potential financing to be made available by Equitable to purchase the remaining Hotels, subject to its usual underwriting criteria;
 - (c) CBRE will, over the next three weeks, contact those parties which had expressed the greatest interest during the Marketing Process in purchasing the remaining Hotels. CBRE will advise these parties of the potential Equitable purchase financing and solicit offers to purchase one or more of the Hotels on terms acceptable to the Receiver;
 - (d) the remaining Hotels will continue to be offered for sale by the Receiver subject to the Conditions of Sale approved pursuant to the Marketing Order, subject to the following amendments (as amended, the “**Revised Conditions of Sale**”):
 - (i) although the Receiver may establish a target date for the submission of offers, offers will not be submitted to the Receiver pursuant to a formal tender process. The Receiver will not establish a revised Offer Date but instead reserves its right to accept any offer or offers to purchase the remaining Hotels at any time; and
 - (ii) the Receiver reserves its right to negotiate with any party with respect to the terms of an offer to purchase the Hotels. The Receiver may choose to take such steps with respect to one or more parties but shall have no obligation to negotiate identical terms with, or extend identical terms to, each such party. The Receiver reserves its right to request any party to

submit an offer or to submit a revised offer to the Receiver reflecting improved terms or other amendments requested by the Receiver. The Receiver will be under no obligation to provide to any party the opportunity to improve the terms of any offer submitted to the Receiver pursuant to the Revised Marketing Process. The Receiver may accept an offer at any time without providing prior notice to any party or providing any party with an opportunity to first submit an offer or improve the terms of an offer submitted to the Receiver; and

- (e) if the Receiver is unable to generate an acceptable offer for the Hotels through this process, the Receiver would continue to market the properties through CBRE and, if deemed necessary by the Receiver, revise the listing prices for the Hotels.

28. A copy of the Revised Conditions of Sale is attached hereto as Exhibit “F”.

OTHER ACTIVITIES OF THE RECEIVER

29. In addition to the Receiver’s marketing activities with respect to the Hotels as described above, the Receiver has also carried out the following activities subsequent to the issuance of the Marketing Order:

- (a) continued supervision and funding of the Hotels under the management of Crescent;
- (b) delivered a letter to each person which had booked an event at one of the Hotels from and after the date of the Appointment Order (each, a “Patron”) advising of the Receiver’s appointment, the terms upon which such event would be held at the applicable Hotel and confirming that, while the Receiver would give credit to each Patron for deposits paid both to the Receiver as well as to the Debtors prior to the date of the Appointment Order, the Receiver was not in a position to refund to each Patron any deposits paid to the Debtors in the event that the applicable event contract was terminated for any reason;
- (c) negotiated the terms and supervised the delivery of events, banquets and other functions at the Hotels;

- (d) reviewed, revised and executed on behalf of Tuesday Equities Ltd. a proposed contract for the exclusive use of Hidden Valley Resort during the G8/G20 Summits;
- (e) engaged employees for and in the name of the Debtors as required for the continued operation of the Hotels;
- (f) engaged Trow, an engineering and consulting firm, to conduct building condition reports and environmental site assessments of each of the Hotels. These assessments were made available to prospective purchasers as part of the Marketing Process via access to the password-protected data room established by the Receiver;
- (g) instructed Crescent to proceed with repairs that Trow had determined were either urgent or otherwise could affect health and safety;
- (h) arranged with Crescent to place appropriate insurance in respect of the Property; and
- (i) rectified all fire code violations at Hidden Valley Resort as set out in the report of the Huntsville Fire Department.

PROFESSIONAL FEES

30. The Receiver and TGF have maintained detailed records of their professional time and costs since the issuance of the Initial Order. Pursuant to paragraph 18 of the Appointment Order, the Receiver and TGF were directed to pass their accounts from time to time before this Honourable Court.
31. The total fees of the Receiver during the period from February 18, 2010 to July 11, 2010 amount to \$227,410.00, together with expenses and disbursements in the sum of \$1,552.83 and goods and services and/or harmonized sales tax (“GST/HST”) in the amount of \$19,308.19, totalling \$248,271.02 (the “Receiver’s Fees”). The time spent by the Receiver is more particularly described in the Affidavit of Ira Gerstein of Deloitte & Touche Inc., sworn August 18, 2010 (the “Gerstein Affidavit”), sworn in support hereof and attached hereto as Exhibit “G”.

32. The total legal fees incurred by the Receiver during the period May 14, 2010, 2010 to July 31, 2010 for services provided by TGF as the Receiver's independent legal counsel amount to \$84,300, together with disbursements in the sum of \$4,830.91 and GST/HST in the amount of \$6,999.19, totalling \$96,130.10. The time spent by TGF personnel is more particularly described in the Affidavit of Grant Moffat, a partner of TGF, sworn August 17, 2010 (the "**Moffat Affidavit**") sworn in support hereof and attached hereto as Exhibit "**H**".
33. In accordance with paragraph 19 of the Appointment Order, the Receiver has periodically paid fees and disbursements incurred by the Receiver and TGF, subject to approval of such accounts by this Honourable Court.

RECEIVER'S RECOMMENDATIONS

34. For the reasons set out above, the Receiver recommends that the Court make an Order:
 - (a) approving the activities of the Receiver as described in the Second Report including, without limitation, the rejection by the Receiver of all offers received to purchase the Property pursuant to the Marketing Process other than the Pearle Offer;
 - (b) approving the professional fees and disbursements of the Receiver for the period February 18, 2010 to July 11, 2010, and its independent legal counsel, TGF, for the period from May 14, 2010 to July 31, 2010;
 - (c) authorizing and directing the Receiver to accept the Pearle Offer;
 - (d) authorizing and directing the Receiver to enter into and carry out the terms of the Pearle Sale Agreement, together with any amendments thereto deemed necessary by the Receiver in its sole opinion and vesting title to that part of the Property comprised by The Elora Mill Inn in and to Pearle upon closing of the Pearle Sale Agreement;
 - (e) if the Pearle Sale Agreement is terminated in accordance with its terms, authorizing and directing the Receiver to commence negotiations with any other party or parties identified by the Receiver through the Marketing Process, the

Revised Marketing Process or otherwise whereby the Receiver shall sell The Elora Mill Inn to such party or parties, subject to Court approval;

- (f) approving the Revised Marketing Process;
- (g) authorizing and directing the Receiver to carry out the sale of the remaining Hotels pursuant to the Revised Marketing Process;
- (h) redacting from the version of the Second Report served on any party other than the Court and Equitable the summary of offers received by the Receiver pursuant to the Marketing Process attached hereto as Confidential Exhibit "C", and directing that the information contained therein be sealed from the public record until further order of this Honourable Court.

All of which is respectfully submitted at Toronto, Ontario this ^{19th} day of August, 2010.

Deloitte & Touche Inc.

solely in its capacity as the Court-appointed receiver and manager of the Property (as defined herein) of Tuesday Equities Ltd. and Prince Royal Limited Partnership and without personal or corporate liability



Per:

Paul Casey, CA-CIRP
Senior Vice-President

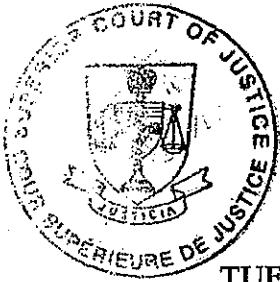
TAB A

EXHIBIT "A"

Court File No. CV-10-8592-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.) WEDNESDAY, THE 26TH DAY
)
)
JUSTICE CUMMING) OF MAY, 2010



THE EQUITABLE TRUST COMPANY

Applicant

- and -

TUESDAY EQUITIES LTD. as General Partner for and on behalf of
PRINCE ROYAL LIMITED PARTNERSHIP

Respondent

ORDER

THIS Application made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Deloitte & Touche Inc as receiver and manager (in such capacities, the "Receiver") without security, of certain assets, undertakings and properties of Tuesday Equities Ltd. and Prince Royal Limited Partnership (the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Andrew Moor sworn February 18, 2010 and the Exhibits thereto, the supplemental affidavit of Andrew Moor sworn May 14, 2010 and the Exhibits thereto, and on hearing the submissions of counsel for The Equitable Trust

Company, the Receiver, a representative of Ballycurkeen Investment Corp., and on reading the consent of Deloitte & Touche Inc. to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Deloitte & Touche Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties (including, without limitation, the real property as set out in the legal descriptions attached at Schedule "B") of the Debtors acquired for, or used in relation to the following businesses carried on by the Debtors, including all proceeds thereof: (1) The Benmiller Inn & Spa, (2) The Elora Mill Inn and (3) the Hidden Valley Resort (collectively, the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property, including but not limited to the bank accounts associated with the Property, which are with the Royal Bank of

Canada in the name of Shaner Solutions, LP, 1965 Waddle Road, State College, PA, USA 16803;

- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors with respect to the Property, including the powers to enter into any agreements, incur and pay any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors in respect of the Property;
- (d) to pay any obligations of the Debtors in respect of trade creditors in existence as at the date of this order;
- (e) to honour the pre-Receivership deposits of customers of the Debtors for room, event and restaurant reservations;
- (f) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons (including, without limitation, affiliates of the Receiver) from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (g) without limiting the forgoing, to continue the engagement of Crescent Hotels and Resorts Canada (the "Management Company") by the Debtors under the agreement between the

Debtors and the Management Company ("Management Agreement") and to make payments, as required, under the Management Agreement, provided that the Receiver shall not incur or assume any liability under the Management Agreement by making any such payments. The Receiver shall not be deemed to have adopted or otherwise become a party to the Management Agreement or any other agreement to which the Debtors are a party unless the Receiver agrees by written notice to all parties to such agreement to adopt or become a party to such agreement;

- (h) in the alternative to subparagraph (g), to enter into a new agreement with the Management Company to continue the management of the Property, or such other hotel management company as it sees fit;
- (i) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (j) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors with respect to the Property and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (k) to settle, extend or compromise any indebtedness owing to the Debtors in respect of the Property;
- (l) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or

in the name and on behalf of the Debtors, for any purpose pursuant to this Order;

- (m) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (n) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors in relation to the Property, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (o) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (p) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$250,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* or section 31 of the Ontario *Mortgages Act* shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (q) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (r) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (s) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (t) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (u) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (v) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and

- (w) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver

due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, food and beverage services, laundry services, security, internet services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names in respect of the Property, provided in each case

that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. In this regard, the Receiver may confirm the continuation of the employment by the Debtors of any of their employees pursuant to a letter from the Receiver on behalf of the Debtors. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental

Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, as well as for any expenditures or liabilities properly made or incurred by the Receiver, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

23. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

GENERAL

24. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

25. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

26. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

27. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

28. THIS COURT ORDERS that the Applicant, the Receiver, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the service list from time to time, in accordance with the E-filing protocol of the Commercial List to the extent practicable, and the Receiver may post a copy of any or all such materials on its website.

29. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

30. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

May 26, 2010 Peter A. Cumming J.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

MAY 26 2010

PER / PAR:

JN

Joanne Nicoara
Registrar, Superior Court of Justice.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

31. THIS IS TO CERTIFY that Deloitte & Touche Inc., the receiver and manager (the "Receiver") of assets, undertakings and properties of Tuesday Equities Ltd. and Prince Royal Limited Partnership (the "Debtors") acquired for, or used in relation to the following businesses carried on by the Debtors, including all proceeds thereof (the "Property"): (1) The Benmiller Inn & Spa, (2) The Elora Mill Inn and (3) the Hidden Valley Resort, appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 26TH day of May, 2010 (the "Order") made in an action having Court file number CV-10-8592-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$250,000.00 which the Receiver is authorized to borrow under and pursuant to the Order.

32. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 1st day of each month after the date hereof at a notional rate per annum equal to the rate of 4.65 per cent above the prime commercial lending rate of The Equitable Trust Company from time to time.

33. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

34. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

35. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

36. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

37. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

Deloitte & Touche Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

SCHEDULE "B"

LEGAL DESCRIPTION

THE BENMILLER INN & SPA

PIN 41361-0104 (LT) - PT LT 19 PL 205 COLBORNE; PT LT 20 PL 205 COLBORNE; PT LT 1 CON 1 ED COLBORNE AS IN R282493 (SEVENTHLY); TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH

PIN 41361-0129 (LT) - PT LT 1 CON 1 ED COLBORNE AS IN LT5242 (4THLY); TOWNSHIP OF ASHFIELD- COLBORNE-WAWANOSH

PIN 41361-0133 (LT) - PT LT 1 CON 1 ED COLBORNE PT 2, 22R788, PT 1, 22R535 & AS IN R282493 (FIFTHLY); S/T INTEREST IN R177511; TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH

PIN 41361-0134 (LT) - PT BLK B PL 206 COLBORNE PT 1, 22R439 & PART BLOCK B, PLAN 206 COLBORNE AS DESCRIBED AS PART LOT 1, CONCESSION 1, EASTERN DIVISION; COLBORNE AS IN R282493 (FIRSTLY) "DESCRIPTION AMENDED BY L. SWANSON, LAND REGISTRAR 00/12/13" TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH

PIN 41361-0094 (LT) - LT 1 PL 205 COLBORNE; LT 2 PL 205 COLBORNE; LT 3 PL 205 COLBORNE; TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH

Part of PIN 41118-0090 (R) - PT LT 1 CON 2 ED COLBORNE; PT LT 2 CON 2 ED COLBORNE; TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH, more particularly described as follows:

Part of Lots 1 and 2, Concession II, Eastern Division, Township of Colborne, the boundaries of which are more particularly described as follows:

BEGINNING at the southeast angle of Lot 1, Concession II, Eastern Division;

THENCE South 89 degrees 58 minutes West along the southerly limit of the said lot, a distance of 69.60 feet;

THENCE North 46 degrees West along the southwesterly limit of the said lot, a distance of 275.85 feet;

THENCE North 62 degrees 37 minutes East along the northwesterly limit of Instrument No. 30756, a distance of 28.49 feet to the point of commencement of the parcel herein described;

THENCE North 62 degrees 37 minutes East along the northwesterly limit of Instrument No. 30756 and Instrument No. 87832, a distance of 323.41 feet to a point in a westerly limit of Instrument No. 62136;

THENCE North 0 degrees 31 minutes 30 seconds East, a distance of 217.0 feet;

THENCE South 68 degrees 21 minutes 40 seconds East, a distance of 81.0 feet;

THENCE North 68 degrees 56 minutes 40 seconds East, a distance of 283.0 feet;

THENCE North 0 degrees 25 minutes 30 seconds West, a distance of 442.1 feet;

THENCE due West, a distance of 382.3 feet to a point in the west limit of Lot 2, Concession II, Eastern Division;

THENCE due South along the west limit of Lot 2, Concession II, Eastern Division, a distance of 391.3 feet to the southeast angle of Instrument No. 87374;

THENCE North 26 degrees West, a distance of 85.8 feet;

THENCE North 59 degrees 20 minutes West, a distance of 175.15 feet;

THENCE South 38 degrees 10 minutes West along the southeasterly limit of Instrument No: 87374 and Instrument No. 8096, a distance of 521.61 feet to the northwesterly corner of Part 8, according to registered R.D. Plan No. 79 for the County of Huron;

THENCE South 46 degrees East along the northerly limit of said Part 8, a distance of 92.65 feet;

THENCE South 51 degrees 42 minutes 40 seconds East along the northerly limit of said Part 8, a distance of 100.50 feet;

THENCE South 46 degrees East along the northerly limit of said Part 8, a distance of 169.82 feet to the northeasterly corner of said Part 8, being the point of commencement;

as lastly described as FIRSTLY in instrument No. 340929.

THE ELORA MILL INN

PIN 71410-0083 (LT) - LT 4 N/S W MILL ST PL 181 ELORA; LT 5 N/S W MILL ST PL 181 ELORA; CENTRE WELLINGTON

PIN 71410-0072 (R) - PT LT 1 BRUCE PLACE NW GRAND RIVER PL 181 ELORA; PT LT 2 S/S W MILL ST PL 181 ELORA; PT LT 3 S/S W MILL ST PL 181 ELORA; PT LT GRIST MILL PL 181 ELORA; CENTRE WELLINGTON

HIDDEN VALLEY RESORT

PIN 48082-0346 (LT) - PT LT 32 CON 1 CHAFFEY; PT LT 32 CON 2 CHAFFEY PT 3 35R8715, PT 1 TO 5, 24 TO 26 35R14094 S/T DM251182, DM251183; S/T DM182153, DM250232, DM251180, DM251181, DM251590, DM251591; S/T EXECUTION 02-00078, IF ENFORCEABLE; HUNTSVILLE ; THE DISTRICT MUNICIPALITY OF MUSKOKA

PIN 48082-0049 (LT) - CL 32961 SEC MUSKOKA; FIRSTLY: PT LT 1 PL M419 CHAFFEY; PT LT 2 PL M419 CHAFFEY PT 10 35R8715; SECONDLY: PT LT 33 CON 2 CHAFFEY PT 6-8 & 10 35R14094 S/T PT 6, 8, 10 35R14094 AS IN LT162591, S/T PT 8 & 10 35R14094 AS IN LT163267, S/T PT 10 35R14094 AS IN LT163268, S/T PT 8 & 10 35R14094 AS IN LT163512 & LT163513; THIRDLY: PT 1 FT RESERVE AROUND WLY END OF VALLEY RD PL M419 CHAFFEY PT 14 35R14094 S/T PT 14 35R14094 AS IN LT23495; FOURTHLY: PT LT 33 CON 2 CHAFFEY PT 9 35R8715; FIFTHLY: PT 1 FT RESERVE ADJOINING VALLEY RD PL M419 CHAFFEY PT 12 35R8715 S/T PT 3 35R8712 AS IN LT118308; SIXTHLY: PT VALLEY RD PL M419 CHAFFEY CLOSED BY LT168265 PT 13 35R8715 S/T PT 2 35R8712 AS IN LT163270, T/W PT 23 35R14094 AS IN LT163270 & T/W PT 11, 20 & 22 35R14094 AS IN LT163270 (S/T LT103237, LT103983, LT122177, LT143636, LT147767, LT148784, LT153713, LT153718, LT147766 & LT153717); HUNTSVILLE ; THE DISTRICT MUNICIPALITY OF MUSKOKA

The Equitable Trust Company
Applicant

and

Tuesday Equities Ltd. as General Partner for and
on behalf of Prince Royal Limited Partnership
Respondent

Court File No. CV-10-8592-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Daniel S. Murdoch LSUC#: 53123L
Tel: (416) 869-5529
Fax: (416) 947-0866

Lawyers for the Applicant

TAB B

EXHIBIT "B"

Court File No. CV-10-8592-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

MR. / J
THE HONOURABLE MADAM) THURSDAY, THE 17th DAY
GRACE)
JUSTICE PEPALL) OF JUNE, 2010

THE EQUITABLE TRUST COMPANY

Applicant

- and -

TUESDAY EQUITIES LTD. as General Partner for and on behalf of
PRINCE ROYAL LIMITED PARTNERSHIP

Respondents



ORDER

THIS MOTION, made by Deloitte & Touche Inc., in its capacity as receiver and manager (in such capacity, the "Receiver") of all of the assets, undertakings and properties of Tuesday Equities Ltd. and Prince Royal Limited Partnership (together, the "Debtors"), acquired for, or used in relation to the following businesses carried on by the Debtors, including all proceeds thereof: (i) The Benmiller Inn & Spa; (ii) The Elora Mill Inn; and (iii) the Hidden Valley Resort (collectively, the "Property") for relief with respect to the matters set out in the Notice of Motion dated June 11, 2010, was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the First Report of the Receiver dated June 10, 2010 (the "First Report") and the Exhibits thereto, and on hearing submissions of counsel for the Receiver, the Applicant and any other party appearing,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein be and is hereby abridged such that this motion is properly returnable today and that further service thereof upon any other interested party is hereby dispensed with.
2. **THIS COURT ORDERS** that capitalized terms not otherwise defined in this Order shall have the meanings ascribed thereto in the First Report.
3. **THIS COURT ORDERS** that the First Report and the activities and conduct of the Receiver described in the First Report are hereby ratified and approved.
4. **THIS COURT ORDERS** that the Receiver's marketing plan for the Property as described in the First Report, together with any amendments thereto deemed necessary and appropriate by the Receiver (hereinafter, the "**Marketing Process**") be and it is hereby approved and the Receiver is hereby authorized and directed to carry out the Marketing Process.
5. **THIS COURT ORDERS** that the conditions of sale ("**Conditions of Sale**") attached as an exhibit to the First Report be and the same are hereby approved, together with any amendments thereto deemed necessary and appropriate by the Receiver.
6. **THIS COURT ORDERS** that the Receiver be and it is hereby authorized to:
 - (a) proceed to market and offer for sale the Receiver's right, title and interest in the Property in the manner more particularly described in the First Report and in

accordance with and on the terms of the Marketing Process and the Conditions of Sale;

- (b) enter into discussions with any and all offerors in respect of the Property;
- (c) disclose to and review with the Applicant, any of its advisors and CB Richard Ellis Canada any and all offers received by the Receiver to purchase some or all of the Property;
- (d) accept an offer to purchase some or all of the Property, the terms of which, in the Receiver's sole opinion, are in the best interests of the estate herein, subject to approval of this Court if required in accordance with the Appointment Order; and
- (e) enter into agreements of purchase and sale in respect of some or all of the Property on the terms of the Template Agreement (as defined in the Conditions of Sale), together with any amendments or additions thereto deemed necessary by the Receiver in its sole opinion, subject to approval of this Court if required in accordance with the Appointment Order.

7. **THIS COURT ORDERS** that, in accordance with the Conditions of Sale, the Receiver is not obligated to accept any offer or offers to purchase some or all of the Property.

8. **THIS COURT FURTHER ORDERS** that the Receiver shall have no personal or corporate liability in connection with offering the Receiver's right, title and interest in the Property for sale, including, without limitation:

- (a) by advertising the Property and/or the Marketing Process;

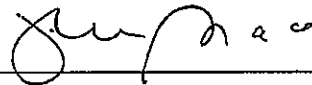
- (b) by exposing the Property to any and all parties, including, but not limited to, those who have made their interest known to the Receiver;
- (c) by carrying out the Marketing Process;
- (d) by responding to any and all requests or inquiries in regards to due diligence conducted in respect of the Property;
- (e) through the disclosure of any and all information presented by the Receiver and its solicitors or agents (including, without limitation, CB Richard Ellis Canada), arising from, incidental to, or in connection with the Marketing Process;
- (f) pursuant to any and all offers received by the Receiver in accordance with the Marketing Process; and
- (g) pursuant to any agreement of purchase and sale entered into by the Receiver in respect of the sale of any of the Property.

9. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to enter into and carry out the terms of the Exclusive Listing Agreement with CB Richard Ellis Canada substantially in the form attached as Exhibit "B" to the First Report, together with any amendments thereto deemed necessary by the Receiver in its sole opinion.

10. **THIS COURT FURTHER ORDERS** that the costs of the Receiver in preparation of this motion and of these proceedings, up to and including the hearing of this motion and the entry of this order (including applicable Harmonized Sales Tax) be paid to the Receiver from the estate herein.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JUN 17 2010



Grace J.

PER / PAR: 

THE EQUITABLE TRUST COMPANY

Applicant(s)

and

TUESDAY EQUITIES LTD. as General Partner for and on
behalf of PRINCE ROYAL LIMITED PARTNERSHIP
Respondent(s)

Court File No.: CV-10-8592-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER

ThorntonGrouffinnigan LLP
Barristers and Solicitors
Suite 3200, P.O. Box 329
Canadian Pacific Tower
Toronto-Dominion Centre
Toronto, Ontario
M5K 1K7

Grant B. Moffat (LSUC#32380L)
Tel: 416-304-0599
Fax: 416-304-1313

Lawyers for the Receiver.

TAB C

CONFIDENTIAL EXHIBIT “C”

**SUBJECT TO REQUEST FOR
SEALING ORDER**

TAB D

EXHIBIT "D"

FORM OF OFFER

To: **Deloitte Touche Inc., solely in its capacity as the receiver and manager of all of the assets, properties and undertakings of Tuesday Equities Ltd. and Prince Royal Limited Partnership (together, the "Debtors") acquired for, or used in relation to the following businesses carried on by the Debtors, including all proceeds thereof:**
(i) The Benmiller Inn & Spa; The Elora Mill Inn; and
(iii) Hidden Valley Resort, and without personal or corporate liability

1. Aaron Ciancoul - Pearle Hospitality
(Name of Offeror)
2. 551 Old Dundas rd. Ancaster, Ont.
(Address of Offeror)
3. 905-648-1101 Ext 242 aaron@ancastermill.com
(Telephone Number) (Facsimile Number) (email address)

4. I/We hereby submit this offer for the purchase of the parcels indicated below for the total purchase price of \$ 1,850,000 , excluding applicable taxes:

Parcel 1 The Benmiller Inn & Spa
\$ _____ (Can.)

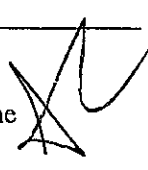
Parcel 2 The Elora Mill Inn
\$ 1,850,000 (Can.)

Parcel 3 Hidden Valley Resort
\$ _____ (Can.)

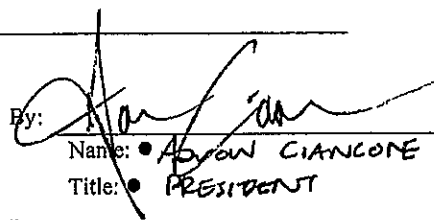
E

5. This Offer is an "en bloc" offer to purchase the following listed parcels (i.e. Vendor can accept all, but not less than all, of the offer for the following parcels):

Parcel 2 - Elora Mill Inn

6. We/I agree, that in the event this offer is accepted, to be bound by the Conditions of Sale dated June 1, 2010 which shall form part of this offer. 
7. This Offer is irrevocable and shall remain open for the consideration of the Vendor until 12:00 o'clock Noon Eastern Time on the 26th day of August, 2010.
7. Warranty - We/I represent and warrant to Deloitte & Touche Inc. that we/I am/are not a non-eligible person as defined by the *Investment Canada Act*.
8. Enclosed is our/my certified cheque payable to Deloitte & Touche Inc., as a deposit in the amount of \$185,000, representing 10% of the total amount of our/my Offer submitted herein.

DATED at BURLINGTON this 11 day of August, 2010.

By: 
Name: ● ADRIAN CIANCONE
Title: ● PRESIDENT

By: _____
Name: ● _____
Title: ● _____

I/We have authority to bind the Corporation.

TAB E

EXHIBIT "E"

AGREEMENT OF PURCHASE AND SALE

(THE ELORA MILL INN)

THIS AGREEMENT MADE THIS 19th DAY OF AUGUST, 2010

BETWEEN:

Deloitte & Touche Inc., solely in its capacity as the Court Appointed Receiver and Manager of the Property (as defined herein) of Tuesday Equities Ltd. and Prince Royal Limited Partnership, with no personal or corporate liability

(hereinafter referred to as the "Vendor")

OF THE FIRST PART

- and -

Pearle Hospitality Inc., a corporation incorporated under the laws of the Province of Ontario

(hereinafter referred to as the "Purchaser")

OF THE SECOND PART

WHEREAS:

- A. Pursuant to the Appointment Order, Deloitte & Touche Inc. was appointed by the Court as receiver and manager, without security, of all of the assets, undertakings and properties of Tuesday Equities Ltd. and Prince Royal Limited Partnership (together, the "Companies") acquired for, or used in relation to the following businesses carried on by the Companies, including all proceeds thereof: (i) The Benmiller Inn & Spa; (ii) The Elora Mill Inn; and (iii) Hidden Valley Resort (collectively, the "Property");
- B. Pursuant to the Marketing Order, the Court approved the sale process proposed by the Vendor for the sale of the Property;
- C. Subject to the Court issuing the Approval & Vesting Order, the Purchaser offers to purchase all of the Vendor's and the Companies' right, title and interest in and to the Purchased Assets on the terms and conditions contained herein. The Purchaser acknowledges that the Vendor's acceptance of such offer and execution of this Agreement are subject to the terms and conditions contained herein and the approval of the Court of such actions.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual premises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties agree as follows:

ARTICLE I
INTERPRETATION

1.01 Definitions

In this Agreement:

“**Account Closing Date**” means the 5th Business Day following the Closing Date.

“**Agreement**” means this agreement and all schedules and instruments in amendment or confirmation of it; and the expressions “article” and “section” followed by a number mean and refer to the specified article or section of this agreement. The words “herein”, “hereof”, “hereto” and “hereunder” refer to this agreement.

“**Appointment Order**” means the order of the Court dated May 26, 2010 appointing Deloitte & Touche Inc. as the Receiver pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada).

“**Approval & Vesting Order**” means an order of the Court (i) authorizing and directing the Vendor to complete the terms of this Agreement and (ii) providing for the vesting and/or the transfer of the Purchased Assets in and to the Purchaser free and clear of all claims, liabilities and Encumbrances other than the Permitted Encumbrances. The Approval & Vesting Order shall be substantially in the form of the Order annexed hereto as Schedule “C” or as the parties may otherwise agree.

“**Assigned Contracts**” has the meaning ascribed thereto in Section 2.03.

“**Assumed Employees**” has the meaning ascribed thereto in Section 5.01.

“**Assumed Liabilities**” means those liabilities of the Vendor or the Companies which shall be assumed by the Purchaser at Closing, all as more particularly described in Section 2.08.

“**Authorization**” means, with respect to any Person, any order, permit, approval, waiver, Licence or similar authorization of any Governmental Entity having jurisdiction over the Person.

“**Bank Accounts**” means the General Account and the General Manager’s Account.

“**Books and Records**” means all personnel records in respect of Assumed Employees, sales and purchase records, customer and supplier lists, lists of potential customers, referral sources, research and development reports and records, production reports and records, accounting records, equipment logs, operating guides and manuals, business reports and all other documents, files, correspondence and other information (whether in written, printed, electronic or computer

printout form) relating solely to the Hotel or the Business, but excluding any of the foregoing as applicable to any Excluded Assets.

"Business" means the business conducted by the Vendor or the Companies exclusively at the Hotel.

"Business Day" means any day which is not a Saturday, a Sunday or a day observed as a statutory or civic holiday under the laws of the Province of Ontario or the federal laws of Canada applicable in the Province of Ontario, on which the principal commercial banks in the City of Toronto, Ontario are open for business.

"Closing" means the closing of the transaction contemplated by this Agreement.

"Closing Date" means the 45th day after the granting of the Approval & Vesting Order or such other date as agreed by the Vendor and the Purchaser, provided such date is not later than October 31, 2010.

"Closing Time" means 11:00 o'clock a.m., Toronto time, on the Closing Date or such later time on the Closing Date as Closing takes place.

"Companies" means Tuesday Equities Ltd. and Prince Royal Limited Partnership.

"Conditions Precedent" means those conditions in favour of the Purchaser set out in Section 8.01, those conditions in favour of the Vendor set out in Section 9.01 and those conditions in favour of the Purchaser and Vendor set out in Section 10.01.

"Conditions of Sale" means the conditions of sale approved pursuant to the Marketing Order.

"Confidential Information" means "Information" as that term is defined and referred to in the Confidentiality Agreement.

"Confidentiality Agreement" means the confidentiality agreement between the Receiver and the Purchaser dated as of August 9, 2010 with respect to the Hotel.

"Contracts" means any written, but not oral, contracts, personal property leases, licenses from any Person, service contracts and any other similar written agreement between either of the Companies or the Vendor and any Person relating in any way to the Purchased Assets.

"Court" means the Ontario Superior Court of Justice (Commercial List).

"Current Employees" means all employees of either of the Companies whose employment relates exclusively to the Business or the Hotel, together with their date of hire, length of credited service if different, hourly wage rate and/or annual salary or commission arrangements, title, accrued vacation and annual vacation accrual rate and status as full, part-time or other.

"Deposit" means the deposit of \$185,000 (equal to 10% of the Purchase Price) paid to the Vendor by the Purchaser by way of certified cheque or bank draft drawn upon Teachers Credit Union pursuant to the Conditions of Sale.

"Employee Liabilities" means any liability imposed upon the Vendor, the Companies or the Purchaser pursuant to any federal or provincial legislation pursuant to which such party shall be deemed to be a successor employer, related employer or otherwise responsible for or liable for payment of any amounts owing to any of the employees or former employees of either of the Companies (including but not limited to the Assumed Employees), whether pursuant to the *Labour Relations Act*, 1985, S.O. 1995, c.L.1, Schedule A, as amended, the *Employment Standards Act*, 2000, S.O. 2000, c.41, the *Pay Equity Act*, R.S.O. 1990, c.P.7, the *Workplace Safety and Insurance Act*, 1997, S.O. 1997, c.16, Sch. A, or the *Pension Benefits Act*, R.S.O. 1990, c.P.8. Without limiting the foregoing, Employee Liabilities shall include:

- (a) all salaries, wages, bonuses, commissions and other compensation (including accrued but unpaid vacation pay and any retroactive pay) and all liabilities under employee pension and benefit plans relating to employment of the employees or former employees of the Companies;
- (b) all severance payments, damages for wrongful dismissal and all related costs in respect of the termination by the Companies of the employees or former employees of the Companies; and
- (c) all liabilities for claims for injury, disability, death or workers' compensation arising from or relating to employment in the Business.

"Encumbrance" means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), claim, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition which, in substance, secures payment or performance of an obligation.

"Event Contract" means a contract or other written agreement between any of the Companies, the Vendor or the Hotel and a Patron setting out the terms upon which an event will be held at the Hotel on or after the Closing Date.

"Event Deposit" means a deposit paid to the Vendor under an Event Contract.

"Excluded Accounts Receivable" means all accounts receivable, choses in action, book debts and any other amounts due, owing or accruing due to the Vendor, the Companies, the Hotel or otherwise in connection with any of the Property and the benefit of all security (including cash deposits), guarantees and other collateral held by the Vendor, the Companies or the Hotel in respect of any Excluded Accounts Receivable.

"Excluded Assets" has the meaning ascribed thereto in Section 2.02.

"Excluded Contracts" means any and all Contracts other than those Assigned Contracts which are assignable by the Vendor in accordance with this Agreement.

"Excluded Liabilities" has the meaning ascribed thereto in Section 2.09.

"GAAP" means at any time, generally accepted accounting principles in Canada including those set out in the Handbook of the Canadian Institute of Chartered Accountants, at the relevant time applied on a consistent basis.

"General Account" means the current account in the name of Shaner Solutions, LP with Royal Bank of Canada which is utilized by the Manager to fund certain operating expenses with respect to the Hotel.

"General Manager's Account" means the current account in the name of Shaner Solutions, LP with Royal Bank of Canada which is utilized by the general manager of the Hotel to fund certain operating expenses with respect to the Hotel.

"Goodwill" means the exclusive right of the Purchaser to represent itself as carrying on all business undertakings for or related to the Purchased Assets, in continuation of and in succession to the Companies or the Vendor, including the right to use any words, names, internet domain names and trade names indicating that the Business of the Companies or the Vendor related to the Purchased Assets is so carried on.

"Governmental Entity" means (i) any multinational, federal, provincial, state, municipal, local or other government or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign (ii) any subdivision or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

"GST/HST" means taxes, interest, penalties and fines imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and **"GST/HST Legislation"** means such act and regulations together. For greater certainty, "GST" refers to the tax applicable in Ontario prior to July 1, 2010 and "HST" refers to the tax applicable on or after July 1, 2010, including interest, penalties and fines as aforesaid.

"Hotel" means The Elora Mill Inn, consisting of the real property located at 77 Mill Street West, Village of Elora, Province of Ontario, all as more particularly described in Schedule "A" attached hereto together with the buildings situate thereon containing 32 guest rooms and suites, restaurant, lounge, meeting rooms and a tea room.

"Hotel Guest" means any Person who is a guest of the Hotel.

"Income Tax Act" means, collectively, the *Income Tax Act* (Canada), the *Income Tax Application Rules* (Canada) and the *Income Tax Regulations*, in each case as amended to the date hereof.

"Intellectual Property" means, as applicable to each of the Companies, such party's interest in any and all intellectual and industrial property of any kind protected or protectable in any jurisdiction throughout the world that is used exclusively by the Companies with respect to the Hotel or the Business, including, without limitation, all registered trade marks and trade names used exclusively in connection with the Hotel or the Business. For greater certainty, Intellectual Property shall not include either of the Companies' interest in any intellectual or industrial

property used by the Companies in connection with or otherwise related to any of the Excluded Assets.

"Inventory" means all inventories, supplies, perishable and unperishable food items, housekeeping items, linens, and any other material routinely utilized in connection with the Business located at the Hotel on the Closing Date, but excludes all Liquor Inventory.

"Investment Canada Act" means the *Investment Canada Act*, R.S.C. 1985, c. 28 as amended from time to time and the regulations made thereunder.

"Laws" means any and all applicable laws including all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, ruling or awards, policies, guidelines and general principles of common and civil law and equity, binding on or affecting the Person referred to in the context in which the word is used.

"Liabilities" means any and all debts, liabilities and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, or claim or order by any Governmental Entity, and those arising under any contract, agreement, arrangement, commitment or undertaking, but excluding those relating to claims for income taxes, interest, penalties and fines;

"Licences" means all permits, consents, waivers, licences, sub-licences, certificates, approvals, authorizations, registrations, franchises, rights, privileges, certification, quotas and exemptions for any item with a similar effect, issued or granted by any Governmental Entity.

"Liquor" has the meaning ascribed thereto in the *Liquor Licence Act*.

"Liquor Inventory" means all inventories and supplies of Liquor owned by the Companies or the Vendor located at or related to the Hotel or otherwise subject to the Liquor Licence.

"Liquor Licence" means the temporary liquor licence issued to the Vendor by the Alcohol and Gaming Commission of Ontario with respect to the Hotel.

"Liquor Licence Act" means the *Liquor Licence Act*, R.S.O. 1990, c.L. 19, as amended from time to time, and the regulations made thereunder.

"Manager" means Crescent Hotels and Resorts Canada Company.

"Marketing Order" means the Order of the Court dated June 17, 2010 authorizing the Receiver to market and sell the Property.

"New Liquor Licence" means the Liquor Licence to be issued to the Purchaser with respect to the Hotel substantially on the terms of the Liquor Licence.

"Parties" means the Vendor, the Purchaser and any other Person who may become a party to this Agreement.

"Patron" means any Person who has scheduled an event at the Hotel and paid the corresponding Event Deposit to either the Companies or the Vendor.

"Permitted Encumbrances" means those encumbrances specified in Schedule "B".

"Person" means a natural person, partnership, limited liability partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Entity, and pronouns have a similarly extended meaning.

"PPSA" means the *Personal Property Security Act* (Ontario), R.S.O. 1990, c.P. 10, as amended from time to time, and the regulations made thereunder.

"Pre-Receivership Deposit" means a deposit paid to either of the Companies or the Hotel prior to the appointment of the Receiver pursuant to the Appointment Order with respect to either an Event Contract or a Room Contract.

"Prepaid Expenses" means all liabilities, including all operating expenses, with respect to the Purchased Assets referable in whole or in part to the period from and after the Closing Date which have been prepaid by the Companies or the Vendor as at the Closing Date.

"Property" means all of the assets, undertakings and properties of the Companies acquired for, or used in relation to the following businesses carried on by the Companies including all proceeds thereof:

- (a) The Benmiller Inn & Spa, located at 81175 Benmiller Road, Town of Goderich, Province of Ontario;
- (b) The Elora Mill Inn, located at 77 Mill Street West, Village of Elora, Province of Ontario; and
- (c) Hidden Valley Resort, located at 1755 Valley Road, Town of Huntsville, Province of Ontario,
- (d) and all proceeds thereof.

"Public Statement" has the meaning ascribed thereto in Section 15.20.

"Purchased Assets" has the meaning ascribed thereto in Section 2.01.

"Receiver" means Deloitte & Touche Inc., solely in its capacity as the receiver and manager of the Property of Tuesday Equities Ltd. and Prince Royal Limited Partnership appointed pursuant to the Appointment Order, and not in its personal capacity.

"Room Contract" means a contract or other written agreement between any of the Companies, the Vendor or the Hotel and any Person setting out the terms upon which such Person (either in his or her personal capacity or on behalf of other Persons) will occupy a guest room(s) at the Hotel on or after the Closing Date.

"Room Deposit" means a deposit paid to the Vendor by any Person under a Room Contract.

"Tax" or "Taxes" means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Entity under any applicable tax legislation, including Canadian federal, provincial, territorial, municipal and local, foreign or other income, capital, harmonized sales, goods and services, sales, use, consumption, excise, value added, business, real property, land transfer, personal property, transfer, franchise, withholding, payroll, or employer health taxes, customs, import, anti dumping or countervailing duties, Canada Pension Plan contributions, employment insurance premiums, and provincial workers' compensation payments, including any interest, penalties and fines associated therewith.

"Title Diligence Date" means the seventh Business Day following acceptance of this Agreement by the Vendor or such later date as may be agreed by the Parties.

"Transfer Taxes" means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Entity in connection with the sale, transfer or registration of the transfer of the Purchased Assets, including GST/HST but excluding any taxes imposed or payable under the *Income Tax Act* and any other applicable income tax legislation.

1.02 Currency

All references in this Agreement to monetary amounts, unless indicated to the contrary, are to the currency of Canada.

1.03 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to its subject matter, and supersedes any and all prior negotiations, understandings and agreements between the Parties, provided, however, that the Conditions of Sale continue to bind the Parties. This Agreement may not be amended or modified in any respect except by written instrument signed by the Parties. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver constitute a waiver or continuing waiver unless otherwise expressly provided in writing duly executed by the Party to be bound thereby. Subject to the Approval & Vesting Order being issued by the Court, this Agreement is intended to create binding obligations on the part of the Vendor as set forth herein and on acceptance by the Purchaser, is intended to create binding obligations on the part of the Purchaser, as set out herein.

1.04 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). Each Party hereto irrevocably submits to the exclusive jurisdiction of the Court with respect to any matter arising hereunder or relating hereto.

1.05 Singular, Plural and Gender

Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.

1.06 Certain Words

In this Agreement, the words "including" and "includes" means "including (or includes) without limitation", and "third party" means any Person who is not a Party.

1.07 Headings and Table of Contents

The headings and any table of contents contained in this Agreement, including the separation of this Agreement into sections, subsections, paragraphs and clauses, are for convenience of reference only, and shall not affect the meaning or interpretation.

1.08 Statutory References

All references to any statute is to that statute or regulation as now enacted or as may from time to time be amended, re-enacted or replaced and includes all regulations made thereunder, unless something in the subject matter or context is inconsistent therewith or unless expressly provided otherwise in this Agreement.

1.09 Actions to be Performed on a Business Day

Whenever this Agreement provides for or contemplates that a covenant or obligation is to be performed, or a condition is to be satisfied or waived on a day which is not a Business Day, such covenant or obligation shall be required to be performed, and such condition shall be required to be satisfied or waived on the next Business Day following such day.

1.10 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof.

- Schedule "A" - Legal Description of Hotel
- Schedule "B" - Permitted Encumbrances
- Schedule "C" - Approval & Vesting Order
- Schedule "D" - Allocation of Purchase Price
- Schedule "E" - Statement of Adjustments
- Schedule "F" - General Conveyance

ARTICLE II

PURCHASE AND SALE OF PURCHASED ASSETS AND ASSUMPTION OF LIABILITIES

2.01 Purchased Assets

Upon the terms and subject to the conditions set forth in this Agreement, on the Closing Date, the Vendor agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase from the Vendor, all of the Vendor's and all of the Companies' right, title and interest in and to the Purchased Assets, free and clear of all Encumbrances except only for Permitted Encumbrances. The Purchased Assets shall not include the Excluded Assets. The Purchased Assets comprise the following:

- (a) the Hotel (subject to the Permitted Encumbrances);
- (b) the chattels, furniture, furnishings, equipment and machinery owned by the Companies, if any, located on or at the Hotel and used solely in connection with the Business;
- (c) the Inventory;
- (d) all Assigned Contracts, to the extent such are assignable by the Vendor in accordance with this Agreement;
- (e) the Event Contracts and any corresponding Event Deposits;
- (f) copies of any Books and Records in the Vendor's possession that relate to the Purchased Assets;
- (g) the Room Contracts and any corresponding Room Deposits;
- (h) the Prepaid Expenses relating to the Purchased Assets;
- (i) all warranties, operating manuals, plans and specifications in respect of the Purchased Assets in the Vendor's possession;
- (j) all Authorizations or Licences owned, held or used by the Companies or the Vendor in connection with the Business to the extent transferable;
- (k) the Goodwill, including the exclusive right of the Purchaser to represent itself as carrying on the Business in continuation of and in succession to the Companies; and
- (l) the Intellectual Property.

2.02 Excluded Assets

The Excluded Assets shall consist of all of the Property, other than the Purchased Assets, including, without limitation, the following:

- (a) The Benmiller Inn & Spa and the Hidden Valley Resort;
- (b) all cash, bank balances (including balances in the Bank Accounts), funds on deposit with banks or other depositories and other similar items owned or held by or for the account of the Vendor, the Companies, the Hotel or the Business as at the Closing Date, including the Purchase Price;
- (c) the Excluded Accounts Receivable;
- (d) the Liquor Licence;
- (e) the Liquor Inventory;
- (f) all amounts owing to the Companies by any and all federal, provincial, municipal and other governmental authorities whatsoever;
- (g) all revenues accrued from the Hotel and the Business for the period ending on the day before the Closing Date;
- (h) all Authorizations, extra-provincial sales, excise or other Licences or registrations issued to or held by the Companies, other than exclusively in respect of the Purchased Assets;
- (i) any refunds in respect of reassessments for any Taxes (including, without limitation, realty taxes) paid or payable by the Companies or the Vendor on or prior to the Closing Date with respect to the Hotel or the Business;
- (j) refundable Taxes;
- (k) all amounts owing from any director, officer, former director or officer, shareholder, employee or any affiliate of the Companies;
- (l) insurance policies of the Companies or the Vendor relating to the Purchased Assets and all rights in connection therewith including any rights to payments thereunder upon the occurrence of an insured event or refunds of insurance payments except for insured events in respect of the Purchased Assets for which proceeds of insurance shall be paid to the Purchaser; and
- (m) all Excluded Contracts.

2.03 Assigned Contracts

- (a) The Purchaser acknowledges and agrees that certain of the Purchased Assets may be subject to or consist of one or more Contracts. Not later than 10 Business

Days before the Closing Date, the Purchaser shall notify the Vendor in writing of all Contracts in respect of which the Purchaser wishes the Vendor to assign to it at Closing all of the Vendor's right, title and interest therein (collectively the "Assigned Contracts"). It shall be the Purchaser's sole responsibility to obtain, at its own expense, any consents, approvals or any further documentation or assurances which may be required to carry out the terms of the sale of the Purchased Assets, including, without limitation, any approvals with respect to assignment of any of the Assigned Contracts or any of the Purchased Assets not assignable without the consent or action of a third party or parties. The Purchaser shall indemnify and hold harmless the Vendor from and against any claims or liabilities arising under or in connection with any of the Assigned Contracts for matters occurring on or after, and which relate to the period on or after the Closing Date. The Vendor shall use commercially reasonable efforts to assist the Purchaser in obtaining any necessary consents of third parties to the assignment of the Assigned Contracts. Notwithstanding the foregoing, the Vendor shall have no liability to the Purchaser (and there shall be no adjustment to the Purchase Price) whatsoever with respect to any Assigned Contract, including, without limitation, if the purported assignment by the Vendor of its right, title and interest in any such Assigned Contract is not acknowledged by any Person, if any such Assigned Contract is not assignable by the Vendor, if any such Assigned Contract has been terminated by any party thereto, or the collateral or subject matter of the Assigned Contract is no longer in the Vendor's possession or control. The Vendor does not make any representation or warranty that any such Assigned Contract may be effectively assigned to the Purchaser. The Vendor shall only assign to the Purchaser by way of an assignment in form and content satisfactory to the Vendor and its solicitors all Assigned Contracts, but only to the extent that such Assigned Contracts are assignable by the Vendor, which the Purchaser wishes to have assigned to it at Closing. The form of assignment shall not provide for or require an acknowledgement or agreement to the assignment by any other Person.

- (b) Notwithstanding the provisions of Section 2.03(a), the Event Contracts and the corresponding Event Deposits and the Room Contracts and the corresponding Room Deposits shall be assigned to the Purchaser at Closing, following which the Purchaser shall be solely responsible for fulfilling the terms of each such Event Contract or Room Contract. The Purchaser shall be responsible for accounting to: (i) each Patron for both the Event Deposits and any Pre-Receiver'ship Deposits paid to the Companies in respect of any of the Event Contracts; and (ii) the parties to the Room Contracts for both Room Deposits and Pre-Receiver'ship Deposits paid to the Companies in respect of the Room Contracts. The Purchaser shall indemnify and hold harmless the Vendor from and against any claims or liabilities arising under or in connection with any of the Event Contracts or Room Contracts assigned to the Purchaser for matters occurring on or after, and which relate to the period on or after, the Closing Date. The Vendor shall have no liability to the Purchaser and there shall be no adjustment to the Purchase Price whatsoever with respect to any of the Event Contracts or Room Contracts assigned to the Purchaser including, without limitation, on account of the Pre-Receiver'ship Deposits, if the assignment by the Vendor of its right, title and interest in any such

Event Contract or Room Contract is not acknowledged by any party thereto, if the Event Contract or Room Contract is not assignable by the Vendor or if any such Event Contract or Room Contract is terminated by any party thereto. The Vendor does not make any representation or warranty that any of the Event Contracts or Room Contracts may be effectively assigned to the Purchaser or that the Patron or Hotel guest(s) will perform its or their obligations under the subject Event Contract or Room Contract. The Vendor shall only assign to the Purchaser by way of an assignment in form and content satisfactory to the Vendor and its solicitors its interest in all such Event Contracts and Room Contracts. The foregoing assignment shall not provide for or require an acknowledgement or agreement to the assignment by any other Person.

2.04 Purchase Price

The aggregate consideration payable by the Purchaser to the Vendor in consideration of the sale and transfer of the Purchased Assets shall be the aggregate of (i) cash consideration in the amount of One Million Eight Hundred and Fifty Thousand Dollars (\$1,850,000); and (ii) the assumption by the Purchaser of the Assumed Liabilities (collectively, the "Purchase Price"). The Purchase Price shall be exclusive of all Taxes, including all Transfer Taxes. The Purchase Price, as adjusted in accordance with Section 2.09, shall be paid and satisfied by the Purchaser on Closing as follows:

- (a) payment of the Deposit;
- (b) payment to the Vendor of the balance of the cash consideration comprising the Purchase Price, after payment of the Deposit, by way of certified cheque or bank draft drawn on a Schedule 1 Canadian chartered bank, as adjusted in accordance with Section 2.09 as at the Closing Time; and
- (c) the assumption by the Purchaser of the Assumed Liabilities.

2.05 Allocation of Purchase Price

On or before 5 Business Days before the Closing Date, the Purchaser and the Vendor shall agree upon the allocation of the Purchase Price among the Purchased Assets, which allocation shall be set out in Schedule "D". The Purchaser and the Vendor agree to file all necessary information returns, income tax returns and other similar documents with the applicable taxing authorities in a manner which is consistent with the allocation set forth on Schedule "D".

2.06 Transfer Taxes

The Parties agree that:

- (a) the Purchase Price is exclusive of all Transfer Taxes and the Purchaser shall be liable for and shall pay any and all Transfer Taxes pertaining to the Purchaser's acquisition of the Purchased Assets or the registration of any conveyances necessitated hereby;

- (b) if the Vendor is required under any applicable Law to collect or pay Transfer Taxes, the Purchaser will pay the amount of such Transfer Taxes to the Vendor at Closing in the same manner as the Purchase Price. The Vendor shall provide the Purchaser within a reasonable period of time following Closing with supporting documentation to confirm that such Transfer Taxes have been paid to the appropriate Governmental Entity within the time prescribed by the applicable Transfer Tax legislation;
- (c) except where the Vendor is required under an applicable Law to collect or pay such Transfer Taxes, the Purchaser shall pay such Transfer Taxes directly to the appropriate Governmental Entity or other entity within the required time period and shall file all necessary documentation with respect to such Transfer Taxes when due. The Vendor will do and cause to be done such things as are reasonably requested to enable the Purchaser to comply with such obligation in a timely manner. If the Vendor is required under any applicable Law to pay any such Transfer Taxes, the Purchaser shall promptly reimburse the Vendor the full amount of such Transfer Taxes upon delivery to the Purchaser of copies of receipts showing payment of such Transfer Taxes;
- (d) the Purchaser shall indemnify the Vendor for any Transfer Taxes (including any interest or penalties imposed by a Governmental Entity) for which the Vendor may become liable as a result of any failure by the Purchaser to pay or remit such Transfer Taxes; and
- (e) the Purchaser shall be entitled to provide the Vendor with evidence that the Purchaser is an exempt purchaser, in whole or in part, for purposes of relevant Transfer Tax legislation and, upon provision of such evidence satisfactory to the Vendor, acting reasonably, the Purchaser shall not be required to pay on Closing any Transfer Taxes in respect of which the relevant exemption is applicable.

2.07 HST Election

With respect to HST:

- (a) each Party represents and warrants to the other Party that it is a registrant for GST/HST purposes and will continue to be a registrant at the Closing Date in accordance with the provisions of the GST/HST Legislation and that such Party's respective HST registration number is: in the case of the Vendor is 852508670 RT0005, and in the case of the Purchaser is 84884 9220 RT0001;
- (b) the Vendor and the Purchaser acknowledge that, by the acquisition of the Purchased Assets under this Agreement, the Purchaser is acquiring the ownership, possession or use under this Agreement of all or substantially all of the property that can reasonably be regarded as being necessary for the Purchaser to be capable of carrying on the Companies' business at the Hotel or such part of the Companies' business as a business within the meaning of Section 167 of the GST/HST Legislation;

- (c) the Vendor and the Purchaser shall jointly prepare and execute the election prescribed by subsection 167(1) of the GST/HST Legislation at Closing, and the Purchaser shall file such election in the manner and within the time prescribed by the GST/HST Legislation and shall provide the Vendor with supporting documentation to confirm that such elections have been properly filed;
- (d) pursuant to Section 2.07(c) of this Agreement, and subsection 167(1.1) of the GST/HST Legislation, the Parties acknowledge that no HST is payable by the Purchaser to the Vendor in respect of the transfer of the Purchased Assets described herein; and
- (e) notwithstanding the foregoing, the Purchaser hereby agrees to indemnify the Vendor for any assessment of HST made against the Vendor in connection with the transaction described in this Agreement, whether as a result of the election under subsection 167(1) of the GST/HST Legislation by the Parties with respect to the acquisition of the Purchased Assets by the Purchaser (including, without limitation, if CRA does not accept such election) or otherwise and the Purchaser further agrees to pay all such amounts including interest and penalties and any other related costs of the Vendor, if any, upon written request by the Vendor.

2.08 Assumed Liabilities

At Closing, the Purchaser shall assume and be liable for the Assumed Liabilities. The Assumed Liabilities shall consist of the following:

- (a) all Employee Liabilities payable to or related to any Assumed Employees;
- (b) the Vendor's liabilities and obligations under any Assigned Contracts;
- (c) the Companies' or the Vendor's liabilities and obligations under the Event Contracts, including, without limitation, the obligation to account to any Patron for any Event Deposit or Pre-Receivership Deposit under an Event Contract;
- (d) the Companies' or the Vendor's liabilities under the Room Contracts, including, without limitation, the obligation to account to any Person for any Room Deposit or Pre-Receivership Deposit under a Room Contract; and
- (e) all Liabilities arising or accruing from the use of the Purchased Assets from and after the Closing Date.

2.09 Excluded Liabilities

The Purchaser shall not assume nor be liable for any indebtedness, liabilities or obligations of the Companies or the Vendor other than the Assumed Liabilities (collectively the "Excluded Liabilities"). The Excluded Liabilities shall include, but not be limited to, the following:

- (a) except as agreed in Section 2.06, all Taxes payable by the Companies or the Vendor referable to the period up to the Closing Date including present or future federal and provincial income taxes, municipal business taxes, realty taxes, and school taxes;
- (b) any sales commissions payable by the Companies or the Vendor with respect to the transaction described in this Agreement;
- (c) any liabilities under any of the Excluded Contracts;
- (d) all Employee Liabilities with respect to any former or Current Employees of any of the Companies, except the Assumed Employees; and
- (e) any Liabilities otherwise related to the Excluded Assets.

2.10 Adjustments to the Purchase Price

(i) **Adjustment Date.** The Purchase Price shall not be adjusted for any cause, matter, or thing, save and except for the following, each of which shall be apportioned and allowed to the Closing Date and the Closing Date itself shall be apportioned to and be the responsibility of the Purchaser. The Vendor shall be entitled to all revenues accrued from the Hotel and the Business for the period ending on the day before the Closing Date and shall be responsible for all operating expenses relating to the Hotel and the Business for the period from and after the date of the appointment of the Receiver pursuant to the Appointment Order and ending on the day before the Closing Date. From and including the Closing Date, the Purchaser shall be responsible for all expenses and shall be entitled to all revenues accruing from the Hotel. The Purchase Price shall be adjusted in accordance with the Statement of Adjustments at Schedule "E" hereto and shall include:

- (a) the Prepaid Expenses which shall be added to the Purchase Price;
- (b) interest on the Deposit which shall be credited towards the Purchase Price upon Closing;
- (c) all applicable Taxes, including Transfer Taxes, which shall be added to the Purchase Price;
- (d) the cost, if any, of dismantling or removing the Purchased Assets from their present location and restoring such location to a neat and clean condition which shall be added to the Purchase Price;
- (e) the cost of repairing any damage caused by dismantling or removal of the Purchased Assets from their present location which shall be added to the Purchase Price;
- (f) the cost of any additional Inventory received or paid for by the Vendor after the date of this Agreement but prior to the Closing Date, which shall be added to the Purchase Price. Notwithstanding the foregoing, there shall not be any adjustment

to the Purchase Price for any non-material changes in the quantity of the Inventory between the date of this Agreement and the Closing Date;

- (g) realty taxes, local improvement rates and charges, water and assessment rates; and
- (h) operating costs, utilities, fuel and all other items normally adjusted between a vendor and a purchaser in respect of the sale of property similar to the Hotel.

(ii) **Statement of Adjustments.** A statement of adjustments shall be delivered to the Purchaser by the Vendor at least 5 Business Days prior to the Closing Date and shall have annexed to it details of the calculations used by the Vendor to arrive at all debits and credits on the statement of adjustments.

(iii) **Re-Adjustment.** If the final cost or amount of an item that is to be adjusted cannot be determined at Closing, then an initial adjustment for such item shall be made at Closing, such amount to be estimated by the Parties, acting reasonably, as of the Closing Date on the basis of the best evidence available at the Closing as to what the final cost or amount of such item will be. In each case, when such cost or amount is determined, the Vendor or Purchaser, as the case may be, shall, within 30 days of determination, provide a complete statement thereof to the other and within 30 days thereafter the Parties shall make a final adjustment as of the Closing Date for the item in question. In the absence of agreement by the parties, the final cost or amount of an item shall be determined by auditors appointed jointly by the Vendor and the Purchaser, with the cost of such auditors' determination being shared equally between the Parties. All re-adjustments shall be requested in a detailed manner on or before the 180th day after the Closing Date after which time neither Party shall have any right to request re-adjustment.

(iv) **Commissions, Allowances and Inducements.** The Vendor shall be responsible for all travel agency commissions, or other inducements in connection with stays at the Hotel by a Hotel Guest or an event held at the Hotel by a Patron to and including the date prior to the Closing Date and, to the extent such amounts have not been paid by the Vendor prior to the Closing Date, the Purchaser shall be credited with respect thereto on the statement of adjustments.

(v) **Current Year Realty Tax Refunds or Re-Assessments.** All right, title and benefit in and to any realty tax refunds or re-assessments with respect to the Hotel for the period commencing on the Closing Date shall be transferred and assigned by the Vendor to the Purchaser on Closing. The Vendor and the Purchaser shall jointly direct the municipality to pay any refund or re-assessment of realty taxes for the 2010 calendar year to the Vendor and the parties shall readjust the amount of any such refund or re-assessment payment between them after the conclusion of any assessment appeal based upon the respective *pro rata* entitlements thereto (net of any fee payable to any consultant). In addition, to the extent that any refund or re-assessment payment is made for the period either of the Companies was in possession of the Hotel in respect of the 2010 calendar year, such refund or re-assessment payment shall be disbursed in accordance with the following section.

(vi) **Prior Years Realty Tax Refunds or Re-Assessments.** With respect to any realty tax refunds or re-assessments for the period prior to the Closing Date, the Vendor and the Purchaser

shall jointly direct any consultant currently engaged in connection with such refunds or re-assessments to continue its work on the same fee basis previously arranged (for which fees the Purchaser shall not be responsible). The Vendor and the Purchaser shall jointly direct the municipality to pay any refund or re-assessment of realty taxes for calendar years prior to 2010 to the Vendor.

2.11 Conduct of the Business to Closing

Between the date of this Agreement and the Closing Date, the Vendor will, subject to order of the Court, conduct the Business in a manner reasonably consistent with past practices of the Companies from time to time and, in any event, the Vendor shall not, without the prior written consent of the Purchaser (unless otherwise ordered by the Court), such consent not to be unreasonably withheld or unduly delayed:

- (a) enter into any agreements materially affecting the Purchased Assets;
- (b) dispose of or enter into any agreement or series of related agreements to dispose of any of the Purchased Assets other than in the ordinary course of the Business; and
- (c) deplete the Inventory such that there is not sufficient Inventory on hand at the Closing Date to operate the Business in the normal course.

2.12 Termination of Manager

Unless otherwise agreed with the Purchaser, the Vendor shall terminate the Manager's engagement as manager of the Hotel effective as of the Closing Time. The Vendor shall be responsible for payment of any amounts owing to the Manager in connection with its management of the Hotel to and including the Closing Time.

2.13 Operation of Bank Accounts Post-Closing

The Vendor and the Purchaser shall instruct the general manager of the Hotel to cease issuing cheques and other debit items drawn upon or otherwise payable from the General Manager's Account effective from and after the Closing Date. The Vendor shall instruct the Manager to cease issuing cheques and other debit items drawn upon or otherwise payable from the General Account effective from and after the Closing Date. The Vendor and the Purchaser agree to readjust the Purchase Price in the event that, from and after the Closing Date, any cheques are drawn upon or debits are otherwise made against the Bank Accounts. The Bank Accounts shall be closed by the Receiver effective as of the Account Closing Date. If a cheque drawn upon either of the Bank Accounts prior to the Closing Date has not been presented to Royal Bank of Canada for payment as of the Account Closing Date, then the Purchaser will issue a replacement cheque in the same amount to the payee thereof, the Receiver will issue a stop payment order to Royal Bank of Canada in respect of such cheque and the amount of the Purchase Price shall be adjusted, if necessary, in accordance with Section 2.09 with respect to some or all of the amount of such cheque.

ARTICLE III
DUE DILIGENCE

3.01 Title Due Diligence

The Purchaser shall accept title to the Hotel subject to the Permitted Encumbrances. The Purchaser shall examine title to the Hotel at its own expense and shall not call for the production of any title, deed, abstract, survey or proof of or evidence of title to the Hotel nor to have furnished to it copies of any such documents other than those in the possession or within the control of the Vendor. The Purchaser shall be allowed until the Title Diligence Date to satisfy itself as to title to the Hotel at its own expense. If, within such time, the Purchaser furnishes the Vendor with any valid objection as to title which the Vendor is unable or unwilling to remove or correct on or before the Closing Date, and which the Purchaser will not waive, this Agreement shall be terminated in accordance with Section 11. Save as to any valid objections so made within such time or any objection going to the root of title, the Purchaser shall be conclusively deemed to have accepted the title of the Vendor to the Hotel.

3.02 Acceptance of Title

If the Purchaser does not terminate this Agreement pursuant to Section 3.01 or if this Agreement is not terminated pursuant to Section 3.03, the Purchaser shall be deemed to have waived any and all rights that it has under Section 3.01 and Section 3.03 and shall be deemed to have accepted title to the Hotel and to be satisfied in all respects with the Purchased Assets and shall be obligated to complete the transaction contemplated by this Agreement, subject to satisfaction of the Conditions Precedent specified in this Agreement.

3.03 Planning Act

This Agreement shall be effective to create an interest in the Hotel only if the provisions of the *Planning Act*, R.S.O. 1990, c. P-13, as amended from time to time, are complied with, failing which this Agreement shall be terminated in accordance with Section 11.

3.04 Approval & Vesting Order

Subject to the Vendor obtaining the Approval & Vesting Order, the Vendor will deliver the Approval & Vesting Order to transfer all of the right, title and interest of the Vendor and the Companies in the Purchased Assets to the Purchaser at Closing.

3.05 Hotel Free and Clear

The Purchaser agrees to accept title to the Hotel pursuant to the Approval & Vesting Order subject to the Purchased Assets being free from any lien, charge, security interest or other claim ranking in priority to the interest being conveyed to the Purchaser at Closing and the implementation of the Approval & Vesting Order in accordance with the terms of this Agreement, save and except for the Permitted Encumbrances.

3.06 Passing of Title

The Vendor's right, title and interest in and to the Purchased Assets shall not pass to the Purchaser until the Purchase Price, and all other payments to be made by the Purchaser pursuant to this Agreement, have been paid in full, the Purchaser shall have complied with all of the Purchaser's covenants herein contained and all Conditions Precedent specified shall have been fulfilled or waived.

3.07 Access to Hotel

Unless and until this Agreement is terminated in accordance with its terms, the Vendor shall provide the Purchaser with access to the Purchased Assets during normal business hours on 24 hours' prior notice to the Vendor. The Vendor may require that a representative of the Vendor accompany the Purchaser's representative during any such visit. The Purchaser shall not be entitled to carry out any testing, inspection or otherwise exercise such right of access in respect of the Purchased Assets in a manner which would affect the health or safety of any of the Hotel Guests, Patrons or Current Employees or interfere with the operation of the Hotel or the Business. In exercising such access, the Purchaser shall not be permitted to communicate with any Hotel Guest, Patron or employee without the prior consent of the Vendor, which consent shall not be unreasonably withheld or delayed. The Purchaser shall promptly repair any damage to the Hotel caused by such visits to the Hotel and shall indemnify the Vendor with respect to any such damage and with respect to any loss, claim, demand or action arising out of any such visits. The Purchaser shall not be responsible for damage caused by anyone other than the Purchaser, its servants, agents, representatives or invitees.

3.08 Confidentiality

The Purchaser acknowledges and agrees that the Purchaser has entered into and remains bound by the Confidentiality Agreement and that the terms of the Confidentiality Agreement continue to apply in respect of the transactions contemplated hereunder. From and after Closing, the Confidentiality Agreement shall be terminated and be of no further force and effect.

3.09 Application for New Liquor Licence

The Purchaser shall apply to the Alcohol and Gaming Commission of Ontario for the New Liquor Licence within five (5) Business Days of the issuance of the Approval & Vesting Order. If the New Liquor Licence is not issued to the Purchaser on or before the date which is 3 Business Days prior to the Closing Date, then the Purchaser may by notice in writing to the Vendor at least 3 Business Days prior to the Closing Date elect to extend the Closing Date until the earlier of the date of issuance of the New Liquor Licence to the Purchaser and October 31, 2010. If the New Liquor Licence is not received by the Purchaser by October 31, 2010, then this Agreement shall automatically terminate in accordance with Section 11 unless otherwise agreed by the Vendor and the Purchaser, each in its sole discretion.

ARTICLE IV

"AS IS" CONDITION OF PURCHASED ASSETS

4.01 "As Is, Where Is"

As at the Closing Time, the Purchaser acknowledges to and in favour of the Vendor, that it has inspected the Purchased Assets and, save and except as is expressly set out in Section 6.01, the Purchased Assets are sold on an "as is, where is" basis at the Closing Time and that no representation, warranty or condition is expressed or implied as to title, description, fitness for purpose, location, merchantability, quantity, conditions or quality thereof or in respect of any other matter or thing whatsoever, including any law, by-law, regulation, code, standard or agreement of, or administered by, any municipality, utility or other government or authority, fire insurance underwriters or any other Person. Without limitation, the Purchased Assets are specifically offered as they exist on Closing with no adjustments to be allowed the Purchaser for changes in condition, location, quality or quantity of the Purchased Assets from the date hereof to the Closing Date. The Purchaser acknowledges that the Vendor is not required to inspect or count, or provide any inspection or counting, of the Purchased Assets or any part thereof and the Purchaser shall be deemed, at its own expense, to have relied entirely on its own inspection and investigation. Without limiting the generality of the foregoing, any and all conditions, warranties and representations expressed or implied pursuant to the *Sale of Goods Act*, R.S.O. 1990, c. S-1, as amended from time to time, do not apply to the sale of the Purchased Assets and have been waived by the Purchaser.

4.02 Subject to the Purchaser's right to terminate this Agreement in accordance with Section 3.01, the Purchaser acknowledges to and in favour of the Vendor that, without limiting the generality of Section 4.01 and 7.01, the Purchaser has entered into this Agreement and has purchased the Purchased Assets from the Vendor on the basis that:

- (a) the Purchaser shall not require the deletion of nor compliance with any registered agreement with any municipality, governmental authority, public or private utility or conservation authority;
- (b) the Purchaser is purchasing the Purchased Assets on a "as is, where is" basis subject to any and all zoning and/or other by-laws and regulations and easements affecting the Hotel, restrictions and covenants which run with the Hotel, defects and deficiencies, encroachments, work orders, deficiency notices, compliance requests, impost charges, lot levies, sewer charges, development charges and any requirements which may have been, now are or may in the future be imposed by any federal, provincial, municipal or other governmental authority having jurisdiction over the Purchased Assets including, but not limited to, the Permitted Encumbrances;
- (c) the Vendor shall not be required to provide any letters of compliance, releases or acknowledgements whatsoever including any confirmations in respect of any registered agreements, restrictions and/or easements. The Purchaser further acknowledges that, pursuant to the Purchaser's further review of title to the Hotel,

the Purchaser will be deemed to have received notice of all provisions and obligations contained in any site plan, development or other registered agreement whether registered by any provincial, regional, municipal, public or private utility or governmental authority or any owner or occupant of adjoining lands;

- (d) the Vendor is not providing and has made no representations, warranties, covenants, agreements, statements, acknowledgements, inducements or promises whatsoever, save and except as expressly contained in Section 6.01, with respect to the Hotel, whether express or implied, by statute, at law or in equity, to or in favour of the Purchaser, oral or written, legal, equitable, collateral, or otherwise, including without limitation, with respect to:
- (i) title, including, without limitation, the existence, validity, registration, enforceability or priority of any mortgages, charges, liens, encumbrances, security interests, claims or demands of whatsoever nature or kind affecting or in any way relating to the Hotel;
 - (ii) the fitness for any particular purpose or use, zoning, suitability, description, marketability, access, condition, quality, extent of the Hotel, availability of services, permitted use or state of repair of any buildings situate on or comprising the Hotel, compliance or accord of any improvements with municipal building by-laws and/or Ontario building code requirements and/or Ontario or municipal fire code requirements;
 - (iii) the presence, absence, nature and/or extent of Hazardous Substances on, in, under, about or migrating from the Hotel; the discharge of such Hazardous Substances from, on, or in relation to the Hotel; the existence, state, nature, identity, extent or effect of any administrative orders, control orders, stop orders, compliance orders or any other orders, proceedings or actions under the Environmental Protection Act (Ontario), the Ontario Water Resources Act (Ontario) or any other applicable law in relation to the Hotel; nor, the existence, state, nature, kind, identity, extent or effect of any liability on the Purchaser to fulfil any obligations with respect to the environmental condition or quality of the Hotel. The Purchaser acknowledges that it accepts the Hotel subject to the environmental condition and any Hazardous Substances, whether or not such environmental condition or Hazardous Substance is known by the Vendor prior to the completion date, and acknowledges that the Purchaser will have no recourse against the Vendor for any such pre-existing environmental conditions or Hazardous Substances. "Hazardous Substances" means (i) any substance or material that is prohibited, controlled or regulated by any governmental authority pursuant to the Environmental Laws, including contaminants, pollutants, dangerous goods, liquid wastes, industrial wastes, hauled liquid wastes, radioactive wastes, toxic substances, hazardous wastes, hazardous materials or hazardous substances as defined in any Environmental Laws, (ii) asbestos and urea formaldehyde, and (iii) petroleum products. "Environmental

Laws” means all applicable laws, by-laws, rules, regulations, orders, judgments, decrees, decisions or other requirements having the force of law concerning Hazardous Substances or protection of the environment or otherwise relating to the environment (including the air within any structure or underground space) or to environmental aspects of occupational health and safety, including applicable laws pertaining to (i) reporting, licensing, permitting, investigating, removing, treating or otherwise remediating the presence of Hazardous Substances, and (ii) the storage, generation, use, handling, manufacture, processing, transportation, treatment, release and disposal of Hazardous Substances. “Release” means, in addition to the meaning given to it under any applicable Environmental Laws, any release, spill, leak, pumping, pouring, emission, emptying, discharge, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage or placement; and

- (iv) any defects in workmanship or any existing, executed or partially performed agreement for the supply of materials or services to the Hotel or any building or improvement constructed thereon including any right, license or easement to the use of any portion of the Hotel or any fixtures or chattels located thereon; or any other matter or thing whatsoever in respect of all or any of the Hotel or otherwise affecting this Agreement or any right or entitlement by which agreement or operation of law may run with and bind the Hotel.

4.03 Independent Investigation

As at the Closing Time, the Purchaser acknowledges to and in favour of the Vendor that it has inspected and investigated the Purchased Assets and that it has relied entirely upon its own inspections and investigations in entering into this Agreement and purchasing the Purchased Assets from the Vendor.

ARTICLE V

EMPLOYEES

5.01 Assumed Employees

Not later than 10 Business Days before the Closing Date, the Purchaser shall provide to the Vendor a list of the former or Current Employees of the Companies to whom the Purchaser shall offer employment commencing as at the Closing Date on terms and conditions of employment which are substantially similar to those currently provided to such employees. The offer of employment from the Purchaser to each such former or Current Employee of the Companies will be communicated to each such person at least 9 Business Days before the Closing Date. Without limiting the foregoing, the offer of employment from the Purchaser shall include a level of base salary or hourly wages and benefits eligibility that are comparable in the aggregate to the base salary or hourly wages and benefit eligibility provided to each such

employee by the Companies or the Vendor. The former or Current Employees of the Companies who accept offers of employment from the Purchaser are referred to as the "Assumed Employees".

5.02 Assumption of Employee Liabilities

The Purchaser shall be responsible for all Employee Liabilities with respect to the Assumed Employees for the period both before and after the Closing Date. The Vendor shall not be responsible for payment of, and there shall be no adjustment to the Purchase Price for, any Employee Liabilities with respect to the Assumed Employees other than as provided for in Section 5.03.

5.03 Payment of Pre-Closing Payroll

Within 5 Business Days of the Closing Date, the Vendor shall process the payroll for, and pay (or cause to be paid), the base wages, base salary and ordinary course sales commissions accrued during the payroll period ending on the day prior to the Closing Date, as well as all unused and outstanding vacation, sick days, personal days or leave earned and/or accrued with respect to each Assumed Employee. The Vendor shall withhold and remit all applicable payroll taxes as required by Applicable Law for each Assumed Employee for the payroll period ending on the day prior to the Closing Date.

5.04 Post-Closing Payroll

Following the Closing, the Purchaser shall process the payroll for, and pay (or cause to be paid), with respect to each Assumed Employee, all compensation and benefits (including base wages, base salary, sales commission, vacation pay, sick days, personal days and/or leave) payable to each such Assumed Employee in respect of services rendered by the Assumed Employee on and after the Closing Date.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF THE VENDOR

6.01 Vendor's Representations and Warranties

The Vendor hereby represents and warrants to and in favour of the Purchaser, acknowledging that the Purchaser is relying on such representations or warranties, as follows:

- (a) the Vendor was appointed as the Receiver pursuant to the Appointment Order;
- (b) subject to the Vendor obtaining the Approval & Vesting Order, the Vendor has the right, power and authority to enter in to and perform its obligations under this Agreement and, subject to the Vendor obtaining the Approval & Vesting Order, to convey the Purchased Assets to the Purchaser;
- (c) subject to any charges created by the Appointment Order, the Vendor has done no act itself to encumber, sell or dispose of any of the Purchased Assets;

- (d) the Vendor is not aware of any action or proceeding pending or threatened against it which may affect its right to convey any of the Purchased Assets as contemplated hereby;
- (e) the Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada); and
- (f) the Vendor's HST number is 852508670 RT0005.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

7.01 Purchaser's Representations and Warranties

The Purchaser hereby represents and warrants to and in favour of the Vendor, acknowledging that the Vendor is relying upon such representations and warranties, as follows:

- (a) the Purchaser is a corporation duly and validly incorporated under the laws of the Province of Ontario and is a valid and subsisting corporation;
- (b) the Purchaser has the requisite right, power and authority to enter into this Agreement and to complete the transactions contemplated hereby;
- (c) all necessary actions and approvals have been taken or obtained by the Purchaser to authorize the creation, execution, delivery and performance of this Agreement;
- (d) this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms;
- (e) other than the Approval & Vesting Order and the application for the New Liquor Licence, the execution, delivery and performance of this Agreement by the Purchaser does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Entity, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent, affect or delay the consummation by the Purchaser of the transaction contemplated hereby;
- (f) there are no proceedings for or pending before any Governmental Entity, or threatened to be brought by or before any Governmental Entity by or against the Purchaser affecting the legality, validity or enforceability of this Agreement or the consummation of the transaction contemplated hereby by the Purchaser;
- (g) the Purchaser is not subject to any order of any Governmental Entity, nor are there any such orders threatened to be imposed by any Governmental Entity, which could affect the legality, validity or enforceability of this Agreement or the consummation of the transaction contemplated hereby by the Purchaser;

- (h) the Purchaser has made adequate arrangements to have sufficient funds available to satisfy its obligations to pay the Purchase Price to the Vendor on the Closing Date;
- (i) the Purchaser acknowledges and agrees that, notwithstanding anything else contained herein, the Purchased Assets and the Assumed Liabilities are sold on an "as is" and "where is" basis at the Purchaser's risk and peril without any representations or warranties, express or implied, in fact or by law with respect to the Purchased Assets or the Assumed Liabilities, other than as set out in Section 6.01;
- (j) the Purchaser has provided to the Vendor a true copy of all of the documents relating to the financing commitments necessary for the Purchaser to complete the acquisition of the Purchased Assets and such documents are in effect on the date hereof and there have been no amendments to, alterations of or variations in or to such documents;
- (k) the Purchaser will be responsible for and will remit to or reimburse, as applicable, Taxes, Transfer Taxes, levies or the like that arise from the sale of the Purchased Assets unless otherwise specified in this Agreement;
- (l) the Purchaser's HST number is 84884 9220 RT0001;
- (m) neither this Agreement nor closing of the transaction contemplated by this Agreement contravenes the Purchaser's constating documents, any law, statute, by-law, rule, regulation, order, ordinance, protocol, decree or judicial, administrative, ministerial or departmental judgment, award or requirements of any Government Entity; and
- (n) the Purchaser is Canadian or a "WTO Investor" pursuant to the terms of the *Investment Canada Act* and/or has made application pursuant to the requirements of the *Investment Canada Act* and said application will not extend the Closing Date.

ARTICLE VIII

CONDITIONS IN FAVOUR OF THE PURCHASER

8.01 The Purchaser's obligation to complete this Agreement is subject to satisfaction of the following conditions precedent on or before the earlier of either the Closing Date or the Title Diligence Date as applicable, provided that any such date may be extended by the mutual agreement of each of the Purchaser and the Vendor, and which conditions are inserted for the sole benefit of the Purchaser and may be waived only by the Purchaser by notice in writing to the Vendor on or before the earlier of either the Title Diligence Date or the Closing Date, as applicable:

- (a) on or before the Title Diligence Date, the Purchaser shall have waived, or shall have been deemed to have waived, its rights to terminate this Agreement under Section 3.01;
- (b) on or before the Closing Date (subject to any extension thereof in accordance with Section 3.09), the New Liquor Licence shall have been issued to the Purchaser;
- (c) the representations and warranties of the Vendor shall be true and correct as at the Closing Date with the same force and effect as if made at and as of such time and the Vendor shall deliver to the Purchaser a certificate signed by a representative of the Vendor to that effect (provided that acceptance of such evidence and the completion of the transaction contemplated hereunder shall not be a waiver of such representations and warranties);
- (d) the Vendor shall have complied with and performed all of its covenants and obligations contained in this Agreement to be performed by it before or by the Closing Date; and
- (e) on or before the Closing Date, the Purchaser shall have obtained any approvals required pursuant to the *Investment Canada Act*.

In the event that any of the foregoing conditions are not fulfilled or waived by the Purchaser on or before the Title Diligence Date or the Closing Date, as applicable, this Agreement may be terminated at the Purchaser's option in accordance with Section 11.

ARTICLE IX

CONDITIONS IN FAVOUR OF THE VENDOR

9.01 The following conditions in favour of the Vendor must be fulfilled on or before the Closing Date, provided that such date may be extended by the mutual agreement of each of the Purchaser and the Vendor, and which conditions are inserted for the sole benefit of the Vendor and may be waived only by the Vendor by notice in writing to the Purchaser on or before the Closing Date:

- (a) the representations and warranties of the Purchaser shall be true and correct as of the Closing Date with the same force and effect as if made at and as of such time and the Purchaser shall deliver to the Vendor a certificate signed by a representative of the Purchaser to that effect (provided that acceptance of such evidence and the completion of the transaction contemplated hereunder shall not be a waiver of such representations and warranties);
- (b) on or before the Closing Date, the Vendor shall have received written confirmation from the relevant authority or the Purchaser provides the Vendor satisfactory evidence that the Purchaser has obtained any approvals required pursuant to the *Investment Canada Act*; and

- (c) the Purchaser shall have complied with and performed all of its covenants and obligations contained in this Agreement to be performed by it before or by the Closing Date.

In the event that any of the foregoing conditions are not fulfilled or waived by the Vendor on or before the Closing Date, this Agreement may be terminated by the Vendor in accordance with Section 11.

ARTICLE X

CONDITIONS IN FAVOUR OF THE VENDOR AND THE PURCHASER

10.01 The following conditions in favour of the Vendor and the Purchaser must be fulfilled on or before the Closing Date, provided that such date may be extended by the mutual agreement of each of the Purchaser and the Vendor, and which conditions are inserted for the benefit of each of the Vendor and the Purchaser and may be waived only by both of the Vendor and Purchaser on or before the Closing Date:

- (a) on or before the Closing Date, the Approval & Vesting Order shall have been obtained, the terms of the Approval & Vesting Order shall not differ materially from the form of Order at Schedule "C", and such Order shall not have been stayed, reversed or dismissed;
- (b) as of the Closing Date, no order shall have been made and no motion, action or proceeding shall be pending, threatened or commenced by any person, government, Government Entity, regulatory body or agency in any jurisdiction which seeks to restrain or prevent the sale of the Purchased Assets under this Agreement or seeks to restrict, prohibit or direct the Vendor not to complete the transaction contemplated by this Agreement;
- (c) as at the Closing Date, the Purchased Assets shall not have been removed from the control of the Vendor by any means or process; and
- (d) as at the Closing Date, no person shall have taken any action to redeem any of the Purchased Assets.

In the event that any of the foregoing conditions are not waived by the Vendor and the Purchaser or fulfilled as required on or before the Closing Date, then this Agreement may be terminated by the Vendor or the Purchaser in accordance with Section 11.

ARTICLE XI
TERMINATION

11.01 Termination by the Parties

This Agreement may be terminated upon the occurrence of any of the following:

- (a) upon the mutual written agreement of the Vendor and the Purchaser;
- (b) by the Purchaser pursuant to Section 8.01, 10.01 or 12.03;
- (c) by the Vendor pursuant to Section 9.01 or 10.01; and
- (d) by either of the Parties following October 31, 2010, unless the Closing has taken place.

11.02 Remedies for Breach of Agreement

If this Agreement is terminated as a result of any breach of a representation, warranty, covenant or obligation of a Party, the terminating Party's right to pursue all legal remedies with respect to such breach shall survive such termination.

11.03 Vendor's Right to Retain Deposit

Subject to the provisions of this Agreement, if the Purchaser is in default hereunder and fails to proceed with the completion of the transaction contemplated by this Agreement for reasons within its control within five (5) Business Days of having received a written notice from the Vendor requiring that such default be remedied, unless such default or failure is attributable, directly or indirectly, to any action or inaction by the Vendor, then the Vendor may terminate this Agreement by notice in writing to the Purchaser and the Vendor shall be released from all obligations hereunder and shall be entitled to retain the Deposit. The parties acknowledge and agree that the Deposit represents satisfaction of the full amount of any and all damages that the Vendor would suffer under such circumstances.

11.04 Termination If No Breach of Agreement

If this Agreement is terminated other than as a result of a breach of a representation, warranty, covenant or obligation of a Party, then:

- (a) all obligations of each of the Vendor and the Purchaser hereunder shall be at an end;
- (b) the Vendor shall return the Deposit to the Purchaser, together with any accrued interest thereon;

- (c) the Purchaser shall destroy or return to the Vendor any Confidential Information in its possession;
- (d) the Purchaser's obligations with respect to the Confidential Information shall continue in accordance with Section 3.08; and
- (e) neither party shall have any right to specific performance, to recover damages or expenses or to any other remedy or relief other than as provided herein.

ARTICLE XII

DAMAGE TO PURCHASED ASSETS

12.01 Risk of Loss

The Purchased Assets shall be and remain at the risk of the Vendor, as its interests may appear, until the earlier of 12:01 a.m. on the date immediately following the Closing Date or the Closing Time. From and after such date and time, the Purchased Assets shall be at the risk of the Purchaser.

12.02 Removal of Purchased Assets from Vendor's Control

If, prior to the Closing Time, the Purchased Assets are removed from the Vendor's control by government action, civil commotion or by order of the Court, or any other cause beyond the Vendor's control, then this Agreement shall automatically be terminated in accordance with Section 11.

12.03 Purchaser's Right to Close or Terminate

If, prior to the Closing Date, the Purchased Assets are substantially damaged or destroyed by fire, flood, the elements or other casualty, then by written notice to the Vendor within seven (7) days after notification to the Purchaser by the Vendor of the occurrence of such loss or damage, the Purchaser may exercise an option to complete the transaction contemplated in this Agreement. In such event, the Purchaser shall be entitled to an assignment of the Vendor's and the Companies' right, title and interest in, and the proceeds payable under, the existing insurance policies of the Vendor or the Companies for the Purchased Assets in full settlement of any obligation of the Vendor. If the Purchaser does not exercise such option within such 7 day period, then this Agreement shall be automatically terminated in accordance with Section 11.

12.04 Abatement if No Insurance

In the event that there is material damage to any of the Purchased Assets in respect of which no insurance is payable, the Vendor and the Purchaser, acting reasonably, shall agree upon a reduction in the Purchase Price to reflect such material insured damage or loss.

ARTICLE XIII

NOTICE

13.01 Addresses for Notice

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery or by electronic mail (with an original to follow) addressed to the recipient as follows:

to the Vendor:

Deloitte & Touche Inc.
181 Bay Street
Brookfield Place, Suite 1400
Toronto, Ontario
M5J 2V1

Attention: Paul Casey / Ira Gerstein

Email: paucasey@deloitte.ca / iragerstein@deloitte.ca

with a copy to:

ThorntonGroutFinnigan LLP
Barristers and Solicitors
Canadian Pacific Tower
Suite 3200
100 Wellington Street West
Toronto ON M5K 1K7

Attention: Grant Moffat

Email: gmoffat@tgf.ca

to the Purchaser:

Pearle Hospitality Inc.
551 Old Dundas Road
Ancaster, ON L9G 3J4

Attention: Aaron Ciancone

Email: aaron@ancastermill.com

with a copy to:

Keesmaat, Dixon, Kranjc, Lewis and Kovacs LLP
20 Hughson Street South, 301
Hamilton, ON L8N 3P6

Attention: Paul Dixon

Email: pdixon@hamiltonlawyers.ca

or to such other address as may be designated by notice given by either party to the other. Any notice or other communication given by personal delivery shall be deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during normal business hours on the Business Day during which such normal business hours next occur if not given during such hours on any day.

ARTICLE XIV

CLOSING DELIVERIES

14.01 Vendor's Deliveries

At Closing, the Vendor shall surrender the Purchased Assets to the Purchaser at their then current location. On or before the Closing Date or such other date specified below, the Vendor shall deliver to the Purchaser the following:

- (a) Application for Vesting Order in registrable form and a certified copy of the issued Approval & Vesting Order. The Purchaser shall be responsible for all costs and expenses (including land transfer tax) relating to the registration of such Application for Vesting Order and the Vendor shall be responsible for the cost of obtaining and registering the Approval & Vesting Order;
- (b) an assignment of the Assigned Contracts;
- (c) an assignment of the Event Contracts and the Room Contracts;
- (d) such notice or notices as the Purchaser may reasonably require to be given to other parties under the Assigned Contracts of the assignment of such Assigned Contracts to the Purchaser, together with directions relating to the performance of obligations under such Assigned Contracts all in such form as the Purchaser may reasonably require;
- (e) a statement of adjustments, as contemplated by Section 2.09;
- (f) an undertaking by the Vendor to readjust any errors, omissions or changes in the statement of adjustments;
- (g) an assignment of the Intellectual Property;

- (h) a General Conveyance, in the form attached hereto as Schedule "F", in respect of the Purchased Assets being conveyed to the Purchaser;
- (i) if possible, an election regarding HST as described in Section 2.07;
- (j) the certificate of the Vendor referenced in Section 8.01 (c);
- (k) the originals and, if the originals are not available, copies of the Books and Records; and
- (l) such other documents as may be reasonably requested by the Purchaser's solicitors to give effect to this Agreement.

14.02 Purchaser's Deliveries

On or before the Closing Date or such other date as provided for below, the Purchaser shall deliver to the Vendor or such other party specified below:

- (a) the Purchase Price adjusted in accordance with Section 2.09, by way of certified cheque or bank draft drawn on a Schedule 1 Canadian chartered bank;
- (b) the amount of all Taxes (including Transfer Taxes) payable in respect of the transaction contemplated by this Agreement by way of certified cheque or bank draft drawn on a Schedule 1 Canadian chartered bank;
- (c) evidence of HST registration;
- (d) an indemnity in form satisfactory to the Vendor indemnifying and holding the Vendor harmless from and against any Assumed Liabilities and any claims under the Assigned Contracts, the Event Contracts and the Room Contracts for matters occurring on or after, and which relate to the period on or after, the Closing Date;
- (e) any specific assignment and/or assumption agreement that may be required for any assigned contract;
- (f) an undertaking by the Purchaser to readjust any errors, omissions or changes in the statement of adjustments;
- (g) a certified copy of a resolution of the board of directors of the Purchaser authorizing the execution of this Agreement and performance of each of the Purchaser's obligations hereunder;
- (h) a certificate of status and certified copy of the Articles of Incorporation of the Purchaser;
- (i) if possible, an election regarding HST and a GST/HST indemnity as described in Section 2.07;
- (j) the certificate by the Purchaser referred to in Section 9.01 (a); and

- (k) such other documents as may be reasonably requested by the Vendor's solicitors to give effect to this Agreement.

ARTICLE XV

GENERAL PROVISIONS

15.01 Further Assurances

Each of the Vendor and the Purchaser shall from time to time at the cost of the requesting party execute and deliver all such further documents and instruments and do all acts and things as the other party may, either before or after the Closing Date, reasonably require to properly give effect to the sale, assignment and transfer of the Purchased Assets to the Purchaser.

15.02 Time of Essence

Time shall be of the essence of this Agreement.

15.03 Obligations to Survive

The representations and warranties made by each of the Vendor and Purchaser herein shall not merge on Closing and shall survive Closing.

15.04 Fees and Expenses

Each of the parties hereto will be responsible for and shall pay all costs and expenses (including fees and expenses of legal counsel and any other advisors) each party incurs in connection with the negotiation, preparation and execution of this Agreement.

15.05 Waiver

No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose of which it was given, and shall not constitute a continuing waiver

or consent.

15.06 No Third Party Beneficiaries

This Agreement shall be binding upon and enure solely to the benefit of each of the Parties hereto and its permitted assigns and nothing in this Agreement, express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement. Nothing in this Agreement shall be construed to create any rights or obligations except between the Parties, and no person or entity shall be regarded as a third party beneficiary of this Agreement. Each of the Parties agrees that all provisions of this Agreement, and all provisions of any and all documents and security delivered in connection herewith, shall not merge and except where otherwise expressly stipulated herein, survive the closing of the transactions contemplated by this Agreement.

15.07 Assignment

This Agreement, and any rights hereunder, may not be assigned by the Vendor or the Purchaser.

15.08 Books and Records

The Purchaser shall preserve and keep any books and records of the Companies which relate to the Purchased Assets for a period of two (2) years from the Closing Date or for any longer period as may be required by any applicable law or governmental authority. Upon reasonable advance notice, after the Closing Date, the Purchaser will grant the Vendor and, in the event any of the Companies are adjudged bankrupt, any trustee of the estate of either of the Companies and their representatives reasonable access during normal business hours, and a licence free of charge, to use the books, records and documentation included in the Purchased Assets relating up to the Closing Date, including, without limitation, any employment records of the Assumed Employees relating to the period up to the Closing Date and any employees engaged by the Vendor at or in respect of the Purchased Assets up to and including the Closing Date, and computer systems, tapes, disks, records and software acquired as part of the Purchased Assets.

15.09 Post-Closing Receipts

If, following the Closing Date, any of the Purchased Assets are paid to or otherwise received by the Vendor, or if any of the Excluded Assets are paid to or otherwise received by the Purchaser, then the Vendor or the Purchaser, as the case may be, shall hold such assets in trust for the other and shall promptly deliver such assets to the Vendor or the Purchaser, as the case may be.

15.10 Injunctive Relief

Each of the parties hereto acknowledges and agrees that the rights acquired by each party hereunder are unique and that irreparable damage would occur in the event that any of the provisions of this Agreement to be performed by the other party were not performed in accordance with their specific terms or were otherwise breached. Accordingly, in addition to any

other remedy to which the parties hereto are entitled at law or in equity, each party hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by the other party and to enforce specifically the terms and provisions hereof in any court to which the parties have agreed hereunder submit to jurisdiction.

15.11 Severability

In the event that any particular provision or provisions or a part of a provision of this Agreement is found to be void, voidable or unenforceable for any reason whatsoever, then the particular provision or provisions or part of the provision of this Agreement shall be deemed severed from the remainder of this Agreement and all other provisions shall remain in full force and effect.

15.12 Strict Construction

Each party to this Agreement hereto acknowledges that it and its legal counsel have reviewed and participated in settling the terms of this Agreement and the parties hereby agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting party shall not be applicable in the interpretation of this Agreement.

15.13 Public Statement

Except as required to obtain the Approval & Vesting Order, no press release or public statement or announcement with respect to the transaction contemplated in or effected pursuant to this Agreement (a "Public Statement") shall be made by the Purchaser or the Vendor without the prior written consent and approval of the other Party.

15.14 Counterparts

This Agreement shall be considered properly executed and delivered by any party if executed in counterpart and transmitted by facsimile or electronic mail to the other party.

15.15 Capacity of Receiver

The Purchaser acknowledges that Deloitte & Touche Inc. has been appointed as Receiver pursuant to the Appointment Order. The Purchaser further acknowledges and agrees that Deloitte & Touche Inc. acts solely in its capacity as Receiver, without personal or corporate liability. The Purchaser acknowledges and agrees that Deloitte & Touche Inc. is entering into this Agreement solely in its capacity as the Receiver and that Deloitte & Touche Inc., its agents, officers, partners and employees shall have no personal or corporate liability of any kind whatsoever, in contract, in tort, or at equity as a result of or in any way connected with this Agreement or as a result of the Vendor performing or failing to perform any of its obligations hereunder.

15.16 Schedules

The following are the schedules delivered separately and initialled by the Vendor and the Purchaser for identification, and incorporated into this Agreement by reference and deemed to be a part hereof, namely:

- Schedule "A" - Legal Description of Hotel
- Schedule "B" - Permitted Encumbrances
- Schedule "C" - Approval & Vesting Order
- Schedule "D" - Allocation of Purchase Price
- Schedule "E" - Statement of Adjustments
- Schedule "F" - General Conveyance

IN WITNESS WHEREOF the parties have duly executed this Agreement this 19th day of August, 2010.

DELOITTE & TOUCHE INC., solely in its capacity as the Court Appointed Receiver and Manager of the Property (as defined herein) of Tuesday Equities Ltd. and Prince Royal Limited Partnership, with no personal or corporate liability

Per: 

Name: *Ira Gerskin*
Title: *Vice President, Deloitte + Touche Inc.*

PEARLE HOSPITALITY INC.

Per: 

Name: *Aaron Ciancone*
Title: *President*

(I have the authority to bind the Corporation)

SCHEDULE "A"

LEGAL DESCRIPTION

THE ELORA MILL INN

PIN 71410-0083 (LT) – LT 4 N/S W MILL ST PL 181 ELORA; LT 5 N/S W MILL ST PL 181 ELORA; CENTRE WELLINGTON

PIN 71410-0072 (R) – PT LT 1 BRUCE PLACE NW GRAND RIVER PL 181 ELORA; PT LT 2 S/S W MILL ST PL 181 ELORA; PT LT 3 S/S W MILL ST PL 181 ELORA; PT LT GRIST MILL PL 181 ELORA; CENTRE WELLINGTON

SCHEDULE "B"

PERMITTED ENCUMBRANCES

Permitted Encumbrances with respect to the Hotel means:

- a) All of the instruments set out in this Schedule "B";
- b) Any easements, servitudes, rights-of-way, licences, restrictions that run with the land and other encumbrances and/or agreements with respect thereto (including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);
- c) Defects or irregularities in title to the Hotel;
- d) Inchoate liens for municipal property taxes, local improvement assessments and/or taxes and/or charges, and/or other taxes, assessments or recoveries relating to the Hotel not yet due or liens for same which are due but the validity of which are being contested in good faith by the Vendor provided that the Vendor has provided security which in the opinion of the Purchaser, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto;
- e) Zoning and building by-laws and ordinances, municipal by-laws and regulations, development agreements, subdivision agreements, site plan agreements, notices, and/or building restrictions;
- f) Inchoate liens for public utilities not due as at the Closing Date;
- g) The exceptions, limitations and qualifications set out in the *Registry Act* and/or the *Land Titles Act* and/or set out on the parcel registers for the Hotel and any amendments thereto;
- h) All reservations, limitations, provisos and/or conditions set out in the original grant from the Crown; and
- i) All encroachments of buildings or other improvements and/or mislocated fences that may be shown on any existing survey or any up-to-date survey for the Hotel.

Without limiting the foregoing Permitted Encumbrances include the following:

PIN 71410-0083 (LT)

1. Agreement registered as Instrument No. ROS518346 on November 28, 1985;
2. Agreement with the Village of Elora (the "Village") registered as Instrument No. RO659593 on February 10, 1992;
3. Transfer in favour of 2006311 Ontario Inc. registered as Instrument No. LT86874 on July 3, 2002 and subject to Executions 02-00063, 02-00086 and 02-00133, if enforceable; and
4. Application to Register Court Order re Order of the Ontario Superior Court of Justice dated May 26, 2010 appointing Deloitte & Touche Inc. as the Receiver registered as Instrument No. WC279708 on June 3, 2010.

PIN 71410-0072 (R)

1. Discharge of Charge registered as Instrument No. MS59312 on October 12, 1966;
2. Discharge of Charge registered as Instrument No. ROS145266 on June 4, 1974;
3. Charge in favour of Gwyneth Cooper-Jones securing the principal amount of \$50,000 registered as Instrument No. ROS171467 on May 12, 1976;
4. Transfer of Easement to and in favour of The Corporation of the Village of Elora registered as Instrument No. ROS247940 on November 12, 1981;
5. Bylaw registered as Instrument No. ROS584830 on October 19, 1988;
6. Agreement with the Village registered as Instrument No. RO659593 on February 10, 1992;
7. Charge in favour of Jane Cynthia Lett securing the principal amount of \$650,000 registered as Instrument No. RO816258 on August 17, 2000;
8. Court Order registered as Instrument No. RO818744 on July 3, 2002;
9. Court Order registered as Instrument No. RO818745 on July 3, 2002;
10. Discharge of Charge re Charge in favour of Central Guaranty Trust Co. registered as Instrument No. RO818758 on July 23, 2002; and
11. Court Order re Order of the Ontario Superior Court of Justice dated May 26, 2010 appointing Deloitte & Touche Inc. as the Receiver registered as Instrument No. RO820913 on June 4, 2010.

SCHEDULE "C"

Court File No. CV-10-8592-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE ►) ► DAY, THE ► DAY
JUSTICE ►) OF ►, 2010

BETWEEN:

THE EQUITABLE TRUST COMPANY

Applicant

- and -

**TUESDAY EQUITIES LTD. as General Partner for and on behalf of
PRINCE ROYAL LIMITED PARTNERSHIP**

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by **Deloitte & Touche Inc.** in its capacity as the Court-appointed receiver and manager (the "Receiver") of all of the assets, undertakings and properties of Tuesday Equities Ltd. and Prince Royal Limited Partnership (together, the "Debtors"), acquired for, or used in relation to the following businesses carried on by the Debtors, including all proceeds thereof: (i) The Benmiller Inn & Spa; (ii) The Elora Mill Inn; and (iii) the Hidden Valley Resort (collectively, the "Property") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and [NAME OF PURCHASER] (the "Purchaser") made as of [DATE] and appended to the Report of the Receiver dated [DATE] (the "Report"), and vesting in the Purchaser the Debtors' right, title and interest in and to the assets described in the Sale

Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, [NAMES OF OTHER PARTIES APPEARING], no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed:

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and that the Sale Agreement is commercially reasonable and in the best interests of the Debtors and their stakeholders. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the Receiver's and all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Cumming dated May 26, 2010; (ii) all charges, security interests or claims evidenced by registrations pursuant to the Personal Property Security Act (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the *Land Registration Reform Act* duly executed by the Receiver] [Land Titles Division of {LOCATION}] of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*], the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtors' records pertaining to the Debtors' past and current employees, including personal information of the "Assumed Employees" as defined in the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtors.

8. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;

- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtors;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Schedule A – Form of Receiver’s Certificate

Court File No. CV-10-8592-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

THE EQUITABLE TRUST COMPANY

Applicant

- and -

**TUESDAY EQUITIES LTD. as General Partner for and on behalf of
PRINCE ROYAL LIMITED PARTNERSHIP**

Respondents

RECEIVER’S CERTIFICATE

RECITALS

B. Pursuant to an Order of the Honourable Justice Cumming of the Ontario Superior Court of Justice (the "Court") dated May 26, 2010, Deloitte & Touche Inc. was appointed as the receiver and manager (the "Receiver") of all of the assets, undertakings and properties of Tuesday Equities Ltd. and Prince Royal Limited Partnership (together, the "Debtors"), acquired for, or used in relation to the following businesses carried on by the Debtors, including all proceeds thereof: (i) The Benmiller Inn & Spa; (ii) The Elora Mill Inn; and (iii) the Hidden Valley Resort (collectively, the "Property").

C. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (the "Sale Agreement") between the Receiver and [NAME OF PURCHASER] (the "Purchaser") and provided for the vesting in the Purchaser of the Receiver's and the Debtors' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section •

of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section ► of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at [TIME] on ► [DATE].

DELOITTE & TOUCHE INC., solely in its capacity as the Court Appointed Receiver and Manager of the Property (as defined herein) of Tuesday Equities Ltd. and Prince Royal Limited Partnership, with no personal or corporate liability

Per: _____
Name: ►
Title: ►

Schedule B – Purchased Assets

Schedule C – Claims to be deleted and expunged from title to Real Property

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

THE EQUITABLE TRUST COMPANY

and

TUESDAY EQUITIES LTD. as General Partner for
and on behalf of PRINCE ROYAL LIMITED
PARTNERSHIP

Applicant

Respondent(s)

Court File No.: CV-10-8592-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

ThorntonGroutFinnigan LLP
Barristers and Solicitors
Suite 3200, P.O. Box 329
Canadian Pacific Tower
Toronto-Dominion Centre
Toronto, ON M5K 1K7

Grant B. Moffat (LSUC# 323801 ID)
Tel: 416-304-0599
Fax: 416-304-1313

Lawyers for the Receiver.

SCHEDULE "D"
ALLOCATION OF PURCHASE PRICE

SCHEDULE "E"
STATEMENT OF ADJUSTMENTS

SCHEDULE "F"
GENERAL CONVEYANCE

THIS AGREEMENT made the day of , 2010

B E T W E E N:

[PURCHASER], a corporation incorporated under the laws of the Province of Ontario

(hereinafter referred to as the "Purchaser")

OF THE FIRST PART

- and -

DELOITTE & TOUCHE INC., solely in its capacity as the Court Appointed Receiver and Manager of the Property (as defined herein) of Tuesday Equities Ltd. and Prince Royal Limited Partnership, with no personal or corporate liability

(hereinafter referred to as the "Vendor")

OF THE SECOND PART

WHEREAS:

- A. Pursuant to an Order of the Honourable Justice Cumming of the Ontario Superior Court of Justice (the "Court") dated May 26, 2010, Deloitte & Touche Inc. was appointed as the receiver and manager (the "Receiver") of all of the assets, undertakings and properties of Tuesday Equities Ltd. and Prince Royal Limited Partnership (together, the "Debtors"), acquired for, or used in relation to the following businesses carried on by the Debtors, including all proceeds thereof: (i) The Benmiller Inn & Spa; (ii) The Elora Mill Inn; and (iii) the Hidden Valley Resort (collectively, the "Property");
- B. Pursuant to an Order of the Court dated [Date] (the "Approval and Vesting Order"), the Court approved the agreement of purchase and sale made as of [Date] (the "Sale Agreement") between the Receiver and the Purchaser and provided for the vesting in the Purchaser of the Vendor's and the Debtors' right, title and interest in and to the Purchased Assets.
- C. The Purchaser has offered to purchase the Purchased Assets and the Vendor has accepted such offer on the terms and conditions contained in the Sale Agreement.
- D. Unless otherwise indicated herein, capitalized terms have the meanings ascribed thereto in the Sale Agreement.

NOW THEREFORE IN CONSIDERATION of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do covenant and agree as follows:

1. Sale of Assets

(a) The Vendor hereby sells, conveys, transfers and assigns to the Purchaser all of the Vendor's and the Debtors' right, title and interest, if any, in and to the Purchased Assets as authorized and directed by the Approval and Vesting Order.

(b) The Purchaser acknowledges to and in favour of the Vendor that it has inspected the Purchased Assets and, save and except as is expressly set out in the Sale Agreement, the Purchased Assets are sold on an "as is, where is" basis at the Closing Time and that no representation, warranty or condition is expressed or implied as to title, description, fitness for purpose, location, merchantability, quantity, conditions or quality thereof or in respect of any other matter or thing whatsoever.

2. Warranties

(a) The Purchaser and the Vendor warrant to each other that the recitals hereto are true and correct;

(b) The Vendor acknowledges and agrees that the representations and warranties set out in Article 6 of the Sale Agreement are incorporated by reference herein and are true and correct as of the date hereof; and

(b) The Purchaser acknowledges and agrees that the representations and warranties set out in Article 7 of the Sale Agreement are incorporated by reference herein and are true and correct as of the date hereof.

3. Miscellaneous

(a) This Agreement and all of its provisions shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns;

(b) This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein; and

(c) Each of the Vendor and the Purchaser shall, from time to time at the cost of the requesting party, do all such further acts and things and execute and deliver such further instruments and documents as may be reasonably necessary to give effect to the sale, assignment and transfer of the Purchased Assets to the Purchaser in accordance with the terms of the Sale Agreement.

4. This Agreement shall be considered properly executed and delivered by any party if executed in counterpart and transmitted by facsimile to the other party.

IN WITNESS WHEREOF the parties have executed this Agreement at _____,
Ontario, this day of , 2010.

[PURCHASER]

Per: _____
Name:
Title:

I have authority to bind the Corporation.

DELOITTE & TOUCHE INC., solely in its capacity as the Court Appointed Receiver and Manager of the Property (as defined herein) of Tuesday Equities Ltd. and Prince Royal Limited Partnership, with no personal or corporate liability

Per: _____
Name:
Title:

TAB F

EXHIBIT "F"

REVISED CONDITIONS OF SALE

1. The vendor is Deloitte & Touche Inc., solely in its capacity as the receiver and manager (hereinafter called the "**Vendor**") appointed pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated May 26, 2010 of all of the assets, properties and undertakings of Tuesday Equities Ltd. and Prince Royal Limited Partnership (together, the "**Debtors**") acquired for, or used in relation to the following businesses carried on by the Debtors, including all proceeds thereof: (i) The Benmiller Inn & Spa; (ii) The Elora Mill Inn; and (iii) the Hidden Valley Resort (collectively, the "**Property**") and without personal or corporate liability.
2. Pursuant to these Conditions of Sale, the Vendor is offering for sale the Vendor's right, title and interest, if any, in that part of the Property comprised by The Benmiller Inn & Spa and the Hidden Valley Resort as described in the Confidential Information Memorandum (the "**CIM**") dated June 1, 2010. The Property has been divided into three separate parcels (each a "**Parcel**"). Each Parcel consists of that part of the Property comprised by or used exclusively in connection with each of The Benmiller Inn & Spa and the Hidden Valley Resort (each, a "**Hotel**").
3. A listing of the various items comprising the Property in each Parcel is contained in the CIM. All information contained in the CIM, including without limitation, the lists and descriptions of the Property, have been prepared solely for the convenience of the party submitting an offer to purchase some or all of the Property (an "**Offeror**") and are not warranted to be complete or accurate and do not form part of these Conditions of Sale.

4. The Vendor may carry on the business of the Debtors at the Hotels prior to closing and the quantity of inventory included in a Parcel may be reduced during such period. The inventory included in a Parcel will be that on hand and available on the closing date of any Approved Sale Agreement (as defined below).
5. Offers may be submitted for individual Parcels or en bloc, provided that en bloc Offers must stipulate a separate price for each Parcel. Offers submitted for more than one Parcel will be considered as a separate offer for each Parcel unless the Offeror specifically states that the acceptance of one Parcel is conditional upon the acceptance of one or more other Parcels.
6. Sealed offer marked "Offer – Tuesday Equities Ltd." shall be delivered or mailed postage prepaid to Deloitte & Touche Inc., 181 Bay Street, Brookfield Place, Suite 1400, Toronto, Ontario, M5J 2V1, to the attention of Ira Gerstein.
7. Every Offer submitted should be in the form of offer attached hereto. Offers received by the Vendor which are not in such form may be rejected. Offers shall be opened by the Vendor in the presence of, and reviewed with, representatives of The Equitable Trust Company and CB Richard Ellis Canada. No Offeror shall be entitled to be present for the opening of any Offer received by the Vendor.
8. The Vendor shall have no obligation, at law or in equity or otherwise, to any Offeror or any other person or party, to:
 - (a) consider any Offer which:

- (i) specifies a purchase price as an amount or percentage in excess of any other Offer or otherwise as a function of the purchase price offered by any other Offeror;
 - (ii) has not been fully completed and duly executed;
 - (iii) is not accompanied by the Deposit (as defined below) required hereunder;
 - (iv) has not been delivered to and received at the offices of the Vendor as required hereunder; or
- (b) negotiate with any Offeror with respect to any provision of the Offer or request or agree to any changes therein,

but nothing in these Conditions of Sale shall preclude the Vendor from taking any of the foregoing steps if, in its sole and unfettered discretion, it believes that it is in the best interest of the Vendor for it to do so; however the taking of any such step shall not constitute a waiver by the Vendor of the provisions of this paragraph or an obligation on the part of the Vendor to take any further or other steps referred to above with the same or any other Offeror. The Vendor will be under no obligation to negotiate identical terms with, or extend identical terms to, each Offeror.

9. The Offeror shall, with its Offer, deliver to the Vendor the following:

- (a) an amount equal to 10% of the purchase price specified in the Offer which shall be held in a non-interest bearing account by the Vendor. If the Offer is accepted by the Vendor said cheque shall be deemed to be a cash deposit (the "**Deposit**") against the aggregate offered purchase price (the "**Purchase Price**") and, subject to Court approval of the Offer, the Offeror (hereinafter called the "**Purchaser**")

under an Approved Sale Agreement (as defined below) shall pay the balance of the Purchase Price to the Vendor, in cash or by certified cheque on the Closing Date of the transaction under the Approved Sale Agreement;

- (b) an executed copy of the template agreement of purchase and sale prepared by the Vendor (“**Template Sale Agreement**”), amended to reflect that part of the Property subject to the Offer (the Template Sale Agreement as amended, the “**Offeror Sale Agreement**”) and any other matters specific to the Offer. The Vendor will require each Offeror to include in its Offeror Sale Agreement transitional provisions regarding the proposed transfer of the Purchased Assets (defined below) to the Offeror including, without limitation, employees of the Debtors to be hired by the Offeror, assumption of existing contracts and prepaid expenses;
- (c) a comparison of the Template Purchase Agreement to the executed and amended Offeror Sale Agreement;
- (d) a representation of the Offeror and written evidence of available cash and/or a commitment for financing to evidence the Offeror’s ability to close the proposed transaction as the Vendor may reasonably request;
- (e) a copy of a board resolution or similar document demonstrating authority to make an irrevocable Offer and to execute the transaction contemplated by the Offeror Sale Agreement; and
- (f) disclosure of the identity of each entity (including its ultimate shareholders) that has submitted the Offer.

10. The Vendor specifically reserves its right to negotiate with any party with respect to the making of an Offer or the terms of an Offer submitted to the Vendor or to request or agree to any changes in any such Offer. The Vendor may choose to take such steps with respect to one or more parties but the Vendor shall have no obligation to negotiate identical terms with, or extend identical terms to each such party. The Vendor reserves its right to request any party to submit an Offer or to submit a revised Offer reflecting improved terms or other amendments requested by the Vendor. The Vendor will be under no obligation to provide to any party the opportunity to improve the terms of any Offer submitted to the Vendor. The Vendor may accept an Offer at any time without providing prior notice to any party or providing any party with an opportunity to first submit an Offer or improve the terms of an Offer submitted to the Vendor.
11. If the Vendor accepts an Offer and the subject Offeror Sale Agreement, the Vendor shall seek Court approval of such Offeror Sale Agreement on or before August 26, 2010. Any Offeror Sale Agreement accepted by the Vendor and approved by the Court is referred to herein as an **“Approved Sale Agreement”**.
12. If the Vendor accepts an Offer but the terms of that Offer or the Offeror Sale Agreement are not approved by the Court then the Vendor may, at its sole and unfettered discretion, terminate the proposed transaction and any Offeror Sale Agreement accepted by the Vendor, whereupon the Deposit shall forthwith be returned to the Offeror without credit for any accrued interest thereon and the Vendor may then accept any other Offer to purchase that part of the Property subject to the terminated Offeror Sale Agreement.

13. Notwithstanding any other provision contained in these Conditions of Sale, nothing herein shall constitute an assignment or attempted assignment of any of the Property subject to an Approved Sale Agreement (“**Purchased Assets**”) which is not assignable without the consent of any person if such consent is not obtained by the Purchaser. It shall be the Purchaser’s sole responsibility to obtain, at its own expense, any consents, approvals or any further documentation or assurances which may be required to carry out the terms of the sale of the Purchased Assets, including, without limitation, any approvals with respect to the assignment of any of the Purchased Assets not assignable without the consent or action of a third party or parties. Specifically, and without limiting the generality of the foregoing, by submitting an Offer, an Offeror acknowledges that it has conducted its own investigations with respect to any licences (including all liquor licences), approvals or third party consents which are necessary to purchase any of the Property or to carry on any business at the Hotels or any other activity utilizing or in connection with any of the Property.
14. Cheques accompanying Offers that are not accepted will be returned to the Offeror by registered mail addressed to the Offeror at the address set out in its Offer or made available for pick up not later than fourteen days following the opening of Offers unless otherwise arranged with the Offeror.
15. The closing of each Approved Sale Agreement shall take place at the office of the Vendor, 181 Bay Street, Brookfield Place, Suite 1400, Toronto, Ontario or at the option of the Vendor, at the offices of the Vendor's solicitors at 11:00 a.m. on or before the 45th day after approval by the Court of the Approved Sale Agreement accepted by the Vendor (the “**Closing Date**”) or such other date as the Vendor and the Purchaser may agree.

16. Upon closing of the sale of the Purchased Assets contemplated by the Approved Sale Agreement, (the “**Closing**”), the Purchaser shall be entitled, upon receipt by the Vendor of the Purchase Price, to possession of the Purchased Assets and to such bills of sale or assignments as may be considered necessary by the Vendor to convey the Purchased Assets to the Purchaser provided that the Purchaser shall remain liable under the Approved Sale Agreement. Any such deeds, bills of sale or assignments shall contain only a release of the Vendor's interest in the Purchased Assets and shall not contain any covenants.
17. The Purchaser shall pay on closing in addition to the Purchase Price:
 - (a) all applicable federal and provincial taxes;
 - (b) costs, if any, of dismantling or removing the Purchased Assets from their present location and restoring such location to a neat and clean condition;
 - (c) the cost of repairing any damage caused by dismantling or removal of the Purchased Assets from their present location; and
 - (d) the costs of obtaining mechanical fitness certificates, if necessary, for any motor vehicle(s).
18. The Purchaser shall assume at the Purchaser's cost complete responsibility for compliance with all laws, municipal, provincial or federal in so far as same apply to the Purchased Assets and the use thereof by the Purchaser.
19. The Vendor shall not be required to produce any abstract of title, title deed, or documents or copies thereof or any evidence as to title, other than those in its possession.

20. Prior to the Closing, the Purchased Assets shall be and remain in the possession of and at the risk of the Vendor and the Vendor will hold all policies of insurance effected thereon and the proceeds thereof in trust for the Vendor and the Purchaser as their respective interests may appear. After Closing, the Purchased Assets shall be at the risk of the Purchaser. In the event of substantial damage to the Purchased Assets occurring on or before Closing, the Purchaser may either have the proceeds of the insurance and complete the Approved Sale Agreement or may cancel such Approved Sale Agreement and have all monies paid thereunder, returned without interest, costs or compensation of any kind whatsoever. Where any damage is not substantial, the Purchaser shall be obliged to complete the purchase and shall be entitled to the proceeds of insurance referable to such damage, but not to any other costs or compensation whatsoever.
21. All adjustments of such taxes and other items as are specified herein will be made as of Closing under the Approved Sale Agreement. The Purchaser shall arrange its own insurance and there shall be no adjustment of insurance.
22. No adjustments will be allowed by either the Vendor or the Purchaser for changes in the condition or quantity of any of the Property comprising the Purchased Assets. The Vendor shall remain in possession of the Purchased Assets until the Purchase Price therefor has been paid in full. The Purchaser will take possession of the Purchased Assets at Closing.
23. If the Purchaser fails to comply with the Approved Sale Agreement, the Purchaser's deposit shall be forfeited to the Vendor and the Purchased Assets may be resold by the Vendor and the Purchaser shall pay to the Vendor (i) an amount equal to the amount, if

any, by which the Purchase Price under the Approved Sale Agreement approved exceeds the net purchase price received by the Vendor pursuant to such resale, and (ii) an amount equal to all costs and expenses incurred by the Vendor in respect of or occasioned by the Purchaser's failure to comply with the Approved Sale Agreement.

24. By submitting an Offer, a Purchaser acknowledges that it has inspected the Purchased Assets and that the Purchased Assets are sold on an "as is, where is" basis at the time of Closing and that no representation, warranty or condition is expressed or implied as to title, description, fitness for purpose, merchantability, quantity, conditions or quality thereof or in respect of any other matter or thing whatsoever. Each Purchaser acknowledges that the Vendor is not required to inspect or count, or provide any inspection or counting, of the Purchased Assets or any part thereof and each Purchaser shall be deemed, at its own expense, to have relied entirely on its own inspection and investigation. It shall be the Purchaser's sole responsibility to obtain, at its own expense, any consents to such transfer and any further documents or assurances which are necessary or desirable in the circumstances. Without limiting the generality of the foregoing, any and all conditions, warranties and representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) do not apply to the sale of the Purchased Assets and have been waived by the Purchaser.
25. Deloitte & Touche Inc. acts solely in its capacity as Court-appointed receiver and manager (hereinafter called the "**Vendor**") of the Debtors and shall have no personal or corporate liability hereunder or under any Offer, Offeror Sale Agreement or Approved Sale Agreement.

26. The highest or any Offer will not necessarily be accepted.
27. The acceptance of any Offer and any Offeror Sale Agreement entered into by the Vendor shall be subject to the condition that the sale and the terms thereof be approved by the Court.
28. No Offeror shall be at liberty to withdraw, vary or countermand an Offer once received by the Vendor, provided, however, that an Offer may be open for acceptance by the Vendor for a specific period of time.
29. The Vendor, at its sole discretion, may waive or vary any or all of the terms and conditions hereof. The terms and conditions contained herein shall not merge on the Closing of the transaction contemplated by any Approved Sale Agreement but shall survive such closing and remain in full force and effect and be binding on the Purchaser thereafter.
30. These Conditions of Sale and the validity and interpretation of any offer, Offeror Sale Agreement or Approved Sale Agreement shall be governed by the laws of Ontario, and such agreement shall enure to the benefit of and be binding upon the parties thereto, and their respective heirs, executors, administrators, successors or assigns as the case may be.
31. The submission of an Offer by a resident of the province of Quebec shall be deemed to constitute the declaration and acknowledgement by the Offeror that it has requested the Conditions of Sale, the form of the Offer referred to herein, any Offeror Sale Agreement and all other documentation relating to its Offer and to the acceptance thereof to be drawn up in the English language only.

32. All stipulations as to time are strictly of the essence.
33. Any offer of documents or money hereunder may be made upon the Vendor or the Purchaser, or their respective solicitors. Money may be paid by cheque certified by a schedule 1 Canadian chartered bank or trust company.
34. The obligations of the Vendor to complete an Approved Sale Agreement shall be relieved if, on or before the Closing of such sale, the Order of the Court approving the subject Approved Sale Agreement is subject to appeal, any of the Purchased Assets subject to the sale have been removed from the control of the Vendor by any means or process, or if any of the Purchased Assets subject to the sale is redeemed, whereupon the only obligation of the Vendor shall be to return the applicable Deposit, without interest, costs or compensation.
35. The Vendor shall not be bound to sell any of the Property until it is authorized by the Court to accept and enter into an Approved Sale Agreement. The Vendor reserves the right to enter into one or more agreements to sell any or all of the Property at any time prior to an arrangement to the contrary and to withdraw any or all of the Property from the sale.

REVISED CONDITIONS OF SALE

1. The vendor is Deloitte & Touche Inc., solely in its capacity as the receiver and manager (hereinafter called the “**Vendor**”) appointed pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated May 26, 2010 of all of the assets, properties and undertakings of Tuesday Equities Ltd. and Prince Royal Limited Partnership (together, the “**Debtors**”) acquired for, or used in relation to the following businesses carried on by the Debtors, including all proceeds thereof: (i) The Benmiller Inn & Spa; (ii) The Elora Mill Inn; and (iii) the Hidden Valley Resort (collectively, the “**Property**”) and without personal or corporate liability.

2. Pursuant to these Conditions of Sale, the Vendor is offering for sale the Vendor's right, title and interest, if any, in that part of the Property comprised by The Benmiller Inn & Spa and the Hidden Valley Resort as described in the Confidential Information Memorandum (the “**CIM**”) dated June 1, 2010. The Property has been divided into three separate parcels (each a “**Parcel**”). Each Parcel consists of that part of the Property comprised by or used exclusively in connection with each of The Benmiller Inn & Spa, ~~The Elora Mill Inn~~ and the Hidden Valley Resort (each, a “**Hotel**”).

3. A listing of the various items comprising the Property in each Parcel is contained in the CIM. All information contained in the CIM, including without limitation, the lists and descriptions of the Property, have been prepared solely for the convenience of the party submitting an offer to purchase some or all of the Property (an “**Offeror**”) and are not warranted to be complete or accurate and do not form part of these Conditions of Sale.

4. The Vendor may carry on the business of the Debtors at the Hotels prior to closing and the quantity of inventory included in a Parcel may be reduced during such period. The inventory included in a Parcel will be that on hand and available on the closing date of any Approved Sale Agreement (as defined below).
5. Offers may be submitted for individual Parcels or en bloc, provided that en bloc Offers must stipulate a separate price for each Parcel. Offers submitted for more than one Parcel will be considered as a separate offer for each Parcel unless the Offeror specifically states that the acceptance of one Parcel is conditional upon the acceptance of one or more other Parcels.
6. Sealed offer marked "Offer – Tuesday Equities Ltd." shall be delivered or mailed postage prepaid to Deloitte & Touche Inc., 181 Bay Street, Brookfield Place, Suite 1400, Toronto, Ontario, M5J 2V1, to the attention of Ira Gerstein. ~~All Offers must be received by the Vendor by 12:00 p.m. Eastern Standard Time on August 12, 2010 (the "Offer Date"). The Vendor reserves the right to extend the Offer Date at any time for any reason.~~
7. Every Offer submitted should be in the form of offer attached hereto. Offers received by the Vendor which are not in such form may be rejected. Offers shall be opened by the Vendor in the presence of, and reviewed with, representatives of The Equitable Trust Company and CB Richard Ellis Canada. No Offeror shall be entitled to be present for the opening of ~~Offers~~ any Offer received by the Vendor.
8. The Vendor shall have no obligation, at law or in equity or otherwise, to any Offeror or any other person or party, to:

- (a) consider any Offer which:
 - (i) specifies a purchase price as an amount or percentage in excess of any other Offer or otherwise as a function of the purchase price offered by any other Offeror;
 - (ii) has not been fully completed and duly executed;
 - (iii) is not accompanied by the Deposit (as defined below) required hereunder;
 - (iv) has not been delivered to and received at the offices of the Vendor as required hereunder; or
- (b) negotiate with any Offeror ~~after the Offer Date~~ with respect to any provision of the Offer or request or agree to any changes therein,

but nothing in these Conditions of Sale shall preclude the Vendor from taking any of the foregoing steps if, in its sole and unfettered discretion, it believes that it is in the best interest of the Vendor for it to do so; however the taking of any such step shall not constitute a waiver by the Vendor of the provisions of this paragraph or an obligation on the part of the Vendor to take any further or other steps referred to above with the same or any other Offeror. The Vendor will be under no obligation to negotiate identical terms with, or extend identical terms to, each Offeror.

9. The Offeror shall, with its Offer, deliver to the Vendor the following:
- (a) an amount equal to 10% of the purchase price specified in the Offer which shall be held in a non-interest bearing account by the Vendor. If the Offer is accepted by the Vendor said cheque shall be deemed to be a cash deposit (the “**Deposit**”)

against the aggregate offered purchase price (the “**Purchase Price**”) and, subject to Court approval of the Offer, the Offeror (hereinafter called the “**Purchaser**”) under an Approved Sale Agreement (as defined below) shall pay the balance of the Purchase Price to the Vendor, in cash or by certified cheque on the Closing Date of the transaction under the Approved Sale Agreement;

- (b) an executed copy of the template agreement of purchase and sale prepared by the Vendor (“**Template Sale Agreement**”), amended to reflect that part of the Property subject to the Offer (the Template Sale Agreement as amended, the “**Offeror Sale Agreement**”) and any other matters specific to the Offer, ~~which shall be binding and irrevocable until August 26, 2010.~~ The Vendor will require each Offeror to include in its Offeror Sale Agreement transitional provisions regarding the proposed transfer of the Purchased Assets (defined below) to the Offeror including, without limitation, employees of the Debtors to be hired by the Offeror, assumption of existing contracts and prepaid expenses;
- (c) a comparison of the Template Purchase Agreement to the executed and amended Offeror Sale Agreement;
- (d) a representation of the Offeror and written evidence of available cash and/or a commitment for financing to evidence the Offeror’s ability to close the proposed transaction as the Vendor may reasonably request;
- (e) a copy of a board resolution or similar document demonstrating authority to make an irrevocable Offer and to execute the transaction contemplated by the Offeror Sale Agreement; and

- (f) disclosure of the identity of each entity (including its ultimate shareholders) that has submitted the Offer.
10. ~~Following the Offer Date, the~~The Vendor specifically reserves its right to negotiate with any ~~Offeror~~party with respect to any ~~provision~~the making of its~~an~~ Offer or the terms of an Offer submitted to the Vendor or to request or agree to any changes in any such Offer. The Vendor may choose to take such steps with respect to one or more ~~Offers~~parties but the Vendor shall have no obligation to negotiate identical terms with, or extend identical terms to each ~~Offeror~~such party. The Vendor reserves it right to request ~~some, but not all,~~ ~~Offeror~~any party to submit an Offer or to submit a revised Offer reflecting improved terms or other amendments requested by the Vendor. The Vendor will be under no obligation to provide to each ~~Offeror~~ ~~the opportunity to improve the terms of any Offer submitted to the Vendor following the Offer Date~~any party the opportunity to improve the terms of any Offer submitted to the Vendor. The Vendor may accept an Offer at any time without providing prior notice to any party or providing any party with an opportunity to first submit an Offer or improve the terms of an Offer submitted to the Vendor.
11. If the Vendor accepts an Offer and the subject Offeror Sale Agreement, the Vendor shall seek Court approval of such Offeror Sale Agreement on or before August 26, 2010. Any Offeror Sale Agreement accepted by the Vendor and approved by the Court is referred to herein as an “**Approved Sale Agreement**”.
12. If the Vendor accepts an Offer but the terms of that Offer or the Offeror Sale Agreement are not approved by the Court then the Vendor may, at in its sole and unfettered

discretion, terminate the proposed transaction and any Offeror Sale Agreement accepted by the Vendor, whereupon the Deposit shall forthwith be returned to the Offeror without credit for any accrued interest thereon and the Vendor may then accept any other Offer to purchase that part of the Property subject to the terminated Offeror Sale Agreement.

13. Notwithstanding any other provision contained in these Conditions of Sale, nothing herein shall constitute an assignment or attempted assignment of any of the Property subject to an Approved Sale Agreement (“**Purchased Assets**”) which is not assignable without the consent of any person if such consent is not obtained by the Purchaser. It shall be the Purchaser’s sole responsibility to obtain, at its own expense, any consents, approvals or any further documentation or assurances which may be required to carry out the terms of the sale of the Purchased Assets, including, without limitation, any approvals with respect to the assignment of any of the Purchased Assets not assignable without the consent or action of a third party or parties. Specifically, and without limiting the generality of the foregoing, by submitting an Offer, an Offeror acknowledges that it has conducted its own investigations with respect to any licences (including all liquor licences), approvals or third party consents which are necessary to purchase any of the Property or to carry on any business at the Hotels or any other activity utilizing or in connection with any of the Property.
14. Cheques accompanying Offers that are not accepted will be returned to the Offeror by registered mail addressed to the Offeror at the address set out in its Offer or made available for pick up not later than fourteen days following the opening of Offers unless otherwise arranged with the Offeror.

15. The closing of each Approved Sale Agreement shall take place at the office of the Vendor, 181 Bay Street, Brookfield Place, Suite 1400, Toronto, Ontario or at the option of the Vendor, at the offices of the Vendor's solicitors at 11:00 a.m. on or before the 45th day after approval by the Court of the Approved Sale Agreement accepted by the Vendor (the "**Closing Date**") or such other date as the Vendor and the Purchaser may agree.
16. Upon closing of the sale of the Purchased Assets contemplated by the Approved Sale Agreement, (the "**Closing**"), the Purchaser shall be entitled, upon receipt by the Vendor of the Purchase Price, to possession of the Purchased Assets and to such bills of sale or assignments as may be considered necessary by the Vendor to convey the Purchased Assets to the Purchaser provided that the Purchaser shall remain liable under the Approved Sale Agreement. Any such deeds, bills of sale or assignments shall contain only a release of the Vendor's interest in the Purchased Assets and shall not contain any covenants.
17. The Purchaser shall pay on closing in addition to the Purchase Price:
 - (a) all applicable federal and provincial taxes;
 - (b) costs, if any, of dismantling or removing the Purchased Assets from their present location and restoring such location to a neat and clean condition;
 - (c) the cost of repairing any damage caused by dismantling or removal of the Purchased Assets from their present location; and
 - (d) the costs of obtaining mechanical fitness certificates, if necessary, for any motor vehicle(s).

18. The Purchaser shall assume at the Purchaser's cost complete responsibility for compliance with all laws, municipal, provincial or federal in so far as same apply to the Purchased Assets and the use thereof by the Purchaser.
19. The Vendor shall not be required to produce any abstract of title, title deed, or documents or copies thereof or any evidence as to title, other than those in its possession.
20. Prior to the Closing, the Purchased Assets shall be and remain in the possession of and at the risk of the Vendor and the Vendor will hold all policies of insurance effected thereon and the proceeds thereof in trust for the Vendor and the Purchaser as their respective interests may appear. After Closing, the Purchased Assets shall be at the risk of the Purchaser. In the event of substantial damage to the Purchased Assets occurring on or before Closing, the Purchaser may either have the proceeds of the insurance and complete the Approved Sale Agreement or may cancel such Approved Sale Agreement and have all monies paid thereunder, returned without interest, costs or compensation of any kind whatsoever. Where any damage is not substantial, the Purchaser shall be obliged to complete the purchase and shall be entitled to the proceeds of insurance referable to such damage, but not to any other costs or compensation whatsoever.
21. All adjustments of such taxes and other items as are specified herein will be made as of Closing under the Approved Sale Agreement. The Purchaser shall arrange its own insurance and there shall be no adjustment of insurance.
22. No adjustments will be allowed by either the Vendor or the Purchaser for changes in the condition or quantity of any of the Property comprising the Purchased Assets. The Vendor shall remain in possession of the Purchased Assets until the Purchase Price

therefor has been paid in full. The Purchaser will take possession of the Purchased Assets at Closing.

23. If the Purchaser fails to comply with the Approved Sale Agreement, the Purchaser's deposit shall be forfeited to the Vendor and the Purchased Assets may be resold by the Vendor and the Purchaser shall pay to the Vendor (i) an amount equal to the amount, if any, by which the Purchase Price under the Approved Sale Agreement approved exceeds the net purchase price received by the Vendor pursuant to such resale, and (ii) an amount equal to all costs and expenses incurred by the Vendor in respect of or occasioned by the Purchaser's failure to comply with the Approved Sale Agreement.
24. By submitting an Offer, a Purchaser acknowledges that it has inspected the Purchased Assets and that the Purchased Assets are sold on an "as is, where is" basis at the time of Closing and that no representation, warranty or condition is expressed or implied as to title, description, fitness for purpose, merchantability, quantity, conditions or quality thereof or in respect of any other matter or thing whatsoever. Each Purchaser acknowledges that the Vendor is not required to inspect or count, or provide any inspection or counting, of the Purchased Assets or any part thereof and each Purchaser shall be deemed, at its own expense, to have relied entirely on its own inspection and investigation. It shall be the Purchaser's sole responsibility to obtain, at its own expense, any consents to such transfer and any further documents or assurances which are necessary or desirable in the circumstances. Without limiting the generality of the foregoing, any and all conditions, warranties and representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) do not apply to the sale of the Purchased Assets and have been waived by the Purchaser.

25. Deloitte & Touche Inc. acts solely in its capacity as Court-appointed receiver and manager (hereinafter called the “Vendor”) of the Debtors and shall have no personal or corporate liability hereunder or under any Offer, Offeror Sale Agreement or Approved Sale Agreement.
26. The highest or any Offer will not necessarily be accepted.
27. The acceptance of any Offer and any Offeror Sale Agreement entered into by the Vendor shall be subject to the condition that the sale and the terms thereof be approved by the Court.
28. No Offeror shall be at liberty to withdraw, vary or countermand an Offer once received by the Vendor. ~~Each Offer shall be irrevocable until August 26, 2010.,~~ provided, however, that an Offer may be open for acceptance by the Vendor for a specific period of time.
29. The Vendor, at its sole discretion, may waive or vary any or all of the terms and conditions hereof. The terms and conditions contained herein shall not merge on the Closing of the transaction contemplated by any Approved Sale Agreement but shall survive such closing and remain in full force and effect and be binding on the Purchaser thereafter.
30. These Conditions of Sale and the validity and interpretation of any offer, Offeror Sale Agreement or Approved Sale Agreement shall be governed by the laws of Ontario, and such agreement shall enure to the benefit of and be binding upon the parties thereto, and their respective heirs, executors, administrators, successors or assigns as the case may be.

31. The submission of an Offer by a resident of the province of Quebec shall be deemed to constitute the declaration and acknowledgement by the Offeror that it has requested the Conditions of Sale, the form of the Offer referred to herein, any Offeror Sale Agreement and all other documentation relating to its Offer and to the acceptance thereof to be drawn up in the English language only.
32. All stipulations as to time are strictly of the essence.
33. Any offer of documents or money hereunder may be made upon the Vendor or the Purchaser, or their respective solicitors. Money may be paid by cheque certified by a schedule 1 Canadian chartered bank or trust company.
34. The obligations of the Vendor to complete an Approved Sale Agreement shall be relieved if, on or before the Closing of such sale, the Order of the Court approving the subject Approved Sale Agreement is subject to appeal, any of the Purchased Assets subject to the sale have been removed from the control of the Vendor by any means or process, or if any of the Purchased Assets subject to the sale is redeemed, whereupon the only obligation of the Vendor shall be to return the applicable Deposit, without interest, costs or compensation.
35. The Vendor shall not be bound to sell any of the Property until it is authorized by the Court to accept and enter into an Approved Sale Agreement. The Vendor reserves the right to enter into one or more agreements to sell any or all of the Property at any time prior to an arrangement to the contrary and to withdraw any or all of the Property from the sale.

Document comparison by Workshare Professional on August 19, 2010 10:24:09 AM

Input:	
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Document 2 ID	interwovenSite://TGF-VMWORKSITE/Client/480679/1
Description	#480679v1<Client> - Revised Terms and Conditons of Sale
Rendering set	standard

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Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
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Moved cell	
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Padding cell	

Statistics:	
	Count
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Deletions	15
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Moved to	1
Style change	0
Format changed	0
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TAB G

EXHIBIT "G"

Court File No. CV-10-8592-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

THE EQUITABLE TRUST COMPANY

Applicant

- and -

TUESDAY EQUITIES LTD. as General Partner for and on behalf of
PRINCE ROYAL LIMITED PARTNERSHIP

Respondent

AFFIDAVIT OF IRA GERSTEIN
(Sworn August 18, 2010)

I, IRA GERSTEIN, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a Chartered Accountant and Chartered Insolvency and Restructuring Professional qualified to practice in the Province of Ontario and am a Vice President of Deloitte & Touche Inc. ("Deloitte"), the Court-Appointed receiver and manager (the "Receiver") of all of the assets, undertakings and properties of Tuesday Equities Ltd. and Prince Royal Limited Partnership (together, the "Debtors") acquired for, or used in relation to the following businesses carried on by the Debtors, including all proceeds thereof: (i) The Benmiller Inn & Spa; (ii) The Elora Mill Inn; and (iii) the Hidden Valley Resort (collectively, the "Property"), and, as such, I have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

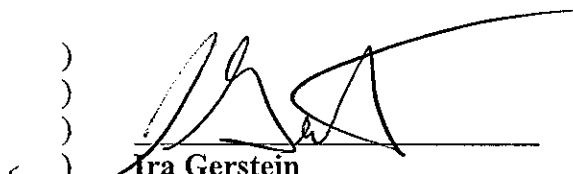
2. Attached hereto as Exhibit "A" are true copies of the invoices for fees and disbursements incurred by Deloitte in the course of this administration for the period from February 18, 2010 to July 11, 2010.

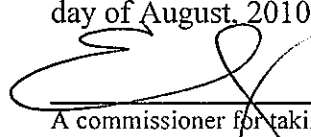
3. The hourly billing rates outlined in Exhibit "A" to this affidavit are comparable to the hourly rates charged by Deloitte for services rendered in relation to similar proceedings.

4. Attached hereto as Exhibit "B" is a schedule summarizing each invoice in Exhibit "A", the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice.

5. I make this affidavit in support of a motion by the Receiver for, inter alia, approval of the fees and disbursements of the Receiver.

SWORN BEFORE ME
at the City of Toronto, in the
Province of Ontario this 18th
day of August, 2010.

)
)
)
) 
) **Ira Gerstein**
)



A commissioner for taking oaths, etc.

ELAINE MARGARET MCKAY
A Commissioner, etc., City of Toronto,
for Deloitte & Touche Inc., Trustee in
Bankruptcy and Deloitte & Touche LLP,
Chartered Accountants.
Expires March 19, 2012. ✓

This is Exhibit "A" referred to
 in the Affidavit of Lara Gerstein
 Sworn before me this 18th day of
August 2010
 A Commissioner, etc.

The Equitable Trust Company
 30 St. Clair Avenue West
 Suite 700
 Toronto, ON M4V 3A1

ELAINE MARGARET MCKAY
 A Commissioner, etc., City of Toronto,
 for Deloitte & Touche Inc., Trustee in
 Bankruptcy and Deloitte & Touche LLP.
 Chartered Accountants
 Expires March 19, 2012 / Mandate No:
 Partner:

June 23, 2010
 2661360
 908331.1000000
 Paul Casey

GST Registration No: 133245290

Invoice

Professional services rendered in our capacity as the Court appointed Receiver for Hidden Valley Resort, Benmiller Resort and Elora Mill for the period ended June 11, 2010.

Date	Professional	Description
2/18/2010	Bricks, Hartley	Conference call with Murdoch and Equitable regarding status and intention to apply for Receiver on Friday; receivership planning and staffing; call to Alcohol Licencing and Gaming Commission to discuss licence transfer process; call to Marsh regarding insurance coverage.
2/19/2010	Bricks, Hartley	Receivership planning; attendance in court regarding potential appointment of Receiver; discussion with Murdoch regarding status of forbearance discussion.
2/19/2010	Casey, Paul M	Review draft affidavit; send consent to Stikemans; emails and telephone calls with Bricks regarding attendance of Court; emails to Team regarding status.
2/22/2010	Bricks, Hartley	Discussion with Murdoch regarding status and review of e-mail correspondence regarding same; attendance at court and discussion with Murdoch regarding nature of forbearance.
2/22/2010	Casey, Paul M	Attend court for Receivership motion and subsequent telephone call with Stikemans; telephone call with Moffat regarding independent counsel; telephone calls with Bricks.
2/24/2010	Casey, Paul M	Meeting with Bricks and discuss call with second mortgagee.
5/11/2010	Bricks, Hartley	Conference call with K. Kukulowicz regarding status and plan for receivership; review of files and send info request to Kiruban.
5/11/2010	Casey, Paul M	Prepare and attend conference call with Equitable regarding termination of Forbearance and Court appointment; telephone call with Stikeman.
5/12/2010	Bricks, Hartley	Review of financial information provided by Equitable and receivership planning.

Date	Professional	Description
5/13/2010	Bricks, Hartley	Meeting with Kiruban Kana of Equitable to discuss status of properties, including discussion with Phil Wolf of Crescent and arrange conference call for next day; review of receivership order and affidavit and provide comments to Murdoch; review of financial information on properties and provide summary to Casey; discussion with Helen Wilcox regarding liquor licence transfer issues
5/13/2010	Gerstein, Ira	Attendance at Equitable Trust offices with Hartley and meet with Kuruban to discuss status and various issues.
5/14/2010	Bricks, Hartley	Attendance at Court for 9:30 with Murdoch regarding receivership appointment; discussion with Casey regarding status and planning; conference call with Crescent and receivership planning.
5/14/2010	Casey, Paul M	Meeting with Bricks and Gerstein; telephone call with Kim Graham; conference call with Crescent Hospitality; telephone call with Dan Murdoch; review draft order and affidavit.
5/14/2010	Damiani, Stefano	Conference call on May 14, 2010 with representatives of property management company (Crescent); planning meetings with I. Gerstein, H. Bricks and P. Casey; prepared initial information request listing and sent related e-mail to P. Wolf; discussion with I. Gerstein regarding banking procedures.
5/14/2010	Gerstein, Ira	Discussions with Hartley Bricks re various issues, such as liquor licence, telephone call with Adam Vassos with respect to the Liquor Licence application, conference call with representatives of Crescent Hotels to plan receivership, review various e-mails from Equitable Trust, discussions with Paul Casey regarding status, Rob Biehler regarding staffing, Stefano Damiani regarding planning.
5/15/2010	Casey, Paul M	Telephone call with Grant Moffat and email to Bricks/Gerstein.
5/16/2010	Casey, Paul M	Review draft order and comments for counsel; email to Stikeman.
5/17/2010	Biehler, Robert	Discussions with I. Gerstein regarding staffing matters and scope; discussions with staff regarding availability.
5/17/2010	Casey, Paul M	Emails and telephone calls with Moffat; meetings with Gerstein; Damiani; review draft employee letter.
5/17/2010	Damiani, Stefano	Conference call with legal counsel (G. Moffat, Thornton, Grout & Finnigan), P. Casey and I. Gerstein regarding planning items; conference call with representative of Shaners (Laura) regarding banking and general matters; review of email from P. Wolf regarding information requests; conference call with B. Kennedy (Staff Accountant, Shaners) and I. Gerstein with respect to various matters such as payroll, utilities, local Controllers, sales taxes, accounts payable, etc.; review and proposed revisions to draft employment letter; conference call with I. Gerstein, J. Weir and J. Lewis regarding taking possession of the properties; drafted procedures for taking possession for the three properties; planning discussions with I. Gerstein; e-mail to J. English regarding locations and planning; prepared detailed receivership consideration listing.
5/17/2010	Gerstein, Ira	To reviewing numerous e-mails from Kiruban in respect of information pertaining to Tuesday Equities, meetings and discussions with Paul Casey and Hartley Bricks, discussions with Stefano regarding planning.
5/17/2010	Lewis, Jeffrey R	Planning meeting.

Date	Professional	Description
5/18/2010	Casey, Paul M	Emails and telephone calls with Moffat; meeting Gerstein; telephone calls with Vassos, Stone and Graham.
5/18/2010	Damiani, Stefano	Review of e-mail correspondence from D. Murdoch (Stikeman Elliot LLP) proposing an adjournment, and comments by I. Gerstein on same; review of memo from CHR Crescent to A. Kassam regarding fire code infractions and supporting documentation; e-mail to A. Brown regarding the set up of receivership posting; e-mails to J. Weir and J. Lewis regarding logistics; draft e-mail of information requirements to Shaners for review by I. Gerstein; review of emails from I. Gerstein; updated the receivership considerations listing; planning discussions with I. Gerstein.
5/18/2010	Gerstein, Ira	Telephone conference call with Grant Moffat, Dan Murdoch and Kim Graham on whether to proceed with the adjournment; attendance in Court with Dan Murdoch to obtain adjournment, continue to review various information received via e-mail and plan.
5/18/2010	Lewis, Jeffrey R	Packing and preparing for receivership, reading task list.
5/19/2010	Casey, Paul M	Conference call with Stone & Borotsyn from CBRE regarding sales process etc.
5/19/2010	Damiani, Stefano	Review of vendor listings by location; planning discussions with I. Gerstein; email correspondences with I. Gerstein (various); review of advance deposit report for Elora Mill and Benmiller; review of e-mail correspondence from B. Mooney (Crescent) regarding local Controllars, details of utilities, tax matters and events requiring alcohol; e-mail to B. Litvack regarding Elora Mill and electrical generator; drafted detailed email for B. Mooney (Crescent) and submitted to I. Gerstein for further review; analysis of accounts payable subledgers, by location; review of insurance questionnaire; banking summaries; review of mortgage statement from Equitable Trust dated May 19, 2010; review of vacation pay schedules and prepared summary; review of outstanding cheque listings; analysis of payroll registers and email to I. Gerstein on same.
5/19/2010	English, Jennifer	Analysis of Elora Mill and Benmiller advance deposits.
5/19/2010	Gerstein, Ira	Telephone discussions with Helen Wilcox of Adam Vassos's office with respect to the liquor licenses and forward additional information to her, discussions with Stefano regarding status, e-mail to Liz De Geus of Marsh enclosing copies of the insurance information.
5/19/2010	Gerstein, Ira	Continue to review various e-mails and financial information for the hotels and discussions with representatives of Crescent and Shaner to obtain further information.
5/20/2010	Damiani, Stefano	Review of advanced deposit analysis and email to J. English on same; discussions with I. Gerstein regarding memo to secured lender and other receivership planning matters; review of sales information packages of each property; drafted items to be addressed in memo to secured lender; review of emails to secured lender regarding financial statement packages; prepared the initial draft of the Notice and Statement of the Receiver; e-mail to B. Mooney regarding information requests; e-mail to L. Winters (Shaners) regarding utilities.
5/20/2010	English, Jennifer	Analysis of HVR advance deposit report.

Date	Professional	Description
5/20/2010	Gerstein, Ira	Receipt and review various information from Kiruban including financial statements and discuss with Stefano, telephone conference call with Grant Moffat, Dan Murdoch, Adam Vassos and Kim Graham to discuss liquor licences, review various financial information with Stefano and draft memo to Casey regarding outstanding issues.
5/21/2010	Casey, Paul M	Review and comment on email update to Kim Graham; attend on conference call with Crescent to discuss banking and other arrangements.
5/21/2010	Damiani, Stefano	Correspondence with I. Gerstein regarding outstanding information from Crescent (i.e. P. Wolf, B. Mooney), receivership considerations list and update on utility matters; conference call with P. Wolf, B. Mooney and I. Gerstein with respect to information requirements and cash management; e-mail to B. Mooney regarding cash flow forecast and recommending structure.
5/21/2010	Gerstein, Ira	Telephone discussion with Paul Casey with respect to memo to Equitable Trust, redraft the memo and forward to Grant Moffat for review, finalize and issue to Kim Graham of Equitable; conference call with Phil Wolf of Crescent and Teka of Shaner Solutions with respect to Banking issues and advance deposits and general receivership issues, conference call with Phil Wolf and Beth Mooney and Stefano to discuss outstanding information issues.
5/25/2010	Brown, Rose M	Attend Meeting regarding the administration of Hotels.
5/25/2010	Casey, Paul M	Meetings with Gerstein and Damiani regarding receivership preparation; attend conference call with Kim Graham; review CBRE marketing plan and distribute to Equitable Trust; emails; telephone call to Vassos.
5/25/2010	Damiani, Stefano	Meeting with I. Gerstein and P. Casey regarding upcoming motion and status of key items; review and amend draft letter to suppliers; attendance on telephone discussion with legal counsel (G. Moffat, TGF); review of email correspondence from P. Wolf (SVP of Finance & Treasurer, Crescent Hotels and Resorts); review of email from I. Gerstein regarding insurance policy matters; email correspondences with L. Winters (Shaner Solutions) with respect to utilities and supporting documentation; planning meeting with I. Gerstein, B. Litvack, R. Brown and A. Zailer; draft letter to utility service providers and email same to I. Gerstein; telephone discussion with L. Winters regarding security deposits and any related contracts; drafted email regarding WEPPA matters with I. Gerstein; emails to J. Lewis regarding suppliers, other matters; e-mail correspondence to B. Mooney regarding the preparation of the initial cash flow forecast.
5/25/2010	Gerstein, Ira	E-mail from Phil Wolf enclosing response to insurance question, draft e-mail to Liz De Geus of Marsh McLennan enclosing the responses.
5/25/2010	Gerstein, Ira	Discussion with Stefano with respect to outstanding issues, meet with Paul Casey and Stefano regarding status and telephone call with Grant Moffat regarding same.
5/25/2010	Gerstein, Ira	Discussion with Rose Brown regarding banking issues.

Date	Professional	Description
5/25/2010	Gerstein, Ira	Conference call with Kim Graham of Equitable to discuss IG memo of May 21, 2010, review draft letter to Crescent from TGF and provide comments, provide instructions to Alison Brown to set up web page; review employee letter, review supplier letter and comments from Grant Moffat; set up files on DM; planning meeting with Bryan Litvack, Stefano, Jeff Lewis, Rose Brown, and Anna Zailer; finalize employee letters, supplier letters, discussions with Brenda Wong with respect to the Receiver's obligations under WEPPA; review utility letter.
5/25/2010	Lewis, Jeffrey R	Planning meeting.
5/25/2010	Litvack, Bryan N	Meeting to discuss taking possession of hotels, preparing employee letters and other details for pending receivership.
5/26/2010	Brown, Alison	Setting up new webpage - updating page with documents received.
5/26/2010	Brown, Rose M	Open three Trust accounts at Royal Bank; prepare fax to update the name on the Trust accounts and fax to Royal Bank; obtain and copy various documents to be placed in Banking file; telephone call to the bank to confirm receipt of request name change; set up bank accounts on Ascend program; set up receipts, disbursement, reconciliation and a bank folder for the accounts and file; telephone calls to Shaner regarding Merchant Accounts; obtain debtor's TD Merchant number; several Telephone calls to TD Merchant Services to obtain forms for set up new merchant accounts; set up estate on Ascend and input address information.
5/26/2010	Casey, Paul M	Meeting with Gerstein and attend in Court for initial Receivership Order; telephone call to Equitable Trust; meetings with Gerstein; attend Team Conference call; telephone call with Vassos; other initial receivership administration; emails to CBRE.
5/26/2010	Damiani, Stefano	Telephone call with C. Jeffries (Controller, Hidden Valley) to advise of court-appointment and information to be compiled in advance of in-person meeting; on-site attendance at Hidden Valley Resort; meeting with employees regarding receivership; meeting with Manager of Food and Beverage; review of the appointment order; discussion with sales staff; meeting with N. Ribeiro (General Manager) regarding taking possession matters and the fire infraction report; taking of meter readings with maintenance staff; conference call with Deloitte team regarding status of taking possession; review of emails from N. Ribeiro regarding new positions (i.e. front desk supervisor, maintenance), and email to B. Mooney regarding same; cash call with Hidden Valley management and Crescent; telephone call with B. Mooney and C. Jeffries regarding cash balances; emails to I. Gerstein (various); review of outstanding cheque lists.

Date	Professional	Description
5/26/2010	Gerstein, Ira	Attendance in court on Equitable's application for the Receivership appointment, attendance at the offices of Adam Vassos and execute applications for licences; e-mail correspondence to and from Kiruban Kana of Equitable with respect to o/s property taxes on Elora, telephone discussions with Nancy Brown of Firstbrook Cassie and Anderson with respect to the renewal of the Inn's current insurance policy, receipt and review info request in respect of the insurance and forward to Phil Wolf of Crescent, finalize letter to Crescent with respect to the continuation of the management contract, discussions with Rose Brown with respect to setting up bank accounts, forward Receiver's bank information to Crescent; arrange for setting up website for postings, telephone discussions with Beth Mooney of Crescent with respect to the status of personal history reports for purposes of the liquor applications, e-mail from Dan Murdoch setting out his conversations with Bryna Caplan of AGCO and a subsequent telephone call with Bryna regarding the liquor license applications; numerous e-mails to/from Phil Wolf of Crescent and other representatives of crescent and Shaner solutions with respect to freezing Shaners bank accounts and general status, telephone conference call with representatives of crescent and Shaner and the general manager of Benmiller to discuss the cash call and other issues related to the Manager's accounts, telephone conference call with Bryan Litvack, Jeff Lewis, Stefano Damiani and Paul Casey.
5/26/2010	Koroneos, Anna	Meeting with I. Gerstein on new file and research contact information required for new accounts.
5/26/2010	Lewis, Jeffrey R	Printing employee and supplier letters in office, travel to Benmiller Inn, Goderich, taking possession procedures; meeting with management to discuss receivership, meeting with available staff to inform them of the receivership, conference calls with Deloitte Group, further meetings with management, ascertaining operational issues, tour of premises and photographing select assets and hydro meters.
5/26/2010	Litvack, Bryan N	Attend in Elora to take possession of the Elora Inn; meet with GM to discuss receivership; tour hotel and take pictures; e-mail and phone correspondence with Ira regarding taking possession; meetings with employees to advise them of the receivership; answer suppliers questions; conference call with staff at other locations; cash call with Crescent.
5/26/2010	Reinink, Amy	Print letters/copies.
5/27/2010	Brown, Rose M	Banking Administration - Telephone calls to Royal to confirm bank balance in each hotel account; telephone calls to TD Merchant Services and prepare applications for new accounts and have signed; telephone call to Royal Bank, Linda Power for information and forms for set up online banking for the three trust bank accounts.
5/27/2010	Casey, Paul M	Meeting with Gerstein regarding status; conference calls with Adam Vassos; reporting to Kim Graham at Equitable; conference calls with Bill Stone and Deb Borotsyk/CBRE regarding marketing plans, communications and listing prices.

Date	Professional	Description
5/27/2010	Damiani, Stefano	On-site attendance at Hidden Valley Resort; e-mail to C. Jeffries regarding passwords, accounts receivable and cash; e-mail correspondence with I. Gerstein regarding Company credit cards; e-mail to N. Ribeiro regarding employee letters and tracking procedures; meeting with critical supplier (Sysco) regarding arrears and negotiated payment terms with the representative and his head office; conference call with Deloitte team regarding status and key issues; prepared cash budget template for each property; discussions with employees regarding the receivership, and letter on same; e-mail correspondences with N. Ribeiro regarding fire infractions; meeting with the General Manager and Department Heads; meetings with employees; review of signage invoice and email on same to E. Puodziunas (Crescent); conference call with I. Gerstein and E. Puodziunas regarding sales and food matters; discussion with Chef regarding losses and break-even assessments; emailed banking instructions to Controller.
5/27/2010	Gerstein, Ira	Discussion with Rose regarding taxes on Elora Mill and forward information; discussion with Anna K. regarding setting up GST and PST accounts.
5/27/2010	Gerstein, Ira	Telephone discussion with Kim Armour of Firstbrook Cassie & Anderson.
5/27/2010	Gerstein, Ira	Review e-mails regarding funds frozen at TD and forward same to Grant Moffat for discussion.
5/27/2010	Gerstein, Ira	Numerous e-mail exchanges with Crescent with respect to the timing of transfer of funds to the Receiver; discussions with Rose with respect to payment of property taxes and merchant accounts; Anna Koroneos on the status of change of hydro accounts, GST, PST and WSIB; telephone discussion with Phil Wolf with respect to the timing of funds transfer and payroll transfer; conference call with Stefano, Bryan and Jeff with respect to status; conference call with Stefano and Ed of Crescent with respect to operational issues related to Hidden Valley; telephone conference call with Adam Vassos and Bryan Caplan of AGCO with respect to the status of the liquor licence, review contract for Benmiller Inn.
5/27/2010	Koroneos, Anna	Meeting with Ira on instructions; discussion with CRA and letter to CRA regarding new GST accounts; discussion with Matthew Nichols of MOR and letter regarding new accounts; telephone calls to Roxanne Sestito regarding status of getting new account; telephone call with WSIB and message for other Ontario location regarding new accounts.
5/27/2010	Lewis, Jeffrey R	Continuing meetings with management, two additional meetings with staff to inform them of the receivership, information gathering and conference calls with Deloitte team, various operational issues with the receivership.
5/27/2010	Litvack, Bryan N	Meet with GM and Controller to obtain information and to answer their questions; prepare summary of Elora's supplier contracts; solve issues that arise during the day i.e. deposit funds into Receiver's bank account; two conference calls with Ira, Stefano and Jeff; preparing taking possession memo; meeting with employees to discuss receivership.
5/28/2010	Brown, Rose M	Banking Administration - Royal Bank accounts; input and print disbursement cheques; prepare cheques for courier and file back up.

Date	Professional	Description
5/28/2010	Casey, Paul M	Attend conference call with Team to discuss open points; telephone calls with Vassos; receipt of Temporary Liquor Licenses and distribution; other instructions.
5/28/2010	Damiani, Stefano	On-site attendance at Hidden Valley Resort; conference call with Deloitte team; e-mails to C. Jeffries (Controller) regarding various items including payables, contracts, payroll, passwords and outstanding information; e-mails to N. Ribeiro (General Manager) regarding outstanding information, flash reports, occupancy forecast, other; drafted email to I. Gerstein regarding operational improvements; meetings with employees and provided employee letters; review of outstanding items with C. Jeffries (Controller) and email to N. Ribeiro (GM) regarding resources; e-mails to A. Koroneos regarding statutory filings; discussions with I. Gerstein regarding outstanding items and key issues, email to I. Gerstein on same; review of emails from Controller; review of email regarding weekly report from H. Howkins (GM, Elora); review of email from K. Reid (Innkeeper, Benmiller); emails with E. Puodziunas (Regional Operations, Crescent).
5/28/2010	Gerstein, Ira	E-mails to Crescent with respect to the status of cash flows; Rose on status of transfer of funds from Crescent; e-mail to Crescent regarding status of funds; Anna on transferring GST, PST, WSIB, EHT and the status of the 245 Report; telephone discussion with Jinn English regarding status of conversations with suppliers, telephone discussions with Stefano, Bryan Litvack and Jeff Lewis regarding status; conference call with Lewis, Litvack, Damiani and Casey regarding status and various issues; telephone call with Grant Moffat with respect to funds sitting with TD; receipt of Liquor Licences; draft cover letter and overnight courier to GM's at Benmiller and Elora Mill; voicemail for Kuruban of Equitable with respect the status of payment of property taxes; telephone discussions with Adam Vassos with respect to timing of serving alcohol; discussion with Paul Casey regarding update of various issues; review daily reports of the GMs.
5/28/2010	Koroneos, Anna	Preparation of letter to WSIB and several emails and responses to WSIB reps on accounts and new accounts; with Hydro on new account; deposits and 2 other accounts not known; meeting with I. Gerstein on 245/246 Notices; creditors list and provide to Royal Bank for converting and importing; telephone call with S. Damiani on status of phones; meeting with B. Litvack on status of phones and creditor listing with amounts.
5/28/2010	Lewis, Jeffrey R	Various meetings with management and conference calls with Deloitte group, inventory test counts, reviewing operational and reporting on that and other issues; assisting with receivership matters as they became due.
5/28/2010	Litvack, Bryan N	Conference call with Ira, Stefano, Jeff and Paul; meet with GM to discuss sales, contracts and other miscellaneous hotel issues; discuss future reporting requirements with Controller; call back suppliers; preparing taking possession memo; review liquor room before alcohol is allowed to be served.
5/30/2010	Gerstein, Ira	Review notes from Jeff Lewis, Stefano Damiani and Bryan Litvack and prepare e-mail to Phil Wolf of Crescent setting out observations with respect to the property.

Date.	Professional	Description
5/31/2010	Casey, Paul M	Attend to various receivership issues; meeting Gerstein regarding Operations, liquor licences, insurance; marketing plan; review checklist and CBRE marketing flyer; telephone call Grant Moffat, telephone call to Adam Vassos; other.
5/31/2010	Damiani, Stefano	Review of the Department Head meeting minutes as prepared by N. Ribeiro (General Manager, Hidden Valley Resort); review of e-mail correspondences from N. Ribeiro and E. Puodziunas (VP Operations, Crescent) regarding supplies and inventory for the period of the G8, human resource matters, etc.
5/31/2010	Gerstein, Ira	E-mail to GM's and controllers with respect to not allow the removal of property and to request updated amounts owing to creditors.
5/31/2010	Gerstein, Ira	E-mail to Phil Wolf with respect to the status of the insurance surveys for Firstbrook.
5/31/2010	Gerstein, Ira	E-mail to Liz De Geus of Marsh with respect to the status of the insurance quote.
5/31/2010	Gerstein, Ira	Telephone discussion with Kiruban with respect to outstanding taxes on the land and a general discussion of the status.
5/31/2010	Gerstein, Ira	Telephone conference call with the GM's with respect to treatment of advance deposits and other operational issues; telephone call with Paul Casey regarding sending out insurance letter; draft, proof, edit and finalize letter to Firstbrook requesting to be added as additional named insured and loss payee; review contracts for advance booking and forward to Grant Moffat for review; review supplier contracts for Benmiller and forward to Grant Moffat for review and comments; telephone call with Meagan Moisee, customer with respect to wanting to place a reservation; update Manager's budget template and forward to GM's; e-mails to and from Kevin Reid GM for Benmiller with respect to the manager's budget; receipt and review e-mail and voice-mail message from Alnoor with respect to outstanding PST and GST; e-mail from Cheryl Jeffries, controller for Hidden Valley requesting additional employee letter; telephone call with Kiruban with respect to the telephone call received from Alnoor.
5/31/2010	Gerstein, Ira	Telephone discussion with Nick Ribeiro of Hidden Valley expressing interest in purchasing the Hidden Valley Resort.
5/31/2010	Koroneos, Anna	Meeting with Ira on listing of creditors and with Rose; various emails on status and government accounts; several voice mail messages from account holders regarding new accounts; review and update 245/246 Notice.
5/31/2010	Litvack, Bryan N	Answer Ira's questions about the Elora Mill regarding accounting and contracts; update cash budget template for GM's.
6/1/2010	Casey, Paul M	Prepare and attend conference call with Equitable Trust to discuss marketing and sales process; other receivership issues; telephone call Alnoor Kassam; return calls to media; various emails.

Date	Professional	Description
6/1/2010	Damiani, Stefano	Review of emails from C. Jeffries (Controller, Hidden Valley) regarding various items (e.g. outstanding information, trial balance, scheduling, etc.); review of emails from N. Ribeiro (General Manager, Hidden Valley); review of the Hidden Valley flash report and 14 day actual report; review of email correspondence with K. Kana (Equitable Trust); review of email from B. Michaels (Staff Accountant, Shaners) regarding the trial balances; review of email from L. Herzing (Accountant, Shaners) regarding on-line access to specific bank accounts; review of e-mails from P. Wolf (SVP Finance & Treasurer, Crescent Hotels and Resorts) regarding banking matters and the cash flow forecast; review of email regarding environmental matters; review of the weekly operations update as prepared by K. Reid (General Manager, Benmiller) for the period-ended May 27, 2010; review of operational issues summary per I. Gerstein for each of the properties; review of general ledger snapshot for May 2010 with respect to the Benmiller Inn.
6/1/2010	English, Jennifer	Retrieving and returning creditor voicemails regarding the Receivership.
6/1/2010	Gerstein, Ira	Draft e-mail to Grant with respect to opening new statutory accounts; telephone call with Michael George, President of Crescent with respect to the status of the acknowledgement of the terms of the contract with Tuesday Equities including a discussion with respect to outstanding issues, e-mail to Cheryl Jeffries with respect to obtaining the vendor listing.
6/1/2010	Gerstein, Ira	Telephone discussion with Alnoor Kassam requesting whether we will be dealing with the outstanding GST and PST.
6/1/2010	Gerstein, Ira	Numerous e-mails to and from Crescent with respect to banking, procedures, etc; supervision.
6/1/2010	Koroneos, Anna	Answer questions regarding status and government accounts; retrieval of messages; preparation of two contracts for Cisco.
6/2/2010	English, Jennifer	Retrieving and returning creditor phone calls regarding the Receivership.
6/2/2010	Gerstein, Ira	Telephone conference call with representatives of Crescent to discuss protocols of communication; telephone discussion with Al Dobson of True North Business Machines with respect to photocopier; telephone conference calls with each location in respect of the cash calls; receipt and review contract with Ministry of Public Works and discuss with Nick Rebeiro.
6/3/2010	Casey, Paul M	Meeting with Gerstein regarding open points; telephone call and email Firstbrook Cassie & Anderson; telephone call with Vassos regarding Hidden Valley licence; telephone call with Moffat regarding sales and marketing program; telephone call with Graham; other receivership administration.

Date	Professional	Description
6/3/2010	Gerstein, Ira	Telephone discussion with Christine Brenner, a patron with respect to the status of her wedding; e-mail from Al Dobson with respect to the status of his equipment and respond by e-mail; telephone discussion with a supplier regarding status; telephone discussion with Teka Spicer of Crescent with respect to obtaining read only access to Shaner accounts; review cash flows for Hidden Valley and Elora Mill, review contract with Ministry of Public Works; meeting with Paul Casey to discuss various issues; telephone discussion with Joanne McGovern and Helen Wilcox with respect her personal history regarding liquor licence.
6/3/2010	Gerstein, Ira	Update Ministry contract with comments; draft e-mail to Phil Wolf requesting analysis and recommendation on ministry contract and to arrange conference call to discuss other issues; telephone call with Nick Reberio with respect to the photocopier and Al Dobson wanting to remove it; subsequent call from John of the OPP with respect to a complaint from Al Dobson; subsequent telephone call with Ed of Crescent regarding same; telephone call with Glen Barley of Stemwinegroup regarding status, telephone call with Dave Barnes, a patron for an upcoming wedding regarding status of his wedding; telephone call with Deborah Borotsik of CBRE with respect to the status of the Receiver motion for sale process approval; discussions with Anna Koroneos regarding 245 Notices and discussions with Rose regarding banking issues.
6/3/2010	Koroneos, Anna	Work on 245/246 Notices and creditors listing; meet with Ira on various matters pertaining to notice/statement - with creditors on status.
6/3/2010	Koroneos, Anna	Meeting with Anna Zailer on mailing and new notice; organize mailing of same.
6/4/2010	Casey, Paul M	Review and amend First Court Report and other background; meeting Gerstein and staff; review S.245/6 Notice; emails from purchasers; attend conference call with Equitable Trust.

Date	Professional	Description
6/4/2010	Damiani, Stefano	Review of e-mail correspondence from H. Howkins (GM, Elora) regarding supplier matter; banking deposit slip detail regarding Hidden Valley; review of voicemail message regarding wedding deposit; discussions with I. Gerstein; review of the liquor sales license for Hidden Valley Resort, prepared letter and email to N. Ribeiro on same; e-mail correspondences with C. Jeffries (Controller, Hidden Valley) regarding suppliers, outstanding information, etc; e-mail correspondence from employee on maternity leave; e-mails correspondences with representatives of the properties regarding the number of employees; updated the report of the Receiver; review of e-mail correspondence from N. Ribeiro, leasing company and analysis of purchase option regarding photocopier; replied to email query of H. Howkins regarding employment matter; telephone discussion with E. Puodziunas; telephone discussions with C. Jeffries (Controller, Hidden Valley); e-mail correspondences with N. Ribeiro regarding the status of fire code compliance actions; drafted e-mail to leasing company for I. Gerstein; review of PPSA documentation with respect to the statement and notice of the Receiver; review of email from D. Muir regarding Elora payroll issues; email to N. Ribeiro and E. Puodziunas regarding operational issues, restaurant and upcoming on-site visit; review of email from B. Mooney (Crescent) regarding the budgets for the General Manager accounts at each property; correspondences with General Managers and Controller.
6/4/2010	English, Jennifer	Retrieving and returning creditor calls regarding the receivership.
6/4/2010	Gerstein, Ira	Numerous e-mail exchanges with reps of Crescent with respect to the status of the vendor listing; proof edit update and finalize S.245(6) Notices; e-mail from Liz De Geus regarding status of insurance; telephone call with Ed of Crescent regarding Al Dobson issue of printer; receipt of liquor licences and ensure that they get delivered to the premises; e-mail to ETC advising of receipt of Hidden Valley Liquor license; discussion with Stefano regarding status, telephone conference call with Equitable Trust regarding status of various issues, e-mail from Heather Howkins of BMI requesting guidance with respect to movie packages and subsequent telephone call regarding same; telephone call with Deborah Borotsyk of CBRE regarding status of Trow reports and e-mail to Paul Casey regarding same; discussion with Seema of Thornton Grout regarding lease agreement issues; telephone discussion with Lynn Godfrey regarding book values of properties and equipment; telephone call with Phil Wolf to arrange conference call to discuss various issues, e-mail to set up conference call with Equitable and Crescent.
6/4/2010	Koroneos, Anna	Updating creditors listing; prepare contract with security company; discussions with former management company via email on contact information and add to list of creditors; preparation of S.245/246 Notices and supervision of mailing of same.
6/4/2010	Zailer, Anna	Assemble notices and distribution.
6/7/2010	Brown, Alison	Updating documents on the website.
6/7/2010	Casey, Paul M	Review CBRE listing agreement and emails; attend conference call with ETC and Crescent to discuss outstanding issues; email with counsel regarding Hearing Date.

Date	Professional	Description
6/7/2010	Damiani, Stefano	Emailed instructions to R. Brown regarding the opening and reporting of a trust account for deposits; telephone discussions with C. Jeffries (Controller, HVR) regarding supplier issues and outstanding information; notice and statement of the Receiver; e-mail correspondence with N. Ribeiro (GM, Hidden Valley) regarding funding for fire compliance matters; discussions with I. Gerstein regarding trust accounts, creditor query, funding requests from general managers; review of the draft First Report of the Monitor; e-mail correspondences with C. Jeffries (Controller, Hidden Valley) regarding banking, cheque request; review of the weekly cash budget for the weekly period-ended June 9, 2010; telephone discussion with N. Ribeiro (GM, HVR) regarding progress of fire compliance matters, weekly budget and operational matters; e-mail correspondences with general managers (N. Ribeiro, H. Howkins) regarding insurance matters specific to Hidden Valley and Elora; review of emails from representatives of Shaners regarding pre-authorized payments; meeting with I. Gerstein regarding receivership administration and prepare for conference calls with the general managers and the secured creditor; review of the weekly operations report prepared by K. Reid (General Manager, Benmiller); review of voicemail messages and telephone discussions with creditors (i.e. Huronia Welding & Industrial, Tre Amici Imports); e-mail correspondences with B. Mooney (Crescent) and B. Michaels (Shaners) regarding payroll.
6/7/2010	English, Jennifer	Retrieving and returning voicemails.
6/7/2010	Gerstein, Ira	Discussion with Rose Brown regarding merchant accounts - cannot deposit into trustee accounts; telephone call with Jim Gifford expressing interest in purchasing the hotels and forward information to Deborah Borotsik; discussion with Jen English with respect to Fire Store & Safety Supply.
6/7/2010	Gerstein, Ira	Telephone discussion with Jim Gifford with respect to potential interest in the properties and forward information to Deborah Borotsik of CBRE; e-mail and telephone call with Kim Armour and Nancy Brown of Firstbrook with respect to the company's insurance policy and subsequent telephone call with Kiruban of Equitable regarding same; telephone call with Lindsay, a patron regarding her upcoming wedding in October; telephone call with Kevin Reid, GM for BMI regarding same including a general discussion regarding general status; review weekly GM reports and conference call with Crescent and all GMs to discuss same; subsequent conference call with Equitable and Crescent to discuss various issues such as insurance and e-mail of May 30, 2010 to Phil regarding observations at the sites; discussions with Stefano regarding obtaining cash balances; telephone call with Phil with respect to Crescent's insurance.
6/7/2010	Koroneos, Anna	Organize new mailing; discussion with A. Zailer and Rose Brown on same; telephone discussions with creditors on status; discussion with Sysco regarding agreements.
6/7/2010	Lewis, Jeffrey R	Reviewing emails regarding information requests, call to CB Richard Ellis regarding outstanding information; emails to I Gerstein, P Casey and K Reid regarding outstanding issues.

Date	Professional	Description
6/7/2010	Litvack, Bryan N	Respond to Elora Mill Controllers questions; follow-up with Elora Mill controller regarding cheques deposit last week.
6/8/2010	Casey, Paul M	Emails regarding finalization of Receiver's Report to Court; emails with Gerstein; telephone call with Moffat.
6/8/2010	Damiani, Stefano	E-mail correspondence to R. Brown regarding to the Receiver's merchant accounts; detailed e-mail to B. Mooney (Controller, Crescent) regarding the cash flow forecast, variance analysis and bank reconciliations; review of emails from W. Heineke regarding the G8 contract details at Hidden Valley; updated the First Report of the Receiver; telephone call with C. Jeffries (Controller, Hidden Valley) regarding supplier issue (i.e. Huronia Welding); telephone call with Food & Beverage Manager of Hidden Valley regarding dispute with the Beer Store; telephone call with creditor regarding wedding at Hidden Valley; meeting with R. Brown regarding banking and review of draft email to the controllers; review of conference call meeting minutes prepared by Crescent; telephone call with C. Jeffries regarding resources for the accounting function; e-mail to N. Ribeiro regarding supplier disputes; e-mail to B. Mooney regarding assistance for C. Jeffries; e-mail correspondences with C. Jeffries, B. Mooney and I. Gerstein regarding vacation pay matters; e-mails to local controllers regarding banking changes; e-mail correspondences with N. Ribeiro (GM, Hidden Valley) and Crescent regarding insurance matters; e-mails correspondences with H. Howkins (GM, Elora) regarding payments to suppliers and insurance matters; discussions with I. Gerstein (various); voice mail correspondences with creditor of the Elora Mill (i.e. CPU) and returned call.
6/8/2010	English, Jennifer	Retrieved and responded to creditor voicemails.
6/8/2010	Gerstein, Ira	Anna Zailer on additional mailings; Anna Koroneos and Rose Brown on the status of payment of Receiver filing fee; e-mail to Ed and Wendy of Crescent with respect to the status of the G8 contract; Anna and Stefano on Simcoe Building Centre cheque.
6/8/2010	Koroneos, Anna	Work on application for credit regarding Simcoe; forward precedent of affidavit of mailing to Anna Zailer for completion; telephone call from creditor on status regarding hotel agreement for his 3 bedroom condo and rental of same.
6/8/2010	Lewis, Jeffrey R	Emails and discussions regarding outstanding issues.
6/9/2010	Casey, Paul M	Review amended Receiver's Report and telephone calls with Gerstein; insurance matters.

Date	Professional	Description
6/9/2010	Damiani, Stefano	E-mail correspondence with the General Managers and E. Puodziunas (VP Operations, Crescent) regarding the installation of new credit card terminals by TD Merchant Services; discussions with I. Gerstein and R. Brown (various); review of e-mail from P. Wolf (Crescent) regarding insurance coverage; voice mail message to patron of Benmiller regarding upcoming wedding; review of password list for Hidden Valley; e-mail correspondences with C. Jeffries regarding accounts receivable balance (i.e. McDonalds); conference call with Shaners (L. Herzing and M. Rutherford) and the Receiver regarding banking and reporting requirements; telephone call with creditor of the Elora Mill (i.e. Planet CPU); review of e-mail correspondences from C. Jeffries and N. Ribeiro regarding payroll at Hidden Valley; e-mail correspondences and telephone discussion with employee of Hidden Valley (i.e. K. Robinson); review of detailed e-mail from M. Rutherford (Shaners) regarding detailed banking and reporting; e-mail correspondences with N. Ribeiro regarding purchases, copies of contracts and budget; review of the budgets as at June 9, 2010 for Benmiller, Hidden Valley and Elora Mill; e-mail to N. Ribeiro regarding weekly budget; e-mail correspondences with controllers and B. Mooney (Crescent) regarding payroll; weekly cash calls with Crescent and general managers.
6/9/2010	English, Jennifer	Retrieved and returned creditor voicemails.
6/9/2010	Koroneos, Anna	Discussion with Mary Lou Totty of Sisco on applications for credit and prepare application for Elora Mill for execution and submission; with OR in London on filing and jurisdiction for same; review fax from Toronto OR on Court Order and resend as requested; telephone discussion with Collin Morrison on the Ministry of Labour's decision and request for WEPP payment and explanation of same; telephone call with Mark at Planet CPU regarding 30 day goods and discussion regarding same and update on status of receivership; forward claim for his use; telephone call with Katherine of Dixon Communication Investigations - collection agency for City Fish Market regarding wrong amount on creditors list and to fax statement for same.
6/10/2010	Casey, Paul M	Telephone calls with Bill Stone regarding sales and marketing process and requested amendments to listing agreements; telephone calls with Gerstein; telephone calls with Moffat/TGF.
6/10/2010	Damiani, Stefano	On-site attendance at Hidden Valley Resort; discussions with N. Ribeiro regarding compliance measures with fire code; e-mail correspondences with representatives of Crescent and Hidden Valley regarding banquet purchases; e-mail correspondences with Controllers and representative of Shaners regarding new operating accounts; discussion with I. Gerstein regarding statement of receipts and disbursement, reporting from Shaners, banking, other; e-mail correspondences with C. Jeffries regarding bank deposits; review of emails regarding Elora Mill (e.g. capital request, Terry Cooper, etc.); e-mail and discussion with C. Jeffries regarding outstanding accounts receivable; review of email correspondences with N. Ribeiro (GM, Hidden Valley) and K. Archers (PWGSC) regarding changes to the G8 Contract; meeting with N. Ribeiro (various matters); meeting with C. Jeffries regarding accounting function and processes.

Date	Professional	Description
6/10/2010	English, Jennifer	Retrieved and responded to creditor voicemails.
6/10/2010	Litvack, Bryan N	Discussion with Ira and Stefano about how the reporting into Ascend; spoke to Rose to see what information she has received from Shaner and determine what was still needed; e-mailed questions to Shaner; setup template for each property to enter in R&D items.
6/11/2010	Casey, Paul M	Attend Hidden Valley resort for site tour and meeting with Nick Ribeiro, GM and other staff; follow-up instructions Damiani.
6/11/2010	Damiani, Stefano	On-site attendance at Hidden Valley Resort; e-mail to B. Mooney (Crescent) regarding the accounting function at Hidden Valley; e-mail correspondences regarding banking at the Benmiller; review of voice mail messages from creditors (e.g. Huronia-Welding, Muskoka Environmental) and returned call; meeting with Controller; meeting with S. Cribb (Chef, Hidden Valley) regarding new menu and followed up on status of operational improvements; meeting with N. Ribeiro and D. Tiller (Fire Prevention Officer, Huntsville Fire Department); meeting with N. Ribeiro regarding operational improvements and communication with other departments; e-mail correspondences with Crescent and Shaners regarding required funding of general manager bank accounts and status of TD Merchant Accounts; meeting with Controller and General Manager of Hidden Valley Resort.
6/11/2010	Gerstein, Ira	Telephone discussion with Stefano regarding status; numerous e-mails regarding status of funding operating and GM accounts; discussions with Bryan Litvack with respect to procedures for tracking receipts and disbursements; telephone discussion with Heather regarding upcoming weddings and a subsequent telephone call with Mrs. Grant in respect of the status of her daughter's wedding; telephone call with Terry Cooper the supplier of technical support for the turbine at Elora and payment of his fees and a subsequent e-mail to Doug Muir regarding same; discussions with Equitable Trust regarding the listing agreement; discussions with Bill Stone regarding same; telephone call with Mr. Paul Rice, a potential purchaser; telephone discussion with James Smirsky of Gordon Food Service regarding status of receivership, e-mail to Jennie Watts of Willis Insurance Brokers with respect to confirmation that the receiver added as an additional insured; review final draft of Receiver's Report and forward to Grant.
6/11/2010	Litvack, Bryan N	Updating R&D template for Controllers and Shaner to enter; speak to Rose and Ira about the template and their suggestions; prepare disallowance letter to Planet CPU for their 30 day goods claim; spoke to Shaner about getting access to their web based reports.

Summary of Fees

Fees:				
Professional	Position	Hours	Rate	Fees
Paul Casey	Partner	34.8	550.00	\$ 19,140.00
Ira Gerstein	Senior Manager	120.0	400.00	48,000.00
Jeffrey Lewis	Manager	29.9	300.00	8,970.00
Stefano Damiani	Senior Consultant	130.2	250.00	32,550.00
Anna Koroneos	Senior Consultant	37.9	250.00	9,475.00
Bryan Litvack	Senior Consultant	32.4	250.00	8,100.00
Alison Brown	Analyst	1.0	250.00	250.00
Jennifer English	Analyst	7.6	250.00	1,900.00
Rose Brown	Administration	16.7	100.00	1,670.00
Total hours and professional fees		<u>410.5</u>		\$130,055.00
Expenses				
Miscellaneous - parking, mileage and meal allowance				657.32
Total expenses				\$ 657.32
Total fees and disbursements				130,712.32
GST @ 5%				6,535.62
Total Amount Due:				<u>\$137,247.94</u>

Payable upon receipt to: Deloitte & Touche Inc.



Deloitte & Touche Inc.
 Brookfield Place
 181 Bay Street
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 Toronto ON M5J 2V1
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 www.deloitte.ca

The Equitable Trust Company
 30 St. Clair Avenue West
 Suite 700
 Toronto, ON M4V 3A1

Date: July 29, 2010
 Invoice No: 2679988
 Client/Mandate No: 908331.1000000
 Partner: Paul Casey

GST Registration No: 133245290

Invoice

Professional services rendered in our capacity as the Court appointed Receiver for Hidden Valley Resort, Benmiller Resort and Elora Mill for the period of June 12, 2010 to July 11, 2010.

Date	Professional	Description
6/14/2010	English, Jennifer	Retrieved and responded to creditor voicemails.
6/14/2010	Casey, Paul M	Review finalized Report, Order and marketing material; review operating results for three properties; telephone call with Moffat regarding Court attendance.
6/14/2010	Koroneos, Anna	Telephone conversation with creditors on status; return call to Statistics Canada; meeting with I. Gerstein on tax accounts.
6/14/2010	Brown, Alison Jessica	Enter deposits received; update Website; input and print disbursement cheques; prepare revised faxes to bank regarding transfer of funds.
6/14/2010	Litvack, Bryan N	Follow-up with Doug at Elora about the R&D spreadsheet; e-mail all GM's with instructions for updating the AMEX credit card terminals.
6/14/2010	Damiani, Stefano	E-mails with D. Muir (Controller, Elora Mill) regarding disbursements, replacement cheques, replenishment of managers' account; e-mail correspondences with N. Ribeiro (GM, Hidden Valley) and E. Puodziunas (Crescent) regarding TD merchant account issues; e-mail confirmation from L. Harvey (Controller, Benmiller) of receipt of funding requirements; e-mail correspondences with K. Reid regarding TD merchant account status; review of the weekly operations update for the Benmiller Inn; e-mail correspondence with N. Ribeiro regarding Bell Mobility accounts; replacement cheque matter for Elora deposit; telephone discussion with legal counsel of a Hidden Valley creditor (i.e. Windmill Bakery Inc.); review of the weekly operations report and action plan for Elora; review of e-mail correspondence from H. Howkins (GM, Elora) regarding wedding deposits; review of the weekly operations report and action plan for Hidden Valley as at June 11, 2010; conference call with the general managers and representatives of Crescent; review of e-mail correspondences from P. Wolf (SVP, Crescent) and I. Gerstein regarding TravelClick dispute; emails regarding AMEX merchant accounts.

Date	Professional	Description
6/14/2010	Gerstein, Ira	Discussions with Stefano regarding status of his attendance at Hidden Valley, review insurance issues and e-mail to Equitable advising of the binding of insurance; e-mail to Phil Wolf asking about outstanding management fees; telephone call with Barry Grant regarding his daughter's wedding; conference call with GM's; e-mail from Phil Wolf regarding hotel booking issues; Bryan Litvack on status of R&D information; letter to Ministry of Public works enclosing copy of contract; review CIM for Hidden Valley.
6/15/2010	Koroneos, Anna	Telephone conversation with Edward Devilles of CRA on new accounts and forward to Shaner; telephone conversation with Christine of Stats Canada regarding: late forms and direct to Management at Elora; telephone conversation with MOR Wayne Sneddon of insolvency group and review email from Mr. Sneddon on new accounts; telephone conversation with Asta Alberry Manager insolvency MOR regarding: status of accounts; email to WSIB contact Lynn LeBarr on new accounts and review response; telephone message review from Tatiana of Horseback Adventures on account status and updated invoices (pre receivership); review her several emails attaching invoices; telephone message from Carson of GE Leasing on equipment and payments and forward to S. Damiani for response.
6/15/2010	Brown, Alison Jessica	Input deposits received; input receipts into spreadsheet and print disbursement cheque.
6/15/2010	Litvack, Bryan N	Discuss and prepare cash flow for all the properties with Stefano; contact TD CanadaTrust to get help logging into their website.
6/15/2010	Damiani, Stefano	Review of email from L. Harvey regarding payroll disbursements; review of email from M. Kovall (Shaners) regarding tax accounts; review of e-mail correspondences from P. Wolf (SVP, Crescent) regarding outstanding management fees; review of 2010 budgets prepared by Crescent; review of e-mail correspondences from Shaners to B. Litvack regarding banking and reporting; discussions with I. Gerstein (e.g. management fees, cash flow forecast, etc.); review of e-mail from K. Kana (Equitable Trust) regarding property taxes for Benmiller; cash flow modeling; review of email correspondence regarding TravelCLICK; e-mail correspondence with B. Mooney (Controller, Crescent) regarding required cash information, and telephone call with B. Mooney on same; e-mail correspondences with C. Jeffries regarding payroll payment; telephone discussion with representative of GE Capital regarding tractors; e-mail to Crescent regarding assets financed by GE Capital.
6/15/2010	Gerstein, Ira	Discussion with Paul Casey regarding status of Property Management fees and TravelClick; e-mail from Kurban regarding request to pay property taxes; discussion with Stefano regarding cash flows and R&D's, telephone call with Ed Padjunias regarding TravelClick; telephone call with Michelle Gordon of TravelClick regarding status; e-mail to Thomas Maroney and Brian Grimm of Crescent's insurer to amend Insurance Certificate; telephone discussion with Lesley Simpson of TravelClick regarding status; e-mail to Michelle Gordon requesting follow up and confirmation of the reestablishment of the hotel reservation system; receipt of e-mail from Michelle Gordon confirming same and e-mail to GMs regarding same; discussions with Stefano regarding cash flow issues; discussions with Stefano regarding GE Capital; file organization.
6/16/2010	Brown, Alison Jessica	Entering daily deposits, updating spreadsheet; confirm balances in accounts.
6/16/2010	Casey, Paul M	Telephone calls with Gerstein and Equitable Trust; meeting with Damiani; telephone call with Moffat regarding MLS indemnity issue.

Date	Professional	Description
6/16/2010	Litvack, Bryan N	Review and test Stefano's cash flow for the hotels; send 30 day response letter to PlanetCPU.
6/16/2010	Damiani, Stefano	Banking matters regarding Expedia account for Hidden Valley; review of proof of claim from utility service provider; voice mail and telephone correspondence with former employee, and sent e-mail to K. Reid (GM, Benmiller) and E. Puodziunas (VP, Crescent) on same; RBC cash summary; telephone discussion with I. Gerstein (various); e-mail correspondences with N. Ribeiro regarding status of fire compliance; e-mail correspondences with W. Heineke (Crescent) regarding creditor (i.e. Unifocus); Expedia bank change; telephone discussion with creditor (i.e. Unifocus); updated the cash flow model and e-mailed same to B. Litvack; review of e-mails from C. Jeffries (Controller, Hidden Valley) regarding payroll system access, banking, other; e-mail to M. Faust (Crescent) regarding sales contracts; review of e-mail from D. Muir (Controller, Elora) and budget for the week-ended June 23, 2010; review of e-mail correspondence from Sequel; e-mail on status of employee letters; e-mail correspondence regarding replacement cheque for Elora; review of the weekly budgets and cheque listings for Hidden Valley and Benmiller; weekly cash calls with Crescent and representatives of each property; arranged for wire transfers to general manager accounts; e-mail to P. Wolf regarding GE Capital agreements; e-mail to Crescent regarding barter program.
6/16/2010	Gerstein, Ira	Travel to Elora, meet with GM and Ed of Crescent and tour premises; meet with all employees and reaffirm the Receiver's position and answer questions; meet with Doug Muir and review financial issues such as cash flow; attend and participate in weekly cash call; review various e-mail correspondence.
6/17/2010	Lewis, Jeffrey R	Completion of possession and control memo.
6/17/2010	Brown, Alison Jessica	Update bank balance sheet.
6/17/2010	Litvack, Bryan N	E-mail correspondence with controllers and GMs; review and summarize condo contracts at Hidden Valley.
6/17/2010	Casey, Paul M	Prepare and attend at Superior Court of Justice for sales and marketing process approval; meeting with Gerstein and attend reporting call with Equitable Trust; calls with CBRE regarding advertising and flyer distribution.
6/17/2010	Damiani, Stefano	Review of analysis and recommendation by Crescent to return financed tractor at Hidden Valley; banking matters with R. Brown; prepared daily bank reporting schedule and e-mail to R. Brown on same; e-mails with K. Reid, N. Ribeiro and E. Puodziunas (Crescent) regarding tractors; e-mails with S. Aggarwal (legal counsel) regarding agreement with GE Capital; cash flow forecast; conference call with representatives of Equitable Trust; e-mails to B. Mooney (Controller, Crescent) regarding advanced deposits, cash flow forecast; e-mails L. Harvey (Controller, Benmiller) regarding cash position; review of court order and endorsement of Justice Grace, dated June 17, 2010; discussion of condo contracts regarding Hidden Valley with B. Litvack; review of capital expenditure requests by H. Howkins (GM, Elora).
6/17/2010	Koroneos, Anna	Meeting with I. Gerstein on various tax issues; respond to creditor concerns; emails to government agencies on accounts; emails to and from Shaner.
6/17/2010	Gerstein, Ira	Preparation of Agenda for conference call with Equitable; discussions with Phil Wolf regarding management fees, review correspondence from Ed regarding Elora capital issues; review correspondence from Altus group and subsequent conference call with Bruce Morgan of the Altus group regarding same; telephone call with Phil Wolf and Nancy Brown of Firstbrook regarding

The Equitable Trust Company

July 29, 2010

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Date	Professional	Description
		insurance status of vehicles etc.; preparation for conference call with Equitable; discussion with Rose Brown on transfers and cash position.; telephone call with Sima of Thornton regarding status of review of GE financing agreement.
6/18/2010	Lewis, Jeffrey R	Uploading photographs and create onto disk; reviewing all documentation from receivership and annotating, copying and sending originals to GTA office.
6/18/2010	Casey, Paul M	Meeting with I. Gerstein; review emails and telephone call CBRE regarding various issues.
6/18/2010	Litvack, Bryan N	Prepare summary of condo contracts at Hidden Valley Resort; conference call with Stefano and Beth regarding: cash flow and R&D actual; update cash flow and R&D spreadsheets for each property and send with instructions to Beth to forward to local Controllers.
6/18/2010	Damiani, Stefano	E-mails with E. Puodziunas (VP, Crescent) and N. Ribeiro (GM, Hidden Valley) regarding CAA program; conference call with B. Mooney (Controller, Crescent) and B. Litvack regarding the cash flow forecast and reporting of actual results; created statement of receipts and disbursement template and e-mailed same to B. Litvack; e-mail correspondence from representatives of Shaners regarding PST; review of summary of condo management contracts at Hidden Valley and sent e-mail to B. Litvack on same; review of the weekly operations report and action plan for Elora as prepared by H. Howkins as at June 18, 2010.
6/18/2010	Brown, Alison Jessica	Prepare bank account updates.
6/18/2010	Koroneos, Anna	Emails to and from Ministry of Revenue on new accounts; payments and outstanding reports for April and May; meeting with I. Gerstein on same; emails with Melissa Kovall of Shaner on accounts and updated information regarding PST.
6/18/2010	Gerstein, Ira	Discussions with Deborah Borotsik regarding links to the website and approval of flyer; discussions with Alison regarding updating website; e-mail exchanges with Crescent regarding payment of PST and GST; discussions with Anna Koroneos regarding status and review e-mail exchanges between Wayne Seddon of the Ministry regarding PST arrears.
6/18/2010	Brown, Rose M	Review emails received and process requirements for the week.
6/21/2010	Koroneos, Anna	Meeting with OSB on receivership number regarding issuance of four numbers but only one required; emails with I. Gerstein on status; forward of PST correspondence for file; telephone conversation with creditor/owner of Condo at Hidden Valley and subsequent discussion with S. Damiani on status of reconciliation of the rentals; telephone conversation with supplier for hotels.
6/21/2010	Casey, Paul M	Attend conference call with CBRE to discuss court-approved sale process.
6/21/2010	Litvack, Bryan N	Correspondence with Hidden Valley regarding condo rental agreements; conference call with GM's and Crescent; speak to Rose about the R&D.

Date	Professional	Description
6/21/2010	Damiani, Stefano	E-mail correspondence with L. Harvey (Controller, Benmiller) regarding disputes with suppliers; review of e-mail from D. Borotsik (Associate Vice President, CBRE) regarding the status of the datasite; accessed the CBRE datasite; various discussions with I. Gerstein regarding weekly operations reports, banking, taxes, supplier issue at Benmiller; review of the weekly operations report and action plan for Hidden Valley; telephone discussion with creditor (i.e. True North) regarding the continuation of providing supplies to the Benmiller; PST account matters; telephone discussion and email to creditor (i.e. Standard Textile) regarding supplier dispute; review of the weekly operations update for Benmiller for the week-ended June 18, 2010; weekly conference call with representatives of Crescent and the general managers of each property; discussion with B. Litvack regarding condo statements at Hidden Valley; e-mail correspondence with N. Ribeiro (General Manager, Hidden Valley) and E. Puodziunas (VP, Crescent) regarding payroll; e-mail to S. Aggarwal (legal counsel); e-mails with L. Harvey and C. Jeffries (Controller, Hidden Valley) regarding banking; drafted e-mail to the secured lender with respect to the financed tractor at Hidden Valley; e-mail to B. Mooney (Controller, Crescent) and the site controllers regarding this week's payroll estimate; review of e-mail from M. Faust regarding sales contracts for the Benmiller.
6/21/2010	Gerstein, Ira	Voicemail Message for Deborah Borotsik regarding Nick Ribeiro, voicemail for Les of Royal LePage; Stefano on status of PST, e-mail from Anne Larcade of Sequel and respond by e-mail; e-mail from Lisa Harvey regarding supplier issues and discuss with Stefano; telephone call with Eda Gavita of Sunlife regarding bounced health benefit premiums; telephone call with Les Szawlowski of Royal LePage with respect to a potential purchaser of the property; review of Claims.
6/21/2010	Brown, Rose M	Sign on RBC Express; print previous day banking reports; input TD Merchant/Amex Deposits for each location; reconcile Receiver's A/C to Bank balances; update Merchant Visa Spreadsheet and input GL codes; process previous deposit made by each location and general banking needs.
6/22/2010	Koroneos, Anna	Telephone conversation from creditors on status including July wedding at Hidden Valley; review email from S. Damiani regarding: GST and respond on new accounts provided last week.
6/22/2010	Casey, Paul M	Telephone call with Moffat regarding various.
6/22/2010	Litvack, Bryan N	Review HVR condo statements; follow-up correspondence with HVR regarding: condo information; return message from HVR condo owner.
6/22/2010	Damiani, Stefano	E-mails with Crescent regarding GST and PST returns; e-mail correspondence with E. Puodziunas (VP, Crescent) regarding payroll for Hidden Valley; review of e-mails from C. Jeffries (Controller, Hidden Valley) regarding TD Merchant accounts, preliminary payroll register, other; e-mails with R. Brown regarding banking, payroll, benefits, etc.; review of the daily cash balances; e-mails with B. Mooney (Controller, Crescent) and L. Harvey (Controller, Benmiller) regarding payroll funding; review of e-mail correspondences with E. Gavita (Sunlife) regarding employee benefits; e-mails with N. Ribeiro (GM, Hidden Valley) and C. Jeffries regarding condo statements; review of sales contracts provided by Crescent and provided recommendations to I. Gerstein by e-mail; e-mail and telephone correspondence with supplier, and e-mail to L. Harvey on same.
6/22/2010	Gerstein, Ira	Telephone call with Ms. Janet Simmons with respect to her daughter's upcoming wedding at Hidden Valley Resort.

Date	Professional	Description
6/22/2010	Gerstein, Ira	Review CIMs in respect of all three properties and voicemail for Deborah regarding same; discussions with Stefano regarding payroll; PST and GST to be paid; e-mail from Nick Ribeiro regarding if contract with Ministry is signed; subsequent telephone call with Karen Archer of the Ministry with respect to the cheque for the contract and subsequent e-mails and discussions with Nick and Rose Brown regarding same; telephone call with Kurban with respect to a request for copies of the TROW reports; discussions with Stefano with respect to PST and GST payments, discussion with Stefano with respect to signing contracts and review e-mail and send to Grant for comments.
6/22/2010	Brown, Rose M	Sign on to the RBC Express; print previous day banking reports; input TD Merchant/Amex deposits for each location; reconcile Receiver's A/C to Bank balances; update Merchant Visa Spreadsheet and input GL codes; process previous deposit made by each location and general banking needs; prepare Payroll transfers and review Property tax disbursement; input and print disbursement cheques for Sunlife; prepare cheques for mailing and file back up.
6/23/2010	Koroneos, Anna	Meeting with Rose on PST payment and GST direct to S. Damiani; telephone conversation from creditor on status of their claim and court order direction.
6/23/2010	Casey, Paul M	Emails to CBRE regarding prospects; emails with Gerstein regarding various items.
6/23/2010	Litvack, Bryan N	Speak to Rose about the information she will receive from the controllers to enter into Ascend; work on getting access for HVR controller to TD Canada Trust merchant website; follow-up with Crescent for copy of cash flow for hotels; review and prepare questions for Elora's CFF.
6/23/2010	Damiani, Stefano	E-mails with B. Mooney (Controller, Crescent) regarding payroll estimates, and discussion of funding with R. Brown; review of Benmiller payroll and telephone discussion with L. Harvey on same; review of the weekly budget for the Benmiller and e-mail to K. Reid (GM, Benmiller) on same; e-mail correspondence with M. Rutherford (Shaners) regarding GST and PST; e-mails with H. Howkins (GM, Elora) and W. Heineke (Crescent) regarding sales contracts; review of the draft payment from TimePlus to CRA with respect to Benmiller payroll source deductions; e-mail to controllers at Hidden Valley and Elora regarding payroll registers and summary; drafted letter to CRA with respect to GST for the post-receivership period; e-mail from M. Santaliz (Shaners) regarding status of wire transfers to the Receiver; review of the daily cash reporting analysis as at June 22, 2010 and made adjustments to same; e-mails with E. Puodziunas (VP, Crescent) and Controllers regarding creditor actions; e-mails with B. Mooney regarding cash flow forecast; e-mails with M. Wilson (TimePlus) regarding tax payments; e-mails relating to TD Merchant accounts at Hidden Valley; e-mail to L. Herzing (Shaners) regarding on-line banking for new Shaner operating accounts; telephone discussion with creditor (Xerox) regarding equipment and e-mail correspondence with E. Puodziunas and C. Jeffries on same; e-mail from P. Marsden (Shaners) regarding wire transfers; review of the original and amended versions of the cash budget
6/23/2010	Gerstein, Ira	E-mails from Heather Hawkins regarding status of event contracts and respond by e-mail and telephone call with Grant Moffat with respect to same; review letter regarding GST; discussions with Stefano regarding status of cash call PST etc.; e-mails from Rose Brown regarding status of payment of property taxes; e-mails from Ed Pajjunia with respect to legal claims against the hotels; e-mails from Sarah Segal of CBRE with respect to the confidentiality agreement and review same including the draft MLS forms; the hotel RFQ and the brokerage

Date	Professional	Description
		commission agreement and a subsequent telephone call with Sarah regarding same.
6/23/2010	Brown, Rose M	Sign on to the RBC Express, print previous day banking reports, input TD Merchant/Amex Deposits for each location; reconcile Receiver's A/C to Bank balances; update Merchant Visa Spreadsheet and input GL codes; process previous deposit made by each location and general banking needs; prepare the second Payroll Transfers; input into GL and file back up; review PST & GST reports and reconcile to GL; input and print disbursement cheques For Minister of Finance & Receiver General; prepare cheques for mailing and file back up.
6/24/2010	Litvack, Bryan N	Review and prepare a list of questions to Crescent about cash flow forecasts received from Elora and Benmiller; follow-up with Beth on missing cash flow and actual figures for R&D; update R&D spreadsheets for each hotel so actuals can be entered by the controllers daily.
6/24/2010	Damiani, Stefano	E-mails with M. Santaliz (Shaners) regarding wire transfers; banking matters with R. Brown; e-mail to B. Mooney (Controller, Crescent) regarding Sun Life benefits; discussions with I. Gerstein regarding cash flow, property management agreement, terms of sales contracts, other; review of the proposed modifications to sales contract template, as per legal counsel; e-mail with Crescent (M. Faust, W. Heineke) and H. Howkins (GM, Elora) regarding sales contracts; e-mail from L. Herzing regarding access to the newly created operating accounts for Shaner; review of the daily cash reporting analysis; e-mail correspondence with N. Ribeiro (GM, Hidden Valley) regarding TD Merchant account access; e-mails with C. Jeffries (Controller, Hidden Valley) regarding manual payroll disbursement; e-mails with N. Ribeiro regarding G8 contract; review of the cash flow forecast for the Benmiller and discussed same with B. Litvack; created a sales contract tracking schedule and e-mail to I. Gerstein on same; review of email from K. Archer (Senior Project Manager, Public Works and Government Services Canada) and the attached amendment to the G8 contract at Hidden Valley; review of the cash flow forecast for Elora; e-mail to the general managers regarding sales contracts.
6/24/2010	Gerstein, Ira	Review Grant Moffat's draft of the event agreement; telephone discussion with Phil Wolf with respect to the property management fees; subsequent telephone call with Kim Kukulowicz regarding same; discussions with Stefano with respect to the event contracts; telephone call with Kurban requesting a copy of the \$18,000 invoice from Crescent and e-mail to Paul Conkell of Crescent requesting same; draft proof edit letter to Minister of Revenue and discuss with Stefano; review brokerage agreement and hotel RFP and forward same to Grant for comments; review correspondence regarding GST and PST and discuss with Stefano; review license amending agreement with public works; e-mail from Ed with respect to the wording of the new event contract and respond; discussions with Stefano regarding various issues; e-mails with Deborah Borotsik with respect to the building condition reports; review various e-mails from Paul Case regarding ad etc.; e-mails from Stefano regarding sales contracts; Heather Hawkins regarding sales contracts; finalize letters regarding PST; Nick Ribiero regarding parking lot contract; Stefano on cash flows and various e-mails from Beth Mooney.
6/24/2010	Brown, Rose M	Sign on to the RBC Express, print previous day banking reports; input TD Merchant/Amex Deposits for each location; reconcile Receiver's A/C to Bank balances; update Merchant Visa Spreadsheet and input GL codes; process previous deposit made by each location and general banking needs; prepare

Date	Professional	Description
		General Manager transfers.
6/25/2010	Litvack, Bryan N	Review and make changes to Benmiller cash flow forecast; send back cash flow to Beth at Crescent to make adjustments requested; setup TD Canada Trust access for Shaner.
6/25/2010	Damiani, Stefano	E-mail correspondence with N. Ribeiro regarding G8 contract, weekly meeting, other; e-mail with H. Howkins (GM, Elora) regarding supplier dispute; e-mail from L. Harvey (Controller, Benmiller) regarding wire transfer; review of the weekly department head meetings from Hidden Valley; correspondence with I. Gerstein regarding sales contracts; review and adjustments to sales contracts at Elora (i.e. Ontario Racing Commission, Bayer Health Care), and e-mailed instructions to H. Howkins on same; e-mail from M. Santaliz (Shaners) regarding closing of old Shaner operating bank accounts; review of the daily cash reporting analysis; e-mail to CBRE regarding the data site.
6/25/2010	Casey, Paul M	Emails regarding data room postings; receipt of daily cash reports; other administration.
6/25/2010	Gerstein, Ira	Telephone discussion with Phil Wolf regarding Crescent arrears; e-mails from Heather Hawkins regarding the sales contracts; receipt and review building condition audits; receipt and review weekly update reports offer each property, discussions with Stefano regarding status of various issues.
6/25/2010	Brown, Rose M	Sign on to the RBC Express; print previous day banking reports; input TD Merchant/Amex Deposits for each location; reconcile Receiver's A/C to Bank balances; update Merchant Visa Spreadsheet and input GL codes; process previous deposit made by each location and general banking needs; PDF PST/GST - letters, returns and cheques for Stefano.
6/28/2010	Lewis, Jeffrey R	Receiving information request from S. Damiani, reading and forwarding to K Reid for comment.
6/28/2010	Litvack, Bryan N	Returned messages left about receivership.
6/28/2010	Casey, Paul M	Review weekly operating reports and telephone call with Gerstein regarding status; other emails.
6/28/2010	Damiani, Stefano	Review of e-mail from H. Howkins (GM, Elora) and the attached weekly operations report and action plan as at June 25, 2010; e-mails with B. Mooney (Controller, Crescent) and P. Wolf (SVP, Crescent) regarding cash flow; review of e-mail from N. Ribeiro (GM, Hidden Valley) and the attached weekly operations report and action plan as at June 25, 2010; review of the updated cash flow forecast for the Benmiller; e-mail to general managers with detailed instructions for sales contracts; review of the daily cash reporting analysis as at June 25, 2010; updated the receivership considerations checklist; discussions and e-mails with I. Gerstein regarding outstanding issues; e-mails with R. Brown regarding AMEX merchant accounts, banking, other; review of the weekly operations update for the Benmiller for the week-ended June 25, 2010; review of e-mail from E. Gavita (Sun Life) regarding July 2010 benefit payment due; review of detailed Bell payment request and e-mail to C. Fortin (Bell) on same; review of e-mail from E. Puodziunas and the attached agreement with the Barter Network Ltd.; e-mails with H. Howkins (GM, Elora) regarding supplier dispute; review of e-mails from L. Harvey (Controller, Benmiller) and C. Jeffries (Controller, Hidden Valley) regarding creditor actions; weekly conference call with Crescent and general managers regarding operations and receivership specific items; review of the sales contract listing for the Benmiller and e-mails with L. Harvey and I. Gerstein.

Date	Professional	Description
6/28/2010	Gerstein, Ira	Review status of various issues and prepare agenda for call with Paul Casey; e-mail to Nick Ribiero regarding status of G8 and security issues; telephone discussion with Stefano regarding outstanding issues; e-mail to Phil Wolf in follow up to telephone discussion on June 25,2010 regarding Crescent Management Fees; voice message for Bruce Morgan of Altus regarding property tax appeals; telephone call with Paul Casey regarding update on status of various issues; review confidentiality agreements; RFQ questionnaire and Co-broker agreement and telephone call with Sarah Segal regarding same; review addendum to the contract with Ministry of Public Works regarding parking issues and e-mail to Nick Ribiero regarding same; review Elora Mill building condition audit; e-mail from Deborah Borotsik with respect to the status of April financial reports from Crescent.
6/28/2010	Brown, Rose M	Prepare daily cash report and reconcile to bank; input and print disbursement cheques; prepare cheques for mail/courier and file back up; input daily merchant deposit for all estates.
6/29/2010	Lewis, Jeffrey R	Emails and discussion with GM regarding questions on water and sewage etc.; reviewing email received and forwarding to team.
6/29/2010	Litvack, Bryan N	Cash flow call with Stefano, Beth and Phil from Crescent; call suppliers Jiks regarding continuation of services to Elora Mill Inn; follow-up e-mail correspondence regarding terms of agreement for service.
6/29/2010	Casey, Paul M	Sign cheque for property taxes; meeting with Gerstein; other receivership administration.
6/29/2010	Damiani, Stefano	E-mails with H. Howkins (GM, Elora) regarding sales contracts; conference call with representatives of Crescent (i.e. P. Wolf and B. Mooney) with respect to the cash flow forecast and the reporting of daily transactions, and e-mail to I. Gerstein and P. Casey on same; e-mails with L. Wynters (Shaners), L. Harvey (Controller, Benmiller) and C. Jeffries (Controller, Hidden Valley) with respect to notices from Hydro One; e-mail from N. Ribeiro (GM, Hidden Valley) regarding sales contract listing; e-mails with B. Mooney regarding the cash flow forecasts for Benmiller and Hidden Valley; review of e-mail from B. Litvack to B. Mooney regarding cash flows and the reporting of daily results; review of the daily cash reporting analysis; review of the Elora sales contract listing and e-mails with H. Howkins on same; review of CBRE data site and e-mail to P. Casey on same; e-mail from M. Santaliz (Shaners) and P. Marsden (RBC) regarding wire transfers; e-mail to the general managers with respect to required cash funding the manager's accounts; e-mails from H. Howkins regarding the resolution of supplier disputes; telephone discussion with creditor (i.e. GK Services).
6/29/2010	Gerstein, Ira	Review CA agreement, execute same and send back to Sarah Segal; review MLS listing and execute copies of same; discussions with Stefano regarding status of call with Crescent regarding cash flows and review e-mail from Stefano regarding same; e-mail exchanges with Nick Ribiero regarding the deposit from Ministry of Public Works and discuss same with Rose Brown; telephone discussion with Bruce Morgan of the Altus Group requesting a proposal for property tax appeals; forward copies of the CIMS to Kim Kukulowicz enclosing CIMS for comments; discussion with Paul Casey regarding status; telephone discussion with Stefano regarding event bookings and e-mail to Grant Moffat enclosing a list of advance booking and request information next steps regarding the contracts; telephone call with Kim Kukulowicz with respect to her telephone call with Phil Wolf and Michael Georges; telephone call with Deborah Borotsik

The Equitable Trust Company

July 29, 2010

Page 10

Date	Professional	Description
		with respect to the status of the MLS listing agreements including a discussion regarding riparian rights and the CIMs; telephone discussion with Kurban with respect to the status of his review of the CIMs and the status of discussions with Equitable;; review e-mail from Stefano regarding his review of the data room; execute CA for Christine Melnyk and return to Sarah Segal.
6/29/2010	Brown, Rose M	Prepare daily cash report; input Merchant deposits into general ledger for all three estates; input receipts (May 26 to Jun 28) for Benmiller estate into General Ledger and reconcile to Bank; review Amex deposits and returns sheets received; discuss contract (Trustee Account funds) Deposits with Stefano; general administration of estates.
6/30/2010	Litvack, Bryan N	Review Benmiller actual results completed in our spreadsheet; met with Rose to analyze results; updated Benmiller spreadsheet and sent to Beth to update spreadsheet to balance to bank accounts; review Bell reconciliation schedule before approving Shaner to pay balance owing.
6/30/2010	Damiani, Stefano	Review of the weekly budget for Elora and sent e-mail to H. Howkins (GM, Elora) and R. Brown on same; e-mails with D. Muir (Controller, Elora) with respect to sales contract listing and deposits; review of payroll summary details from D. Muir and e-mail to R. Brown on same; review of e-mail from K. Reid and the attached weekly budget for the Benmiller; review of the daily cash reporting analysis as at June 29, 2010; banking matters with R. Brown; e-mails with B. Mooney (Controller, Crescent) and C. Jeffries (Controller, Hidden Valley) regarding the mapping of disbursements; review of e-mails with L. Harvey and C. Jeffries regarding payment of benefits; review of the sales contract listing for Hidden Valley and e-mail to C. Jeffries on same; review of the weekly budget for Hidden Valley and e-mails with C. Jeffries on same; e-mail to P. Wolf and B. Mooney with respect to the cash flow forecast and statement of receipts and disbursements; e-mail to the general managers regarding priorities of the controllers; review of the Shaner cash call reports; telephone discussion with L. Harvey regarding weekly budget and reporting to R. Brown; telephone discussion with C. Jeffries regarding requested disbursements and operations; attended the weekly cash call with representatives of Crescent, Shaners and the three properties.
6/30/2010	Casey, Paul M	Emails from CBRE; emails with Gerstein regarding Crescent settlement; email with Stefano regarding data room information.
6/30/2010	Gerstein, Ira	Telephone call with Kurban with respect to Equitable comments on the CIMs and a subsequent telephone call with Deborah Borotsik regarding same; e-mail copies of CIMs to Grant Moffat for further comments; discussions with B. Litvack, S. Damiani and R. Brown regarding the cash flows and R&D's; e-mail to P. Casey with respect to the payment of Crescent's fees; review amendment to contract regarding public work; review e-mail from K. Armour of Firstbrook Cassie & Andersen with respect to the status of auto insurance; discussion with Stefano regarding staff promotion and a discussion with respect to travel expenses for training of staff and to arrange a conference call to discuss status of cash follows with Crescent; file organization.
6/30/2010	Brown, Rose M	Prepare daily cash report; input Merchant deposits into general ledger for all three estates; confirm and prepare wire to each of estate manager account; print wire and have signed; PDF and email to the Royal Bank for processing; copy wires and mail original to RBC; input wire into the general ledger and confirm online funds have been wired to the Shaner (Managers) account; email Royal Bank regarding bank charges on account.

Date	Professional	Description
7/2/2010	Casey, Paul M	Review emails; review report from CBRE and draft reporting email to Equitable.
7/2/2010	Brown, Rose M	On Benmiller estate -input all merchant deposits received to the General Ledger. Reconcile to the Bank; Prepare daily cash balances for Jun 30/10; various e-mails to Lisa Harvey regarding two deposits; review email regarding payments; receipts and contact deposits.
7/3/2010	Brown, Rose M	On Benmiller estate - reconcile merchant deposit to actuals received in bank to the spreadsheet received from the offsite staff; on Elora estate -- inputted merchant deposits and any deposit receipt into general ledger and reconcile to the bank.
7/4/2010	Brown, Rose M	On Benmiller estate -- reconcile merchant deposit to actuals received in bank to the spreadsheet received from the offsite staff.
7/5/2010	Casey, Paul M	Review amended CIM's and meeting with Gerstein regarding status and client reporting; review weekly report and email to Equitable.
7/5/2010	Damiani, Stefano	E-mails with N. Ribeiro (GM, Hidden Valley), E. Puodziunas (VP, Crescent), B. Mooney (Controller, Crescent) with respect to the barter network, G8 contract billings, operational issues, weekly reports; other; review of e-mail from H. Howkins (GM, Elora) and the attached weekly operations update; correspondence with I. Gerstein on various matters (e.g. vehicles at Elora and Benmiller; operational matters; training costs; etc.); e-mails with C. Jeffries (Controller, Hidden Valley), L. Winters (Shaners) and R. Brown with respect to payments to the primary food supplier; e-mail from Elora creditor and e-mail correspondence with H. Howkins on same; review of the CBRE marketing update report as at June 30, 2010; telephone discussion with representative of the Royal Bank of Canada with respect to an unknown account and e-mail with I. Gerstein on same; review of the weekly operations update for Hidden Valley for the week-ended July 2, 2010 and e-mail correspondence with I. Gerstein on same; e-mail to S. Aggarwal (TGF); review of the CBRE data site to confirm status of updated reports, and e-mail to P. Casey on same; review of the daily cash reporting analysis; e-mail to R. Brown regarding wire transfers; review of the weekly operations report for the Benmiller as at July 2, 2010.
7/5/2010	Gerstein, Ira	Receipt and review several Confidentiality agreements from CBRE and execute same and return to CBRE; telephone discussions with Deborah Borotsik of CBRE with respect to the CAs and changes to the CIMs; telephone call with Grant Moffat with respect to letters required for event contracts including a discussion regarding the Co-brokers agreement; employee contracts and other related legal matters; telephone call with Stefano with respect to the status of vehicles for insurance purposes; payment of Crescent outstanding fees; GE tractor, data room, and weekly reports.
7/5/2010	Brown, Rose M	Prepare Cash Balance report for July 2/10; print report from online banking and input merchant deposits; on Benmiller estate -- complete the reconciliation of merchant deposit to actuals received in bank to the spreadsheet received from the offsite staff; clean up the filing of receipts/Disbursement for Benmiller account; general administration of banking.
7/6/2010	Casey, Paul M	Meeting with Gerstein to discuss outstanding issues; emails with Equitable; conference call with Moffat regarding various issues; conference call and emails with CBRE.
7/6/2010	Litvack, Bryan N	Conference call with Stefano and Beth regarding update on cash flow forecast and actuals for each hotel; send e-mail to Beth summarizing our conference call and next steps.

Date	Professional	Description
7/6/2010	Damiani, Stefano	E-mail to P. Wolf (SVP, Crescent) with respect to Crescent management fees; e-mails with E. Puodziunas (VP, Crescent) with respect to matters to be addressed during his upcoming on-site visit to Hidden Valley; drafted agenda items for discussion with secured creditor and e-mail to I. Gerstein on same; review of the updated sales contract listing for Hidden Valley and e-mail to R. Brown on same; e-mails with N. Ribeiro (GM, Hidden Valley) with respect to billings and collections regarding the G8 contract, condo agreements, other; e-mail correspondence with N. Ribeiro, D. Borotsik (CBRE) and I. Gerstein regarding outstanding information for the data site; e-mails with D. Borotsik regarding upcoming marketing communication; e-mails with R. Brown regarding wire transfers for upcoming payroll at each property; review of the daily cash reporting analysis as at July 6, 2010; telephone discussions with I. Gerstein regarding condominium contracts, cash flow forecast, sales agreements, other; conference call with representatives of Crescent and B. Litvack with respect to the cash flow forecast, financial reporting and developments with the on-site controllers; e-mail to B. Litvack regarding financial reporting process; reviewed and modified sales contract for event at Elora, as provided by H. Howkins on July 7, 2010.
7/6/2010	Gerstein, Ira	Review various Confidentiality Agreements execute same and return to CBRE; various e-mails from Deborah Borotsik with respect to required data for the data room; telephone discussion with Stefano with respect to the condo agreements and forward same to Grant for comments; e-mail from Phil Wolf with respect to the status of auto insurance and respond to same; telephone call with Kim Armour with respect to the automobile insurance and e-mail to Kevin Reid requesting copy of ownership registration for vehicle; review BCAs and prepare agenda for conference call with Equitable; meet with Paul Casey to discuss a number of outstanding issues and a subsequent conference call with Paul and Grant Moffat regarding Delaware Confidentiality agreement, condo agreements, chef employment contract; TD Canada Trust bank accounts; TREB listing agreement and letters regarding event contracts; subsequent conference call with Paul Casey and Deborah Borotsik regarding status of sale process; CBRE report, Delaware confidentiality agreement and TREB listing agreement; telephone call with Stefano regarding status of various issues.
7/6/2010	Brown, Rose M	Sign on RBC Express - print previous day banking reports; input TD Merchant/Amex Deposits for each location; reconcile Receiver's A/C to Bank balances; update Merchant Visa Spreadsheet and input GL codes; process previous deposit made by each location; reply to various emails and request copies of manual deposits for each location.
7/7/2010	Casey, Paul M	Emails CBRE regarding site tours; meeting Gerstein regarding various.
7/7/2010	Litvack, Bryan N	Respond to e-mails from Elora Mill; email HVR to get update on obtaining insurance policy information for condo owners and requesting financial statements for condo units; calculate yearly revenue from HVR from condo rental program.

Date	Professional	Description
7/7/2010	Damiani, Stefano	Review of the general manager's account budget for Elora regarding the period-ending July 14, 2010; review of the payroll for Hidden Valley and e-mails with B. Mooney (Controller, Crescent), N. Ribeiro (GM, Hidden Valley) and C. Jeffries (Controller, Hidden Valley) on same; e-mail to N. Ribeiro regarding barter network; e-mail to the Controllers and R. Brown regarding the payroll registers and summaries; e-mails with B. Mooney and I. Gerstein regarding severance and termination information; e-mails with representatives of Crescent and Hidden Valley with respect to payroll; telephone discussion with I. Gerstein regarding the April 2010 financial reporting packages for the datasite; review of the payroll summary and register for Benmiller, and e-mails with K. Reid (GM, Benmiller), L. Harvey (Controller, Benmiller) and B. Mooney on same; e-mails with R. Brown regarding require wire transfers; review of Elora payroll register and e-mails with B. Mooney and D. Muir (Controller, Elora) on same; review of the daily cash reporting analysis as at July 6, 2010; e-mails with H. Howkins regarding supplier; e-mails with L. Gorel (RBC); drafted e-mail to the general Managers and E. Puodziunas regarding employment letters and notification to event patrons; e-mails with N. Ribeiro and E. Puodziunas with respect to software system issue at Hidden Valley; e-mail to C. Benn (Enablez Inc.) with respect to a technical issue at Hidden Valley; cash call with representatives of Crescent, the property management firm.
7/7/2010	Gerstein, Ira	Review and sign a number of conf agreements and return to CBRE; review Crescent reports and reduce to appropriate schedules, prepare disclaimer, discuss same with Stefano and forward to CBRE for posting in data room; e-mail from Anne Arcade of Sequel in response to a request for a copy of the fire audit report and e-mail to Nick Ribiero regarding same; sign wire transfers and discuss with Stefano and Rose; telephone call with Kim Armour of Firstbrook Cassie and Anderson with respect to insurance on vehicles and subsequent telephone call with Mr. Marty Simon of Rosecorp with respect to the vehicles and transfer into the name of Tuesday Equities; e-mail to Kevin Reid and to Heather Howkins with respect to ownership of the vehicles; review proposal for property taxes from Altus Group; discussion with Stefano with respect to the computer issues at Hidden Valley and attendance on the cash calls for the properties; receipt and review insurance certificates and respond by e-mail to amend; telephone call with Grant Moffat with respect to letters to condo owners; employee letters, prepare schedule of gross revenues from condo owners and forward to Grant for review.
7/7/2010	Brown, Rose M	Sign on RBC Express -- Print previous day banking reports. Input TD Merchant/Amex Deposits for each location. Reconcile Receiver's A/C to Bank balances. Update Merchant Visa Spreadsheet and input GL coding; update previous deposit made by each location; reply to various email and request copies of manual deposits for each location and look after general banking needs.
7/8/2010	Litvack, Bryan N	Respond to emails from Shaners; review invoices before they are paid by Shaner.

Date	Professional	Description
7/8/2010	Damiani, Stefano	E-mail with H. Howkins (GM, Elora) regarding resolution of supplier/creditor issue; e-mails with R. Brown regarding banking matters; e-mails with N. Ribeiro (GM, Hidden Valley) regarding Resort Suite system issues; e-mail and telephone correspondence with K. Pereira (GE Capital) with respect to tractor at Hidden Valley; telephone and e-mail correspondence with the Controller and Sales Representative of software supplier for Hidden Valley's main hotel system; correspondence with representatives of Shaners regarding utilities; review of the daily cash reporting analysis as at July 7, 2010; e-mails with I. Gerstein regarding issues at Hidden Valley; e-mails with E. Puodziunas (VP, Crescent) regarding a director of sales position at Benmiller; e-mails with E. Puodziunas and N. Ribeiro regarding an action plan for the barter network; e-mails with C. Jeffries (Controller, Hidden Valley) and N. Ribeiro regarding pre-receivership invoices.
7/8/2010	Gerstein, Ira	Review and execute several confidentiality agreements; e-mail to and from Kevin Reid regarding the ownership of the truck; e-mail to Martie Simon of Rosecorp regarding requirements to transfer ownership; sign wire transfers, e-mail from Kiruban requesting confirmation of payment of Crescent disbursements; discussions with Stefano regarding the contract with Enablez and telephone discussion with Muhammad Amir of Enablez regarding same; draft wording for contract with Enablez.
7/8/2010	Brown, Rose M	Sign on RBC Express -- print previous day banking reports; input TD Merchant/Amex Deposits for each location; reconcile Receiver's A/C to Bank balances; update Merchant Visa Spreadsheet and input GL codes; catch up on previous deposit made by each location; discuss deposits numbers with Lisa at Benmiller and input GL coding; reply to various email and process general banking requirements; input and print disbursement cheques; prepare cheques for mailing and file back up.
7/9/2010	Litvack, Bryan N	Conference call with Controllers to get update on actual R&D spreadsheets.
7/9/2010	Damiani, Stefano	Conference call with N. Ribeiro (GM, Hidden Valley) and I. Gerstein with respect to system service issues; conference call with L. Harvey (Controller, Benmiller), C. Jeffries (Controller, Hidden Valley) and B. Litvack with respect to the reporting of receipts and disbursements; revisions to the invoice and order form with respect to the software maintenance service at Hidden Valley, and e-mails with the Controller of Enable Z and N. Ribeiro on same; e-mails with T. Spicer (Shaners) regarding disbursements; discussions with I. Gerstein regarding software agreement; review of e-mails by B. Litvack and C. Jeffries regarding condo information at Hidden Valley; review of the weekly operations report for Elora, dated July 9, 2010; e-mails with N. Ribeiro and W. Heineke (Crescent) regarding supplier matter; review of the weekly operations update for Hidden Valley, dated July 9, 2010; telephone discussion with R. Brown on banking matters and e-mail to L. Harvey on same; review of e-mail from GE Capital and request for release of unit, and prepared correspondence for I. Gerstein; review of e-mail from K. Reid (GM, Benmiller) and the attached weekly operations update; e-mail to H. Howkins (GM, Elora) with respect to the status of contracts; review and amended various sales contracts for Elora and e-mails to H. Howkins on same.
7/9/2010	Gerstein, Ira	E-mails to and from Corrine Jablonski's assistant to M. Simon of Rosecorp with respect to a letter assisting with the transfer of the ownership of the vehicles; telephone call from Kiruban regarding the request by Alnoor for financial information relating to the Hotels; e-mails to and from Nick Ribiero regarding

Date	Professional	Description
		<p>the software problem and a subsequent conference call with S. Damiani and N. Ribeiro regarding same; telephone call with D. Borotsik in regards to a question asked by a potential purchaser regarding advance deposits for events; continue to review and sign confidentiality agreements; telephone discussions with D. Borotsik and S. Segal of CBRE regarding same; discussions with Stefano and Nick Ribiero regarding computer problems; draft wording for agreement with Enablez Inc.; telephone conference call with representatives of Enablez Inc. with respect to negotiations; telephone call with Bruce Morgan of the Altus Group with respect to property tax appeals; telephone call G. Moffat with respect to transferring of vehicles to Tuesday Equities; attendance at the Ministry of Transportation and transfer ownership of vehicle; e-mail to M. Simon advising of same; proof edit and execute a copy of the agreement with Enablez Inc and forward to M. Amir of Enablez; sign cheques for Rose; telephone discussion with M. Barr, a patron for an event at Benmiller Inn.</p>
7/9/2010	Brown, Rose M	<p>Sign on RBC Express - print previous day banking reports; input TD Merchant/Amex Deposits for each location; reconcile Receiver's A/C to Bank balances; update Merchant Visa Spreadsheet and input GL codings; update previous deposits made by each location; discuss Deposits numbers with Lisa at Benmiller and input GL coding; reply to various email and look after general banking requirements; input and print disbursement cheque; prepare cheques for mailing and file backup.</p>
7/11/2010	Brown, Rose M	<p>Sign on RBC Express - print previous day banking reports; input TD Merchant/Amex Deposits for each location; reconcile Receiver's A/C to Bank balances; update Merchant Visa Spreadsheet and input GL codes; process deposits made by each location; discuss deposits numbers with Lisa at Benmiller and input GL coding; reply to various email and look after general banking needs; input and print disbursement cheques; prepare cheques for mailing and file backup; prepare wire to the Manager Account for each estate; input into Ascend and file back up; review email received and forward or take care off has required during the week.</p>

Summary of Fees

Fees				Fees
Professional	Position	Hours	Rate	
Paul Casey	Partner	18.4	550.00	\$10,120.00
Ira Gerstein	Senior Manager	102.8	400.00	41,120.00
Jeffrey Lewis	Manager	4.8	300.00	1,440.00
Stefano Damiani	Senior Consultant	97.2	250.00	24,300.00
Anna Koroneos	Senior Consultant	8.3	250.00	2,075.00
Bryan Litvack	Senior Consultant	22.8	250.00	5,700.00
Alison Brown	Analyst	8.5	250.00	2,125.00
Jennifer English	Analyst	0.5	250.00	125.00
Rose Brown	Administration	<u>103.5</u>	100.00	<u>10,350.00</u>
Total Hours and professional fees		<u>366.8</u>		\$97,355.00
Expenses				
Miscellaneous - Parking, mileage and meal allowance				895.51
Total expenses				\$ 895.51
Total fees and disbursements				98,250.51
HST @ 13%				<u>12,772.57</u>
Total Amount Due:				\$ 111,023.08

Payable upon receipt to: Deloitte & Touche Inc.

EXHIBIT "B"

This is Exhibit "B" referred to
in the Affidavit of Ira Gerstein
Sworn before me this 18th day of
August 2010
A Commissioner, etc. _____

**Calculation of Average Hourly Billing Rates of
Deloitte & Touche Inc.
for the period-ended to July 11, 2010**

ELAINE MARGARET MCKAY
A Commissioner, etc., City of Toronto,
for Deloitte & Touche Inc., Trustee in
Bankruptcy and Deloitte & Touche LLP,
Chartered Accountants.
Expires March 19, 2012.

	Invoice #	Fees	Disbursements	GST/HST	Total Invoice Amount	Hours	Average Hourly Fee Rate
1	2661360	\$ 130,055.00	\$ 657.32	\$ 6,535.62	\$ 137,247.94	410.5	\$ 316.82
2	2679988	\$ 97,355.00	\$ 895.51	\$ 12,772.57	\$ 111,023.08	366.8	\$ 265.42
	Total	\$ 227,410.00	\$ 1,552.83	\$ 19,308.19	\$ 248,271.02	777.3	\$ 292.56

THE EQUITABLE TRIST COMPANY

and

Applicant(s)

TUESDAY EQUITIES LTD. as General Partner for and on behalf of **PRINCE ROYAL LIMITED PARTNERSHIP**
Respondent(s)

Court File No.: **CV-10-8592-00CL**

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at **Toronto**

AFFIDAVIT OF IRA GERSTEIN

ThorntonGroutFinnigan LLP
Barristers and Solicitors
Suite 3200, P.O. Box 329
Canadian Pacific Tower
Toronto-Dominion Centre
Toronto, Ontario
M5K 1K7

Grant B. Moffat (LSUC# 323801 1D)
Seema Aggarwal (LSUC# 50674J)
Tel: 416-304-1616
Fax: 416-304-1313

Lawyers for the Receiver

TAB H

EXHIBIT "H"

Court File No. CV-10-8592-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

THE EQUITABLE TRUST COMPANY

Applicant

- and -

**TUESDAY EQUITIES LTD. as General Partner for and on behalf of
PRINCE ROYAL LIMITED PARTNERSHIP**

Respondent

AFFIDAVIT OF GRANT MOFFAT
(Sworn August 17, 2010)

I, **GRANT MOFFAT**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a barrister and solicitor qualified to practice law in the Province of Ontario and am a partner with ThorntonGroutFinnigan LLP ("TGF"), lawyers for Deloitte & Touche Inc., in its capacity as the receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of Tuesday Equities Ltd. and Prince Royal Limited Partnership (together, the "**Debtors**") acquired for, or used in relation to the following businesses carried on by the Debtors, including all proceeds thereof: (i) The Benmiller Inn & Spa; (ii) The Elora Mill Inn; and (iii) the Hidden Valley Resort and, as such, I have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

2. Attached hereto as Exhibit "A" are true copies of the invoices forwarded to the Receiver by TGF for fees and disbursements incurred by TGF in the course of the within proceeding for the period May 14, 2010 to July 31, 2010.

3. Attached hereto as Exhibit "B" is a schedule summarizing each invoice in Exhibit "A", the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice.

4. Attached hereto as Exhibit "C" is a schedule summarizing the respective years of call and billing rates of each of the solicitors at TGF who acted for the Receiver.


5. To the best of my knowledge, the rates charged by TGF throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services.

6. The hourly billing rates outlined in Exhibit "C" to this affidavit are comparable to the hourly rates charged by TGF for services rendered in relation to similar proceedings.

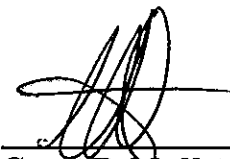
7. I make this affidavit in support of a motion by the Receiver for, *inter alia*, approval of the fees and disbursements of the Receiver's counsel.

SWORN BEFORE ME

at the City of Toronto, in the
Province of Ontario this 17th
day of August, 2010.



A commissioner for taking oaths, etc.

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)
)
)
)


Grant B. Moffat

Annette Melinda Fournier, a Commissioner, etc.,
City of Toronto, for ThorntonGroutFinnigan LLP,
Barristers and Solicitors.
Expires November 8, 2010.

EXHIBIT "A"

Court File No. CV-10-8592-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE EQUITABLE TRUST COMPANY

Applicant

- and -

**TUESDAY EQUITIES LTD. as General Partner for and on behalf of
PRINCE ROYAL LIMITED PARTNERSHIP**

Respondents

FIRST BILL OF COSTS OF THE SOLICITORS TO THE RECEIVER

For the period ending May 31, 2010

May-14-10	Review affidavit and application record; review draft appointment order;	1.10	GBM
May-16-10	Revise appointment order; correspondence to P. Casey regarding same; review application record regarding same;	1.00	GBM
May-17-10	Telephone call with P. Casey regarding appointment issues; review Liquor Licence Act regarding temporary transfer of licence and jurisdiction of court to authorize Receiver to utilize debtors' licences; telephone call with D. Murdoch regarding amendments to appointment order; review correspondence regarding cancellation of insurance; telephone call with P. Casey regarding liquor licence issue; draft employee letter confirming continuation of employment;	3.80	GBM
	Review correspondence regarding tax arrears;	0.20	GBM
	Telephone call with P. Casey regarding revised order; further revisions to same; telephone call with D. Murdoch regarding same; revise employee letter; review caselaw regarding Receiver's charge;	1.30	GBM
	Discussion with G. Moffat regarding receiver's charge and employment letters; review same;	0.40	SA

May-18-10	Conference call with D. Murdoch, Equitable Trust, I. Gerstein regarding adjournment of application; review Crescent Management Agreement regarding inherited liabilities; telephone call with I. Gerstein regarding attendance at Court; telephone call with P. Casey regarding liquor licence issues;	3.10	GBM
	Review termination provision of management agreement; telephone call with P. Casey;	0.20	GBM
	Telephone call with P. Casey and I. Gerstein regarding issues involving management agreement and liquor licenses;	0.50	GBM
	Researching issue of transfer of liquor license for G. Moffat; corresponding with G. Moffat regarding same;	0.60	AS
May-19-10	Telephone call with A. Vassos (2x) regarding liquor licence issues; telephone call with I. Gerstein regarding same; telephone call with A. Vassos and I. Gerstein;	1.30	GBM
May-20-10	Telephone call with I. Gerstein regarding liquor licence issue; telephone call with D. Murdoch regarding same; telephone call with A. Vassos; review event schedule; conference call with Equitable, Deloitte, A. Vassos and counsel regarding liquor licence transfer;	1.60	GBM
	Telephone call with A. Vassos regarding special occasion permits; correspondence to D. Murdoch regarding same;	0.40	GBM
May-21-10	Telephone call with D. Murdoch (2x) regarding liquor licence; telephone call with A. Vassos regarding same; telephone call with P. Casey regarding same;	0.80	GBM
	Review and revise correspondence to mortgagee regarding liquor licence issues; review LLA regulations regarding same;	0.60	GBM
May-25-10	Telephone call with P. Casey regarding application status;	0.20	GBM
	Draft letter continuing engagement of Crescent; review draft Appointment Order and management agreement regarding same; correspondence to I. Gerstein regarding letter for continued supply of goods to Hotels;	1.10	GBM
	Review correspondence from I. Gerstein regarding Crescent letter; revise same; telephone call from D. Murdoch regarding application; review correspondence from D. Murdoch regarding control of bank accounts;	0.40	GBM
May-26-10	Attend receivership application before Cumming, J.;	1.20	GBM
May-27-10	Review correspondence regarding sale process; review form of listing agreement;	0.30	GBM

May-28-10	Review correspondence regarding cash held in subsidiary; telephone call with I. Gerstein;	0.40	GBM
May-31-10	Telephone call with P. Casey regarding sale process; review correspondence regarding retainer of CB Richard Ellis; consider appraisal of properties; review proposal sale procedure and time lines;	1.30	GBM
	Receive security documents; discussion with G. Moffat regarding status;	0.20	SA

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	
Grant B. Moffat	20.80	\$650.00	13,520.00	
Seema Aggarwal	0.60	\$375.00	225.00	
Alana Shepherd (Student)	0.60	\$200.00	120.00	
TOTAL FEE HEREIN			\$13,865.00	
GST on Fees			\$693.25	
Total Fees and GST				\$14,558.25
<u>Disbursements:</u>				
Computer Research			\$16.17	
Fee for searches/registrations			\$207.00	
Photocopies			\$266.00	
Telephone #			\$47.74	
Disbursements for searches/registrations *			\$245.97	
Fee of Goldman, Spring, Kichler & Sanders LLP			\$510.85	
Fee to Set Motion Down*			\$127.00	
Total Taxable Disbursements			\$1,047.76	
GST on Disbursements			\$52.21	
Total Non-Taxable Disbursements			\$372.97	
Total Disbursements and GST				\$1,472.94
Total Fees, Disbursements & GST				\$16,031.19
OUR ACCOUNT HEREIN				<u>\$16,031.19</u>

ThortonGroutFinnigan LLP

Per: Grant B. Moffat

GST No. 87042 1039RT
Matter No. 533-027
Invoice No. 22856
Date: Jun 15/10

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6.00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE EQUITABLE TRUST COMPANY

Applicant

- and -

**TUESDAY EQUITIES LTD. as General Partner for and on behalf of
PRINCE ROYAL LIMITED PARTNERSHIP**

Respondents

SECOND BILL OF COSTS OF THE SOLICITORS TO THE RECEIVER

For the period ending June 25, 2010

Jun-01-10	Review correspondence regarding payroll accounts; telephone call with I. Gerstein regarding same; review correspondence regarding sale process;	0.50	GBM
	Review draft confidentiality agreement; revise same; review listing agreement; revise same; review appointment order regarding same; telephone call with I. Gerstein regarding employee and operational issues regarding group and event bookings;	2.50	GBM
	Review sample contracts for events at properties; consider additional provisions to reflect Receiver's appointment;	0.60	GBM
	Review lease agreements; order searches;	0.30	SA
Jun-02-10	Revise confidentiality agreement; review appointment order regarding personal information restrictions; review contracts for continued supply of goods and services; draft marketing process order; correspondence to CBRE regarding same;	2.60	GBM
	Draft conditions of sale; draft report outline for marketing process; review licence for G8 summit;	2.30	GBM
	Revise listing agreement; telephone call with I. Gerstein regarding marketing process, G8 agreement and liquor licence issues; revise report outline for marketing of assets;	1.90	GBM
	Receive and review leases;	2.00	SA

	Conduct corporate, PPSA, bankruptcy, <i>Bank Act</i> and execution searches in Ontario and British Columbia, discuss with G. Moffat, telephone call and e-mail to conveyancer to have Order registered on title to all properties, e-mail to D. Murdoch to obtain complete copy of Order;	1.00	AF
Jun-03-10	Draft First Report; review all correspondence with CBRE regarding sale and marketing process; revise report and conditions of sale regarding same;	5.20	GBM
	Meeting with S. Aggarwal regarding equipment leases; revise First Report; review Flyer for marketing plan;	1.30	GBM
	Discussion with G. Moffat regarding leases;	0.30	SA
	E-mails to and from conveyancer regarding registration of court order on title to real property, receive and review Acknowledgement and Directions and discuss same with G. Moffat, receive and review registered documents;	0.80	AF
Jun-04-10	Discussion with I. Gerstein regarding leases;	0.30	SA
Jun-07-10	Review correspondence regarding First Report; review revisions to Report and listing agreement; correspondence with P. Casey and S. Aggarwal regarding same;	1.10	GBM
Jun-08-10	Review and revise listing agreement; review and revise First Report; telephone call with P. Casey regarding same; meeting with S. Aggarwal regarding same; telephone call with P. Casey and I. Gerstein regarding First Report; review comments and revisions from D. Murdoch; further revise First Report;	4.30	GBM
	Revise conditions of sale; review correspondence regarding sale process; correspondence from P. Casey regarding same;	1.20	GBM
	Telephone call with I. Gerstein; further revisions to First Report;	0.70	GBM
	Discuss with G. Moffat, e-mail to conveyancer to obtain subsearches of all properties, receive and review subsearches;	0.30	AF
Jun-09-10	Review revised G20 contract; telephone call with A. Vassos; draft form of offer for assets; telephone call with P. Casey regarding First Report; review correspondence from A. Vassos regarding liquor licence issue for G20;	2.20	GBM
	Telephone call CBRE team regarding amendments to Conditions of Sale and form of offer; revise Order;	2.30	GBM
	Review correspondence regarding sale process; review conditions of sale regarding same;	0.40	GBM
Jun-10-10	Review correspondence from I. Gerstein and CBRE regarding amendments to conditions of sale; revise same; correspondence from CBRE; telephone call with I. Gerstein;	1.40	GBM
	Review correspondence regarding payment of work fee to CBRE; revise listing agreement; telephone call with I. Gerstein regarding same; telephone call with P. Casey regarding same; review further revisions to Report;	3.20	GBM

telephone call with I. Gerstein regarding same; telephone call with P. Casey regarding CBRE work fee; correspondence from D. Murdoch regarding same; revise order and motion materials; correspondence from D. Murdoch regarding work fee; telephone call with I. Gerstein regarding amendments to First Report;

Jun-11-10	Telephone call with I. Gerstein regarding listing agreement; revise motion materials; review correspondence regarding listing agreement;	0.80	GBM
	Telephone call with I. Gerstein regarding listing agreement and change to work fee; telephone call with Equitable Trust regarding same; revise listing agreement; correspondence from CBRE regarding same; correspondence to CBRE regarding same; telephone call with D. Borotski regarding same; telephone call with I. Gerstein (2x) regarding same;	2.10	GBM
	Review and revise service list; review searches regarding same;	0.30	GBM
	Correspondence regarding return of motion;	0.20	GBM
	Review further revisions to listing agreement;	0.20	GBM
	Revise draft Notice of Motion;	0.40	AF
Jun-14-10	Review service list regarding additional parties to be served; meeting with A. Fournier regarding same;	0.40	GBM
	Telephone call with P. Casey regarding marketing process motion; review correspondence regarding work fee;	0.50	GBM
	Review draft template agreement; revise same;	1.50	GBM
	Discuss with G. Moffat, review PPSA and subsearches for further interested parties, compile Motion Record for service on further interested parties, prepare Affidavit of Service;	1.20	AF
Jun-15-10	Draft sale agreement;	0.70	GBM
Jun-16-10	Meeting with S. Aggarwal regarding First Report motion; revise sale agreement; telephone call with D. Borotsik regarding MLS agreement;	0.80	GBM
	Review MLS agreement; correspondence and telephone call with D. Borotsik regarding same; telephone call with D. Borotsik and P. Casey regarding same;	0.60	GBM
Jun-17-10	Review correspondence regarding MLS listing; review listing agreement;	0.40	GBM
	Telephone call with D. Borotsik and OREA representative regarding MLS agreement; review provisions of same which cannot be amended; revise listing agreement;	0.80	GBM
	Review correspondence from D. Borotsik regarding flyer; revise confidentiality agreements and forward to CBRE; review marketing process order;	0.80	GBM
	Review revised flyer and correspondence regarding marketing;	0.50	GBM

Jun-21-10	Telephone call with I. Gerstein regarding sale process and PST/HST issues; review Appointment Order regarding employment liabilities; review correspondence regarding MLS agreement;	0.80	GBM
	Revise template sale agreement;	0.50	GBM
Jun-22-10	Telephone call with P. Casey regarding MLS agreement;	0.20	GBM
Jun-23-10	Correspondence from B. Stone regarding sale process; review correspondence regarding amendments to event contracts; telephone call with I. Gerstein regarding same; revise event contract to incorporate receivership terms; revise MLS agreement;	1.30	GBM
Jun-24-10	Telephone call with I. Gerstein regarding event contracts; review correspondence from CBRE regarding MLS agreement;	0.40	GBM

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	
Grant B. Moffat	47.50	\$650.00	30,875.00	
Seema Aggarwal	2.90	\$375.00	1,087.50	
Annette Fournier (Law Clerk)	3.70	\$250.00	925.00	
TOTAL FEE HEREIN			\$32,887.50	
GST on Fees			<u>\$1,644.38</u>	
Total Fees and GST				\$34,531.88

Disbursements:

Couriers		\$117.37	
Fee for searches/registrations		\$48.00	
Facsimiles		\$1.50	
Photocopies		\$6.00	
Disbursements for searches/registrations *		\$26.00	
Total Taxable Disbursements		\$172.87	
GST on Disbursements		\$8.64	
Total Non-Taxable Disbursements		<u>\$26.00</u>	
Total Disbursements and GST			<u>\$207.51</u>
Total Fees, Disbursements & GST			\$34,739.39
OUR ACCOUNT HEREIN			<u>\$34,739.39</u>

ThortonGroutFinnigan LLP

Per: Grant B. Moffat

GST No. 87042 1039RT
Matter No. 533-027
Invoice No. 22892
Date: Jun 28/10

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE EQUITABLE TRUST COMPANY

Applicant

- and -

**TUESDAY EQUITIES LTD. as General Partner for and on behalf of
PRINCE ROYAL LIMITED PARTNERSHIP**

Respondents

THIRD BILL OF COSTS OF THE SOLICITORS TO THE RECEIVER

For the period ending July 31, 2010

Jun-07-10	Review and respond to emails; canvas Court availability; review and revise exclusive sales listing agreement;	2.20	SA
Jun-08-10	Schedule motion; review and respond to emails; discussions with G. Moffat regarding motion and exclusive sales listing agreement; review and revise exclusive sales listing agreement; discussion with I. Gerstein regarding status of Receiver's Report;	2.20	SA
Jun-16-10	Review Motion Record and prepare for hearing; meet with G. Moffat to discuss matter;	2.50	SA
Jun-17-10	Attend motion to approve marketing process; arrange to have Order issued and entered; discussion with G. Moffat regarding same; review voicemail message from and discussion with I. Gerstein regarding GE Capital contract for tractor; emails regarding same; review same; leave voicemail message I. Gerstein regarding status;	3.00	SA
Jun-21-10	Review email from and discussion with S. Damiani regarding security opinion;	0.30	SA
Jun-28-10	Draft MLS agreement; review exclusive listing agreement regarding same; review terms of sale regarding same; review correspondence from I. Gerstein regarding event contracts; correspondence with D. Borotsik;	2.40	GBM

Jun-29-10	Correspondence to D. Murdoch regarding scheduling of 9:30 appointment; discussion with Joanne at Commercial List office regarding same;	0.20	GBM
	Review voicemail message from and emails with D. Murdoch regarding chambers appointment; emails with G. Moffat regarding same; voicemail message to and discussion with Commercial List office regarding same;	0.40	SA
Jul-01-10	Review and revise co-broker agreement; review correspondence from I. Gerstein regarding same;	1.00	GBM
Jul-02-10	Review pre and post-appointment contracts; correspondence with I. Gerstein;	0.30	GBM
Jul-05-10	Review and revise Benmiller CIM; telephone call with D. Borotsik regarding MLS agreement;	1.20	GBM
	Telephone call with I. Gerstein regarding employment;	0.20	GBM
	Receive and review email from S. Damiani regarding tractor security opinion;	0.10	SA
Jul-06-10	Review weekly operational reports;	0.30	GBM
	Draft employee engagement letter; review appointment order regarding same; draft event contract confirmation letter; review template event contract regarding same;	1.90	GBM
	Review management company contracts for Hidden Valley; review revisions to confidentiality agreement requested by prospective purchaser; correspondence with I. Gerstein;	0.70	GBM
	Telephone call with P. Casey and I. Gerstein regarding estate issues;	0.30	GBM
	Email to S. Damiani regarding status of tractor security opinion; discussion with G. Moffat regarding same;	0.30	SA
Jul-07-10	Telephone call with I. Gerstein regarding employment issues, G8 contract and agreements with condo owners; draft employment letter for new employees; review condo owners agreements regarding ability to assign same; meeting with Sandra regarding sewage and water lien;	4.10	GBM
	Review caselaw regarding priority of lien against real property;	0.60	GBM
	Research regarding lien rights	1.50	SR
Jul-08-10	Consider fresh rental pool management agreements for Hidden Valley condos; review existing agreements;	0.80	GBM
Jul-09-10	Correspondence with I. Gerstein regarding revisions to confidentiality agreement; revise listing agreement; review correspondence from D.	1.00	GBM

	Borotsik regarding same; telephone call with Brenda Williams at TREB regarding same; revise template sale agreement;		
	Telephone call with I. Gerstein regarding vehicle ownership and confidentiality agreements; letter to municipality regarding unpaid water fees; draft sale agreement;	5.50	GBM
Jul-13-10	Correspondence with D. Borotsik regarding MLS agreement; review correspondence from Crescent regarding patron letter; revise patron letter; correspondence with I. Gerstein;	1.50	GBM
Jul-19-10	Correspondence from D. Borotsik; revise MLS agreement; telephone call with P. Casey regarding same;	0.60	GBM
Jul-20-10	Review execution version of listing agreement; correspondence with P. Casey regarding same;	0.20	GBM
	Emails with G. Moffat regarding status of security review;	0.10	SA
Jul-22-10	Review correspondence regarding marketing activity;	0.20	GBM
	Meeting with S. Aggarwal regarding security review; review draft sale agreement regarding same;	0.40	GBM
Jul-23-10	Revise sale agreement; review sales reports; review application record regarding revisions to sale agreement;	2.80	GBM
Jul-26-10	Revise sale agreement; review conditions of sale regarding same; review revised MLS agreement; review sale status report from CBRE; review mortgage security;	3.90	GBM
	Review application record and pull security documents;	0.40	SA
Jul-27-10	Review subsearches; revise sale agreement; consider due diligence, employee matters and other conditions of sale; further revisions to sale agreement;	4.20	GBM
Jul-28-10	Revise sale agreement regarding title issues, employee matters; review closing documents list; review correspondence regarding employees and revise sale agreement; review terms of sale and marketing material regarding same; telephone call with P. Casey regarding sale agreement;	3.50	GBM
Jul-29-10	Review application record regarding encumbrances on properties; review correspondence regarding operation of accounts; revisions to sale agreement; telephone call with A. Vassos regarding liquor licence issues; review Liquor Licence Act regarding protocol for new licence; revise sale agreement regarding condition in favour of purchaser; review sale report;	4.50	GBM
	Review listing agreement regarding template sale agreement;	0.40	GBM
	Review security; order searches	3.20	SA

	Conduct corporate, PPSA, bankruptcy, <i>Bank Act</i> and execution searches;	0.30	AF
Jul-30-10	Attend conference call with Receiver and CBRE;	0.40	GBM
	Final revisions to sale agreement; telephone call with I. Gerstein regarding operation of current accounts pre and post closing; further revisions to sale agreement regarding same; correspondence to Receiver and CBRE regarding sale agreement;	3.80	GBM
	Review security; e-mails and discussions with D. Murdoch regarding same; discussion with G. Moffat regarding same;	3.00	SA
	Conduct searches regarding Royal Prince Limited Partnership;	0.20	AF

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	
Grant B. Moffat	46.90	\$650.00	30,485.00	
Seema Aggarwal	17.70	\$375.00	6,637.50	
Annette Fournier (Law Clerk)	0.50	\$250.00	125.00	
Sandra Reid (Student)	1.50	\$200.00	300.00	
TOTAL FEE HEREIN			\$37,547.50	
GST on June Fees			\$283.25	
HST on July Fees			<u>\$4,144.73</u>	
Total Fees and GST				\$41,975.48
<u>Disbursements:</u>				
Fee for searches/registrations			\$378.00	
Photocopies			\$101.25	
Couriers #			\$115.41	
Disbursements for searches/registrations *			\$370.20	
Fee of Oster Wolfman - Taxable Disbursements			\$361.45	
Fee of Oster Wolfman - Non-Taxable Disbursements *			\$338.00	
Fee of Oster Wolfman - Registration of Court Order			\$1,500.00	
Filing of Motion Record			\$47.00	
Total Taxable Disbursements			\$2,503.11	
GST on June Disbursements			\$95.43	
HST on July Taxable Disbursements			\$77.30	
Total Non-Taxable Disbursements			<u>\$708.20</u>	
Total Disbursements and GST				<u>\$3,384.04</u>
Total Fees, Disbursements, GST & HST				\$45,359.52
OUR ACCOUNT HEREIN				<u>\$45,359.52</u>

ThortonGroutFinnigan LLP

Per: Grant B. Moffat

GST No. 87042 1039RT

Matter No. 533-027

Invoice No. 23054

Date: Aug 09/10

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

EXHIBIT "B"

Calculation of Average Hourly Billing Rates of
ThorntonGroutFinnigan LLP
for the period May 14, 2010 to July 31, 2010

Invoice No.	Fees	Disbursements	GST/HST	Hours	Average Rate	Total
22856	\$ 13,865.00	\$ 1,420.73	\$ 745.46	22.0	\$630.23	\$ 16,031.19
22892	32,887.50	198.87	1,653.02	54.1	607.90	34,739.39
23054	37,547.50	3,211.31	4,600.71	66.6	563.78	45,359.52
Totals:	\$84,300.00	\$4,830.91	\$6,999.19			<u>\$96,130.10</u>

EXHIBIT "C"

Billing Rates of ThorntonGroutFinnigan LLP

For the period May 14, 2010 to July 31, 2010

	<u>Rate</u>	<u>Year of Call</u>
Grant B. Moffat	\$650	1991
Seema Aggarwal	\$375	2005
Annette Fournier	\$250	Law Clerk
Alana Shepherd	\$200	Articling Student
Sandra Reid	\$200	Student

THE EQUITABLE TRIST COMPANY

Applicant(s)

and

**TUESDAY EQUITIES LTD. as General Partner for and on
behalf of PRINCE ROYAL LIMITED PARTNERSHIP**
Respondent(s)

Court File No.: **CV-10-8592-00CL**

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at **Toronto**

AFFIDAVIT OF GRANT MOFFAT

ThorntonGroutFinnigan LLP
Barristers and Solicitors
Suite 3200, P.O. Box 329
Canadian Pacific Tower
Toronto-Dominion Centre
Toronto, Ontario
M5K 1K7

Grant B. Moffat (LSUC# 323801 1D)
Seema Aggarwal (LSUC# 50674J)
Tel: 416-304-1616
Fax: 416-304-1313

Lawyers for the Receiver

THE EQUITABLE TRIST COMPANY

and

Applicant(s)

**TUESDAY EQUITIES LTD. as General Partner for and on
behalf of PRINCE ROYAL LIMITED PARTNERSHIP**
Respondent(s)

Court File No.: **CV-10-8592-00CL**

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at **Toronto**

**SECOND REPORT OF THE RECEIVER
DATED AUGUST 19, 2010**

ThorntonGroutFinnigan LLP
Barristers and Solicitors
Suite 3200, P.O. Box 329
Canadian Pacific Tower
Toronto-Dominion Centre
Toronto, Ontario
M5K 1K7

Grant B. Moffat (LSUC# 323801 1D)
Seema Aggarwal (LSUC# 50674J)
Tel: 416-304-1616
Fax: 416-304-1313

Lawyers for the Receiver

TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) WEDNESDAY, THE 25th
)
JUSTICE) DAY OF AUGUST, 2010

THE EQUITABLE TRUST COMPANY

Applicant

- and -

TUESDAY EQUITIES LTD. as General Partner for and on behalf of
PRINCE ROYAL LIMITED PARTNERSHIP

Respondents

ORDER
(Revised Marketing Process)

THIS MOTION, made by Deloitte & Touche Inc., in its capacity as receiver and manager (in such capacity, the “Receiver”) of all of the assets, undertakings and properties of Tuesday Equities Ltd. and Prince Royal Limited Partnership (together, the “Debtors”), acquired for, or used in relation to the following businesses carried on by the Debtors, including all proceeds thereof: (i) The Benmiller Inn & Spa; (ii) The Elora Mill Inn; and (iii) the Hidden Valley Resort (collectively, the “Property”) for relief with respect to the matters set out in the Notice of Motion dated August 19, 2010, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report of the Receiver dated August 19, 2010 (the “**Second Report**”) and the Exhibits thereto, and on hearing submissions of counsel for the Receiver, the Applicant and any other party appearing,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein be and is hereby abridged such that this motion is properly returnable today and that further service thereof upon any other interested party is hereby dispensed with.
2. **THIS COURT ORDERS** that capitalized terms not otherwise defined in this Order shall have the meanings ascribed thereto in the Second Report.
3. **THIS COURT ORDERS** that the Second Report and the activities and conduct of the Receiver described in the Second Report, including, without limitation the rejection by the Receiver of all offers received to purchase the Property pursuant to the Marketing Process other than the Pearle Offer, are hereby ratified and approved.
4. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to accept the Pearle Offer in respect of the sale of the Receiver's right, title and interest, if any, in and to that part of the Property comprised by The Elora Mill Inn.
5. **THIS COURT ORDERS** that if the Pearle Sale Agreement is terminated in accordance with its terms, the Receiver is authorized and directed to commence negotiations with any other party or parties identified by the Receiver through the Marketing Process, the Revised Marketing Process (as defined below) or otherwise whereby the Receiver shall sell The Elora Mill Inn to such party or parties.
6. **THIS COURT ORDERS** that the Receiver's revised marketing plan for that part of the Property comprised by The Benmiller Inn & Spa and Hidden Valley Resort (the "**Remaining Property**") as described in the Second Report, together with any amendments thereto deemed necessary and appropriate by the Receiver (hereinafter, the "**Revised Marketing Process**") be and it is hereby approved and the Receiver is hereby authorized and directed to carry out the Revised Marketing Process.
7. **THIS COURT ORDERS** that the conditions of sale ("**Conditions of Sale**") approved pursuant to the Order of this Honourable Court dated June 17, 2010 shall be amended as described in the Second Report (as amended, the "**Revised Conditions of Sale**"), together with any further amendments thereto deemed necessary and appropriate by the Receiver.

8. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to:
 - (a) proceed to market and offer for sale the Receiver's right, title and interest in the Remaining Property in the manner more particularly described in the Second Report and in accordance with and on the terms of the Revised Marketing Process and the Revised Conditions of Sale;
 - (b) enter into discussions with any and all parties in respect of the Remaining Property;
 - (c) disclose to and review with the Applicant, any of its advisors and CB Richard Ellis Canada any and all potential or actual offers received by the Receiver to purchase some or all of the Remaining Property;
 - (d) accept an offer to purchase some or all of the Remaining Property, the terms of which, in the Receiver's sole opinion, are in the best interests of the estate herein, subject to approval of this Court if required in accordance with the Appointment Order; and
 - (e) enter into agreements of purchase and sale in respect of some or all of the Remaining Property on the terms of the Template Agreement (as defined in the Revised Conditions of Sale), together with any amendments or additions thereto deemed necessary by the Receiver in its sole opinion, subject to approval of this Court if required in accordance with the Appointment Order.

9. **THIS COURT ORDERS** that, in accordance with the Revised Conditions of Sale, the Receiver is not obligated to accept any offer or offers to purchase some or all of the Remaining Property.

10. **THIS COURT FURTHER ORDERS** that the Receiver shall have no personal or corporate liability in connection with offering the Receiver's right, title and interest in the Remaining Property for sale, including, without limitation:
 - (a) by advertising the Remaining Property and/or the Revised Marketing Process;
 - (b) by exposing the Remaining Property to any and all parties, including, but not limited to, those who have made their interest known to the Receiver;

- (c) by carrying out the Revised Marketing Process;
- (d) by responding to any and all requests or inquiries in regards to due diligence conducted in respect of the Remaining Property;
- (e) through the disclosure of any and all information presented by the Receiver and its solicitors or agents (including, without limitation, CB Richard Ellis Canada), arising from, incidental to, or in connection with the Revised Marketing Process;
- (f) pursuant to any and all offers received by the Receiver in accordance with the Revised Marketing Process; and
- (g) pursuant to any agreement of purchase and sale entered into by the Receiver in respect of the sale of any of the Remaining Property.

11. **THIS COURT ORDERS** that the Receiver be and is hereby authorized, *nunc pro tunc*, to redact from the version of the Second Report served on any party other than the Applicant and the Court, Confidential Exhibit "C" to the Second Report.

12. **THIS COURT ORDERS** that Confidential Exhibit "C" to the Second Report filed with the Court be sealed from the public record until further Order of this Honourable Court.

13. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its legal counsel, as set out in the Second Report and the Gerstein Affidavit and Moffat Affidavit attached as exhibits thereto, are hereby authorized and approved.

14. **THIS COURT ORDERS** that the Monitor be and it is hereby authorized to pay its fees and disbursements and the fees and disbursements of its legal counsel and agents in the amounts set out in the Second Report.

15. **THIS COURT FURTHER ORDERS** that the costs of the Receiver in preparation of this motion and of these proceedings, up to and including the hearing of this motion and the entry of this order (including applicable Harmonized Sales Tax) be paid to the Receiver from the estate herein.

THE EQUITABLE TRUST COMPANY

Applicant(s)

and

**TUESDAY EQUITIES LTD. as General Partner for and on
behalf of PRINCE ROYAL LIMITED PARTNERSHIP**
Respondent(s)

Court File No.: **CV-10-8592-00CL**

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

ORDER
(Revised Marketing Process)

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Lawyers for the Receiver.

TAB 4

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) WEDNESDAY, THE 25TH DAY
)
JUSTICE) OF AUGUST, 2010

B E T W E E N:

THE EQUITABLE TRUST COMPANY

Applicant

- and -

**TUESDAY EQUITIES LTD. as General Partner for and on behalf of
PRINCE ROYAL LIMITED PARTNERSHIP**

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by Deloitte & Touche Inc. in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of all of the assets, undertakings and properties of Tuesday Equities Ltd. and Prince Royal Limited Partnership (together, the “**Debtors**”), acquired for, or used in relation to the business carried on by the Debtors in respect of the Elora Mill Inn, including all proceeds thereof (the “**Property**”), for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and Pearle Hospitality Inc. (the “**Purchaser**”) made as of August 19, 2010 and appended to the Second Report of the Receiver dated August 19, 2010 (the “**Second Report**”), and vesting in the Purchaser the Debtors’ right, title and interest in and to the assets

described in the Sale Agreement (the “**Purchased Assets**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report and on hearing the submissions of counsel for the Receiver, the Applicant, the Purchaser and any other party appearing:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and that the Sale Agreement is commercially reasonable and in the best interests of the Debtors and their stakeholders. The Receiver is hereby authorized and directed to complete the Transaction in accordance with the terms of the Sale Agreement, together with such alterations, amendments, deletions and additions as the parties may agree, and to perform its obligations in the Sale Agreement. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as Schedule A hereto (the “**Receiver's Certificate**”) and the registration in the Land Registry Office for the Land Titles Division of Wellington (No. 61) and the Land Registry Office for the Registry Division of Wellington (No. 61) of an Application for Vesting Order with a copy of this Approval and Vesting Order and the executed Receiver’s Certificate attached as a schedule thereto, all of the Receiver’s (if any) and all of the Debtors’ right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, or as the Purchaser may direct, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Cumming dated May 26, 2010; (ii) all charges, security interests or claims evidenced by registrations pursuant to the Personal Property Security Act (Ontario) or

any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the Permitted Encumbrances, easements and restrictive covenants listed on Schedule D hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets and that the Land Registrar is hereby directed to enter the Purchaser, or as the Purchaser may direct, as the owner of the subject real property identified in Schedule B hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

3. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds (after deducting the usual disposition costs) from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, solely to the extent that the Receiver does not currently hold in trust sale proceeds for assets encumbered by a PPSA registration which assets were disposed of by previous sale (“**Disposition Funds**”) and for which the Receiver holds funds in trust in substitution for the encumbered asset, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances for which the Receiver does not hold Disposition Funds in trust shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. For greater certainty, the Receiver shall be free to deal with the net proceeds from the sale of the Purchased Assets without obligation to retain same in those cases where the Receiver already holds Disposition Funds in trust.

4. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

5. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtors' records pertaining to the Debtors' past and current employees, including personal

information of the “**Assumed Employees**” as defined in the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtors.

6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtors

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Schedule A – Form of Receiver’s Certificate

Court File No. CV-10-8592-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

THE EQUITABLE TRUST COMPANY

Applicant

- and -

**TUESDAY EQUITIES LTD. as General Partner for and on behalf of
PRINCE ROYAL LIMITED PARTNERSHIP**

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Cumming of the Ontario Superior Court of Justice (the “**Court**”) dated May 26, 2010, Deloitte & Touche Inc. was appointed as the receiver and manager (the “**Receiver**”) of all of the assets, undertakings and properties of Tuesday Equities Ltd. and Prince Royal Limited Partnership (together, the “**Debtors**”), acquired for, or used in relation to the following businesses carried on by the Debtors, including all proceeds thereof: (i) The Benmiller Inn & Spa; (ii) The Elora Mill Inn; and (iii) the Hidden Valley Resort (collectively, the “**Property**”).

B. Pursuant to an Order of the Court dated August 25, 2010, the Court approved the agreement of purchase and sale made as of August 19, 2010 (the “**Sale Agreement**”) between the Receiver and Pearle Hospitality Inc. (the “**Purchaser**”) in respect of the business carried on by the Debtors with respect to The Elora Mill Inn as described in the Sale Agreement (the

“**Purchased Assets**”) and provided for the vesting in the Purchaser of the Receiver’s and the Debtors’ right, title and interest in and to the Purchased Assets (as set out in Schedule B), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at [TIME] on ► [DATE].

DELOITTE & TOUCHE INC., solely in its capacity as the Court Appointed Receiver and Manager of the Property (as defined herein) of Tuesday Equities Ltd. and Prince Royal Limited Partnership, with no personal or corporate liability

Per: _____
Name:
Title:

Schedule B – Purchased Assets

All of the Receiver's (if any) and the Debtors' right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement) including, without limitation, the following real property:

The Elora Mill Inn, consisting of the real property located at 77 Mill Street West, Village of Elora, Province of Ontario, together with the buildings situate thereon containing 32 guest rooms and suites, restaurant, lounge, meeting rooms and a tea room, legally described as:

PIN 71410-0083 (LT) – LT 4 N/S W MILL ST PL 181 ELORA; LT 5 N/S W MILL ST PL 181 ELORA; CENTRE WELLINGTON

PIN 71410-0072(R) – PT LT 1 BRUCE PLACE NW GRAND RIVER PL 181 ELORA; PT LT 2 S/S W MILL ST PL 181 ELORA; PT LT 3 S/S W MILL ST PL 181 ELORA; PT LT GRIST MILL PL 181 ELORA; CENTRE WELLINGTON

Schedule C – Claims to be deleted and expunged from title to Real Property

The following Instruments are to be discharged upon registration of the Vesting Order:

PIN 71410-0083 (LT)

1. Transfer by The Elora Mill Limited in favour of 2006311 Ontario Inc. registered as Instrument No. LT86874 on July 3, 2002 and subject to Execution Nos. 02-00063, 02-00086 and 02-00133, if enforceable;
2. Charge in favour of The Equitable Trust Company (“**Equitable**”) securing the principal amount of \$2,700,000.00 registered as Instrument No. WC110538 on August 26, 2005;
3. Notice of Assignment of Rents – General in favour of Equitable registered as Instrument No. WC110539 on August 26, 2005 relating to Instrument No. WC110538;
4. Charge in favour of 432567 B.C. Ltd. (“**432567**”) securing the principal amount of \$3,000,000.00 registered as Instrument No. WC199620 on January 15, 2008;
5. Charge in favour of Checkers Properties G.P. Inc. (“**Checkers**”) securing the principal amount of \$3,000,000.00 registered as Instrument No. WC199622 on January 15, 2008; and
6. Transfer of Charge in favour of Ashiana Holdings Ltd. (“**Ashiana**”) and Ballycurkeen Investment Corp. (“**Ballycurkeen**”) registered as Instrument No. WC246598 on June 4, 2009.

PIN 71410-0072 (R)

1. Charge in favour of Equitable securing the principal amount of \$2,700,000.00 registered as Instrument No. RO819767 on August 26, 2005;
2. Notice of Assignment of Rents – General in favour of Equitable registered as Instrument No. RO819768 on August 26, 2005 relating to Instrument No. RO819767;
3. Charge in favour of 432567 securing the principal amount of \$3,000,000.00 registered as Instrument No. RO820421 on January 15, 2008;
4. Charge in favour of Checkers securing the principal amount of \$3,000,000.00 registered as Instrument No. RO820422 on January 15, 2008; and
5. Transfer of Charge in favour of Ashiana and Ballycurkeen registered as Instrument No. RO820709 on June 5, 2009.

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

Permitted Encumbrances with respect to the Property means:

- a) All of the instruments set out in this Schedule “D”;
- b) Any easements, servitudes, rights-of-way, licences, restrictions that run with the land and other encumbrances and/or agreements with respect thereto (including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);
- c) Defects or irregularities in title to the Property which are of a minor nature and do not materially adversely affect the use or the value of the Hotel affected thereby;
- d) Inchoate liens for municipal property taxes, local improvement assessments and/or taxes and/or charges, and/or other taxes, assessments or recoveries relating to the Hotel not yet due or liens for same which are due but the validity of which are being contested in good faith by the Vendor provided that the Vendor has provided security which in the opinion of the Purchaser, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto;
- e) Zoning and building by-laws and ordinances, municipal by-laws and regulations, development agreements, subdivision agreements, site plan agreements, notices, and/or building restrictions;
- f) Inchoate liens for public utilities not due as at the Closing Date;
- g) The exceptions, limitations and qualifications set out in the *Registry Act* and/or the *Land Titles Act* and/or set out on the parcel registers for the Hotel and any amendments thereto;
- h) All reservations, limitations, provisos and/or conditions set out in the original grant from the Crown; and
- i) All encroachments of buildings or other improvements and/or mislocated fences that may be shown on any existing survey or any up-to-date survey for the Property.

Without limiting the foregoing Permitted Encumbrances include the following:

PIN 71410-0083 (LT)

6. Servicing Agreement between The Corporation of the Village of Elora (the “**Village**”) and Penstock Inns Limited (“**Penstock**”) registered as Instrument No. ROS518346 on November 28, 1985;
7. Encroachment Agreement between The Elora Mill Limited (“**Elora Mill**”) and the Village registered as Instrument No. RO659593 on February 10, 1992;
8. Transfer in favour of 2006311 Ontario Inc. registered as Instrument No. LT86874 on July 3, 2002 and subject to Executions 02-00063, 02-00086 and 02-00133, if enforceable; and
9. Application to Register Court Order re Order of the Ontario Superior Court of Justice dated May 26, 2010 appointing Deloitte & Touche Inc. as the Receiver registered as Instrument No. WC279708 on June 3, 2010.

PIN 71410-0072 (R)

Discharge of Charge registered as Instrument No. MS59312 on October 12, 1966 discharging a Charge registered as Instrument No. MS13815;

10. Transfer in favour of Aileen Dunkeld Harris registered as Instrument No. MS87753 on September 2, 1969;
11. Transfer in favour of Victor A. Stumpf and Florence Emma Stumpf registered as Instrument No. MS129993 on June 21, 1973;
12. Transfer in favour of Aileen Dunkeld Harris registered as Instrument No. MS129994 on June 21, 1973;
13. Discharge of Charge registered as Instrument No. ROS145266 on June 4, 1974 discharging a Charge registered as Instrument No. MS7154;
14. Transfer in favour of William A. M. Gregg registered as Instrument No. ROS146033 on June 19, 1974;
15. Transfer in favour of Granmill Holdings Limited registered as Instrument No. ROS146035 on June 19, 1974;
16. Charge in favour of Gwyneth Cooper-Jones securing the principal amount of \$50,000 registered as Instrument No. ROS171467 on May 12, 1976;
17. Transfer in favour of Gwyneth Cooper-Jones registered as Instrument No. ROS172909 on June 16, 1976;

18. Quit Claim Transfer in favour of Grand River Conservation Authority registered as Instrument No. ROS212503 on January 12, 1979;
19. Transfer in favour of Henry Bruce Glista registered as Instrument No. ROS227810 on March 14, 1980;
20. Transfer in favour of William A. M. Gregg registered as Instrument No. ROS231332 on July 17, 1980;
21. Transfer in favour of Grandmill Holdings Limited registered as Instrument No. ROS231335 on July 17, 1980;
22. Transfer in favour of Penstock Inns Limited registered as Instrument No. ROS231417 on July 21, 1980;
23. Transfer of Easement to and in favour of the Village registered as Instrument No. ROS247940 on November 12, 1981 to construct, operate, install, maintain, inspect, alter, remove, replace, reconstruct and repair municipal services and/or facilities;
24. Transfer in favour of Ronald Arthur Wilson and Caroline Wilson registered as Instrument No. ROS273752 on September 21, 1983;
25. Quit Claim Transfer in favour of Grand River Conservation Authority registered as Instrument No. ROS387680 on August 17, 1984;
26. Transfer in favour of Penstock Inns Limited registered as Instrument No. ROS400464 on July 2, 1985;
27. Bylaw registered as Instrument No. ROS584830 on October 19, 1988 designating the property known municipally as 77 Mill Street West, Elora as being of architectural and/or historical value or interest;
28. Transfer in favour of 907172 Ontario Limited registered as Instrument No. ROS634313 on November 22, 1990;
29. Transfer in favour of The Elora Mill Limited registered as Instrument No. RO655691 on December 3, 1991;
30. Encroachment Agreement between Elora Mill and the Village registered as Instrument No. RO659593 on February 10, 1992;
31. Charge in favour of Jane Cynthia Lett securing the principal amount of \$650,000 registered as Instrument No. RO816258 on August 17, 2000;
32. Transfer in favour of 2006311 Ontario Inc. registered as Instrument No. RO818742 on July 3, 2002;

33. Court Order registered as Instrument No. RO818744 on July 3, 2002 declaring that the sale from Elora Mill to 2006311 be exempted from the application of the *Bulk Sales Act* and that the Charge registered as Instrument No. RO816258 be discharged;
34. Court Order registered as Instrument No. RO818745 on July 3, 2002 amending the Court Order registered as Instrument No. RO818744 to include the name of the Land Registry Division;
35. Discharge of Charge registered as Instrument No. RO818758 on July 23, 2002 discharging a Charge registered as Instrument No. RO634921;
36. Transfer in favour of Tuesday Equities Ltd. registered as Instrument No. RO820420 on January 15, 2008; and
37. Court Order re Order of the Ontario Superior Court of Justice dated May 26, 2010 appointing Deloitte & Touche Inc. as the Receiver registered as Instrument No. RO820913 on June 4, 2010.

THE EQUITABLE TRUST COMPANY

Applicant

and

TUESDAY EQUITIES LTD., as General Partner for and on behalf of PRINCE ROYAL LIMITED PARTNERSHIP

Respondent(s)

Court File No.: CV-10-8592-00CL

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

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THE EQUITABLE TRIST COMPANY

and

Applicant(s)

**TUESDAY EQUITIES LTD. as General Partner for and on
behalf of PRINCE ROYAL LIMITED PARTNERSHIP**
Respondent(s)

Court File No.: **CV-10-8592-00CL**

ONTARIO

**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

MOTION RECORD

(Motion Returnable August 25, 2010)

ThorntonGroutFinnigan LLP

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