

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

FRONTENAC MORTGAGE INVESTMENT CORPORATION

Applicant

and

HYDE PARK RESIDENCES INC.

Respondent

FIRST REPORT OF THE RECEIVER AND MANAGER

April 7, 2014

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Exhibits:

- A Order of Justice Beaudoin, dated February 20, 2014
- B Notice and Statement of the Receiver
- C Project site plan
- D Hyde Park's Unaudited Interim Financial Statements for the six-month period ended June 30, 2013
- E Gowlings' letters to Great American Insurance Group (without attachments)
- F Comparison of the Hyde Park's budget and the Receiver's draft budget for property management of the 92 townhouses and Water Plant
- G Template Agreement of Purchase and Sale
- H Conditions of Sale
- I Receiver's Interim Statements of Receipts and Disbursements

Introduction

1. By Order of the Ontario Superior Court of Justice (the "**Court**") dated February 20, 2014 (the "**Appointment Order**"), Deloitte Restructuring Inc. ("**Deloitte**") was appointed as the receiver and manager (collectively referred to as the "**Receiver**") of the assets, undertakings and property (the "Property") of Hyde Park Residences Inc. ("**Hyde Park**"), including all of the lands and premises known municipally as 6143 Perth Street, Richmond, and more particularly described in Schedule A to the Appointment Order (the "**Lands**"). 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.
3. The Receiver issued a Notice and Statement of the Receiver pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* (Canada). A copy of this notice is attached as **Exhibit "B"**.
4. The Appointment Order, together with the Notice and Statement of the Receiver and this report have been posted on the Receiver's website at http://www.deloitte.com/view/en_CA/ca/specialsections/insolvencyandrestructuringproceedings/8ce2d27059d64410VgnVCM3000003456f70aRCRD.htm
5. The purpose of this first report of the Receiver (the "**First Report**") is to:
 - a) Provide the Court with a description of the Receiver's activities to date in securing Hyde Park's Property and records, and in dealing with the numerous issues related to the Property;
 - b) Provide the Court with the evidentiary basis to make an Order:
 - i.) Approving the activities of the Receiver as described in the First Report;
 - ii.) Confirming that the Appointment Order applies to the insurance policies provided by Great American Insurance Group which cover the incomplete buildings on the Lands; and
 - iii.) Approving the marketing and sales plan proposed by the Receiver to realize on the Property.

Terms of Reference

6. In preparing the First Report and making the comments contained herein, the Receiver has relied upon the following information:
 - a) Hyde Park's books and records;
 - b) Hyde Park's unaudited financial statements, primarily for the period from January 1, 2010 to June 30, 2013;
 - c) Certain records of Courtyard Developments Inc. ("**Courtyard**"), which is a company related to Hyde Park that acted as general contractor for the Hyde Park development project (described below);
 - d) Information provided by management personnel of Hyde Park and Courtyard ("**Management**");
 - e) Information provided by employees (including former employees) of Courtyard and independent contractors that had been retained by Hyde Park or Courtyard ("**Project Staff**"). Hyde Park had no employees of its own; and
 - f) Information provided by third parties, such as banks, the City of Ottawa (the "**City**") and creditors.
7. The Receiver has not audited the information provided.
8. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian dollars.
9. Capitalized terms not otherwise defined in this First Report are as defined in the Appointment Order.

Background to the Receivership

10. Hyde Park was incorporated on January 16, 2001 as an Ontario not-for-profit corporation. It is the owner and developer of a partially completed retirement housing community in the village of Richmond, Ontario (the "**Project**").
11. Management advised the Receiver that Hyde Park's directors are Stephen Hyde, Matt Hyde and Pat McCaughan. Hyde Park's registered address is 1 Neely Street, Dunrobin, Ontario; however, all of its activities appear to be carried out at an office located in a townhouse (Unit 301, Chestnut Green Private in Richmond) at the Project site that is rented by Courtyard from a life lease holder (described below).

12. This Project was a multiphase housing development estimated to cost over \$100 million when completed. Attached as **Exhibit "C"** is a copy of the Project site plan that Hyde Park used for financing purposes (the "**Site Plan**"). The Project phase numbers referred to in this report are the numbers used in the Site Plan.
13. This Project has proceeded as a life lease development. The life leases sold by Hyde Park were perpetual rights to occupy a specific unit until the lease was either terminated or transferred. The life lease could be sold to other parties like a condominium, but it did not have a separate property title to a specific unit. The purchasers of the life leases have non-exclusive rights to use common areas and facilities, and must pay a monthly occupancy charge (similar to condominium fees). Management indicated that the benefit of using life leases for this Project was that residents could be restricted to a certain age group (i.e. 55+), and each unit could be restricted to a maximum occupancy of two (2).
14. Between 2001 and 2008, Hyde Park constructed ninety-two (92) bungalow townhouses (Phase 1 and 2 on the Site Plan) and a private water treatment facility (the "**Water Plant**"). All of the life leases for the ninety-two (92) townhouses were sold by Hyde Park, and the townhouses are currently occupied.
15. Between 2010 and 2013, Hyde Park was constructing a 105 unit assisted living retirement residence with a community centre (known as "**Immanuel House**"), and an adjoining 35 unit apartment building (known as "**Apartment A**"). These buildings are identified as phase 3A on the Site Plan and are incomplete. Apartment A is approximately 2/3 complete, while Immanuel House is only 1/3 complete.
16. Life leases for phase 3A were pre-sold with a minimum 25% deposit; but, in many cases, a higher deposit amount was provided to take advantage of a 12% interest rate offered by Hyde Park on such funds. Management indicated that the deposit agreement signed by purchasers permitted the deposit funds to be used in construction and operations once a site plan agreement was approved. It appears that all such deposits have been spent.
17. Financing for phase 3A of the Project was to be provided by (1) a syndicated mortgage, (2) deposits from life lease purchasers, and (3) a \$15 million construction loan from a mortgage investment fund. Based on a formal loan commitment from the investment fund, Hyde Park started construction of phase 3A. Ultimately, all of the requirements of the loan commitment could not be satisfied; thus, the \$15 million construction loan was not advanced. Management alleges that the investment fund changed its position with respect to certain legal

requirements prior to closing (specifically those pertaining to the existing life leases currently registered on title).

18. Due to Hyde Park's inability to secure the necessary construction financing, Courtyard fell behind in paying its subcontractors and, by July, 2012, fourteen (14) subcontractors (the "**Lienholders**") had registered construction liens against the Lands totalling approximately \$6.7 million. Construction activity had stopped around that time.
19. Hyde Park subsequently arranged for Pillar Financial Services Inc. ("**Pillar**") the underwriter of Frontenac Mortgage Investment Corporation ("**Frontenac**"), to provide \$5 million in funding to the Project, which was advanced in December 2012. These funds allowed the Project to start up again while Hyde Park continued to seek the remaining financing it required. Frontenac was given a first charge on the Lands for its advance.
20. As part of a settlement agreement made in October 2012 between Hyde Park, Courtyard, Stephen Hyde and the Lienholders, \$2 million of Frontenac's \$5 million in funding was used to pay down the Lienholders' claims (bringing their outstanding balance down to approximately \$4.7 million from \$6.7 million). The remaining \$3 million in funding (before lending fees and reserves) was to be used to fund new construction work at the Project. As part of the settlement, the liens were removed and, in their place, the Lienholders took a \$4.7 million second charge against the Lands (the "**Lienholders' Charge**").
21. Hyde Park issued an offering memorandum in April 2013 in an attempt to raise \$15 million in additional syndicated mortgage financing. Hyde Park was only able to raise \$1 million, which was spent on construction of Apartment A and ongoing operations. By the summer of 2013, construction activity stopped due to a lack of funds.
22. As Hyde Park had been unable to raise sufficient funds to continue and complete construction of phase 3A, Frontenac applied to Court for an Order appointing Deloitte as Receiver in order to realize on the Property for the benefit of all creditors. The Court issued its Appointment Order on February 20, 2014.

Current Status of the Project

23. As noted above, phases 1 and 2 of the Project are complete and have been occupied for many years. Residents started moving into the townhouses in 2003.

24. Phase 3A of the Project is currently incomplete. Management has estimated the cost to complete Apartment A and Immanuel House (including the community centre), at \$3.4 million and \$20.4 million respectively (including development fees, interest and legal costs). Management has also estimated that Apartment A could be completed in four (4) months and Immanuel House in twelve (12) months if construction on the Project was recommenced.
25. Based on a high level review and assessment by the Receiver's capital projects' specialists, and their experience on projects of a similar nature:
 - (a) The current estimated cost to complete Phase 3A seems reasonable. However, a more comprehensive analysis will be required to more accurately assess the cost to complete. This information will be required by potential purchasers, and by an appraiser who was retained by the Receiver to complete a valuation of the Lands. Thus, the Receiver is in the process of retaining a quantity surveyor, who is already familiar with the Project, to prepare an assessment of the costs to complete phase 3A;
 - (b) The purported project completion timelines seem reasonable; and
 - (c) No construction deficiencies were observed.
26. The Water Plant currently serves the needs of the ninety-two (92) townhouses, and has been designed for expansion so as to eventually meet the needs of all residents of the Project. The operation of the Water Plant is subject to a comprehensive agreement between Hyde Park and the City, and is currently overseen by Brownlee Water Quality Management Inc., a certified drinking water system operator.
27. Thirty-two (32) out of the thirty-five (35) life leases for units in Apartment A had been pre-sold. Given the stoppage in construction, six (6) purchasers had cancelled their life lease occupancy agreements. Two (2) of these purchasers received refunds of their deposits, while the other four (4) did not due to a lack of funds. Thus, the number of pre-sold units was down to twenty-six (26). Management advised the Receiver that deposits from purchasers, totalling \$2,288,333, were used to fund construction.
28. One Hundred and one (101) out of the one hundred and five (105) units in Immanuel House were pre-sold. Management advised the Receiver that most of the investors in the syndicated mortgage, that helped to finance construction of this building, pre-purchased units and many advanced deposits greater than the normal 25% requirement. Management further advised that the deposits currently total \$12,510,003, which was used to fund construction.

29. Phase 3B of the Project includes two (2) additional apartment buildings with 56 units each. Management advised the Receiver that the site for this phase has been serviced, but construction of the buildings has not been started.
30. As noted earlier, construction on phase 3A on the Project was halted in the summer of 2013. Based on the Receiver's inspection of Apartment A and Immanuel House, it appears that the buildings and their contents have been properly secured for a shutdown in work.
31. There is a sump pump in the basement of Apartment A that is running constantly due to the high water table in the area, and the concern of possible flooding. This pump continues to be maintained.
32. The Receiver's legal counsel has advised that ninety-one (91) of the ninety-two (92) life leases for the townhouses are registered on title to the Lands. The Receiver is currently investigating the life lease that was not registered. This was purchased by Elizabeth and James Hyde (the latter now being deceased), the mother and father of Stephen Hyde.

Receiver's Activities to Date

Pre-receivership Activities

33. In anticipation of the Appointment Order, Deloitte carried out the following activities prior to being appointed Receiver:
 - a) Reviewed the standard life lease occupancy agreement to identify services that Hyde Park was required to provide to residents, and the obligations of the residents to Hyde Park;
 - b) Attended at the Project Site to meet with Management to discuss the proposed receivership and related logistics, including:
 - i.) Cooperation by Management;
 - ii.) The status of books and records;
 - iii.) Identification of key staff that could assist a Receiver;
 - iv.) Details of creditors, including utilities and security companies;
 - v.) Details of insurance coverage; and
 - vi.) Details of bank accounts.

- c) Arranged for Deloitte's information technology specialist to inspect Hyde Park's computer systems to assess accessibility and back-ups;
- d) Arranged for BluMetric Environmental Inc. ("**BluMetric**"), an independent water system engineering company, to conduct a preliminary inspection of the Water Plant in order to assess its current status and ongoing maintenance requirements;
- e) Discussed proposed receivership steps with the lawyer who was representing many of the residents; and
- f) Made preliminary arrangements with Frontenac to providing funding for the receivership.

Possession and Control

34. Upon receiving the Appointment Order, the Receiver undertook the following critical activities to take possession and control of the Property of Hyde Park:
- a) Confirmed that Stephen Hyde had received a copy of the Appointment Order;
 - b) Provided notice of the Receiver's appointment to all banks used by Hyde Park, and requested that they freeze all accounts;
 - c) Provided notice of the Receiver's appointment to all utilities, security companies, and telephone/internet providers who were delivering services to the Project for the benefit of Hyde Park (some of which had accounts in Courtyard's name) and requested that they continue all such services until further notice. Several follow-up communications were required with most of these parties in order to ensure continued service delivery and proper invoicing;
 - d) Took control of Hyde Park's Property by changing locks at the Water Plant and later at the construction site;
 - e) Took control of the duplicate keys for the townhouses that Hyde Park had kept for emergencies;
 - f) With respect to Apartment A and Immanuel House, the Receiver's capital projects' specialists carried out the following key activities:
 - i.) Walked around the perimeter of the buildings and construction site to inspect the condition of each building from the exterior;

- ii.) Conducted a comprehensive inspection of the condition and presence of equipment and fixtures in each room and common area of Apartment A. This included taking photos and videos of each room and common area, including the basement, to capture current conditions;
 - iii.) Compiled an inventory tracking document for Apartment A, which includes the location, description, model number, serial number, quantity, and photo reference of each piece of equipment and fixture (such as bathtubs, shower stalls, heating units, etc. that are not yet installed);
 - iv.) Conducted a comprehensive inspection of Immanuel House. This included taking photos of each floor level and roof of Immanuel House to capture current construction status and miscellaneous equipment or materials on site. Immanuel House is essentially a concrete shell with the only equipment being scaffolding and temporary shoring;
 - v.) Reviewed the condition of the scaffolding and temporary shoring that currently supports the formwork and reinforcement steel for future pouring of the second floor structural slab in two (2) quadrants of the floor;
 - vi.) Interviewed the current maintenance technician to gain a better understanding of the duties performed on site and the current operation procedures. The Receiver determined that the maintenance technician had the necessary competency, qualifications and knowledge to continue to carry out the maintenance and security requirements; and
 - vii.) Reviewed the site security with the maintenance technician and found that the current system in place, which includes motion sensors and strategically positioned surveillance cameras, was appropriate.
- g) Took possession of books and records, including:
- i.) All files for all townhouse life lessors, purchasers of life leases in phase 3A, and syndicated mortgage investors;
 - ii.) The last three (3) years of financial and accounting records; and
 - iii.) All construction drawings and specifications, site plan agreements, Project binders, change orders, schedules, subcontracts, consultant reports, and other records for the Project.

- h) Carried out a back-up of all electronic information kept at the Project site office used by Hyde Park and Courtyard;
- i) Retained, as temporary employees of the Receiver, (1) the Project's current maintenance technician to continue his work at the Project site on behalf of the Receiver, and (2) the Project's current client service manager to act as the Receiver's representative at the Project site to respond to all resident inquiries and property management issues. Both of these individuals had previously worked for Courtyard. Formal temporary employment agreements were later drawn up and signed, and the Receiver registered with the Workplace Safety and Insurance Board. At a subsequent residents' association meeting, the association agreed with the Receiver's decision to hire these two (2) individuals;
- j) Entered into an agreement with Courtyard permitting the Receiver to change the lock and have exclusive use of one of Courtyard's construction trailers on the Project site (to store all of the boxes of records and drawings that had been seized) along with reasonable access by the Receiver and its new temporary employees to Courtyard's office located at 301 Chestnut Green Private in consideration of the Receiver paying for the utility and communication bills (but not the rent) of the office;
- k) Met with a representative of Brownlee Water Quality Management Inc., the external operator of the Water Plant, to explain the impact of the receivership, and request that the company continue to provide its services with respect to the Water Plant;
- l) Requested the Receiver's legal counsel, Gowling Lafleur Henderson LLP ("**Gowlings**"), to register the Appointment Order on title to the Lands, and
- m) Responded to numerous inquiries from current residents, investors, purchasers of life leases in Apartment A and Immanuel House, and other creditors.

Financial Books and Records

35. Hyde Park is a not-for-profit corporation; thus, it uses fund accounting to track its activities. Hyde Park maintained the following three (3) funds for accounting purposes:
- a) The General Fund – to record the contributions from life lease sales and the costs related to the construction of the Project;

- b) The Operating Fund – to record the monthly occupancy charges collected from life lease holders and the expenses related to the operation and administration of the common elements (including the Water Plant); and
- c) The Reserve Fund – to record the contributions from life lease holders and the expenditures for major repairs and replacement costs of the common elements and assets.

Each of the three (3) funds noted above had its own bank account.

- 36. Hyde Park used a single general ledger to record activities for all three (3) funds, instead of a separate general ledger for each fund. This created difficulties when producing a trial balance or financial statement for only one (1) of the funds since the accounting system could not automatically differentiate the accounts for each fund. Producing such statements was a manual exercise.
- 37. Hyde Park used an older GEAC system for accounting purposes. This system uses an old “DOS” style display and does not appear to have the functionality of newer accounting software.
- 38. Hyde Park’s most recent financial statements (unaudited) are for the six-month period ended June 30, 2013 (attached as **Exhibit “D”**). Management and Project Staff have advised the Receiver that, while some transactions have been posted to the accounts, they cannot confirm that all transactions have been posted since June 30, 2013. Management indicated that the reason for this was the turnover of financial/accounting personnel in the fall of 2013.
- 39. Beginning in the fall of 2013, Pat McCaughan, who had previously provided Hyde Park with accounting assistance before she retired in June 2013, came back once a week to help Hyde Park update some of its accounting records in order to deal with day to day issues (e.g. paying bills).
- 40. Management advised the Receiver that Hyde Park’s financial statements have never been audited or subject to a review engagement by a Chartered Professional Accountant.

Bank Accounts

- 41. Hyde Park had the following balances in its Scotiabank accounts as at February 24, 2014:

Scotiabank account for the General Fund:	\$13.30
Scotiabank account for the Operating Fund:	\$8.37

Scotiabank account for the Reserve Fund: \$30,968.35

The Receiver requested Scotiabank to forward all of these funds to the Receiver.

42. Hyde Park also has \$112,859.07 in a trust account with BMO Harris Private Banking (“**BMO**”) as at February 28, 2014. The Trustee for these funds is BMO Trust Company pursuant to a Trust Agreement with Hyde Park dated July 10, 2003. This trust represents the capital reserve fund for the Water Plant as required by the City pursuant to the Private Communal Water System and Private Communal Wastewater System Responsibility Agreement between Hyde Park and the City (the “**Water System Agreement**”). The Receiver requested BMO to freeze this account but is not able to have these funds transferred to the Receiver’s trust account without approval from the Ontario Ministry of the Environment and/or the City.

Reserve Funds

43. Pursuant to the Life Lease Occupancy Agreement (“**LLOA**”), Hyde Park agreed to maintain two (2) reserve funds; one for the major repairs and capital replacement of the common areas and facilities, services, roadways, sewer, walkways, etc., and one for major repairs and capital replacement of the structural elements, electrical, plumbing and heating systems of the Units. The LLOA requires that five percent (5%) of the annual property management budget be contributed monthly to the reserve funds (in total). The LLOA does not define what portion of the five percent (5%) goes into each fund, but allows the directors of Hyde Park to have sole discretion on how the contributions are to be allocated between the two (2) reserves.
44. The Water System Agreement requires Hyde Park to maintain another capital reserve fund to ensure that adequate funds are available to repair, maintain, replace, and update the Water Plant and related systems. The amount of this reserve is to be determined annually by a calculation of the difference between the calculated replacement cost for the installed infrastructure and the depreciated value of that same infrastructure. This reserve must be topped up every September 1st and must be held in trust for the benefit of those being serviced by the Water Plant.
45. The Receiver has not been able to locate a copy of the initial or any subsequent calculations of this capital reserve fund. Management does not believe that a calculation has been performed for several years. The Receiver has asked the City if it has a copy of any such calculations. To date, the City has not been able to locate any.

46. Hyde Park's Interim Statement of Financial Position for the Reserve Fund, as at June 30, 2013, reports the following reserve or deposit account balances:

1) Townhouse Building Fund	\$63,897
2) Water System and Site Fund	\$115,589
3) Water System Operation Security Deposit	\$36,773
4) Reserve Security Deposit (Water System)	\$52,945
5) Hyde Park Residences Trust	\$111,508

47. Management and/or Project Staff has provided the following explanation for these accounts:

- 1) The Townhouse Building Fund (\$63,897) represents one of the reserve funds required pursuant to the LLOA; thus, the balance would be held in the Scotiabank account for the reserve fund (assuming all the funds reported had actually been deposited into that account);
- 2) The Water System and Site Fund (\$115,589) represents part of a reserve fund required under the LLOA, and part of the capital reserve fund required by the Water System Agreement. Management and Project Staff indicated that the balance for this fund would be held in the BMO trust account (assuming all the funds reported had actually been deposited into that account), even though part of the fund did not relate to the Water System Agreement;
- 3) The Water System Operation Security Deposit (\$36,773) represents a security deposit with the City for operating and maintaining the Water Plant, pursuant to the Water System Agreement. However, to date, the City has reported that it only has a \$32,595 security deposit for this purpose;
- 4) The Reserve Security Deposit (Water System) (\$52,945) represents part of the capital reserve fund required by the Water System Agreement; thus, the balance for this fund would be held in the BMO trust account (assuming all the funds reported had actually been deposited into that account); and
- 5) Hyde Park Residences Trust (\$111,508) also represents part of the capital reserve fund required by the Water System Agreement; thus, the balance for this fund would be held in the BMO trust account (assuming all the funds reported had actually been deposited into that account).

48. Hyde Park financial statements covering the period from January 1, 2011 to June 30, 2013 indicate that Hyde Park transferred funds to the Townhouse Building Fund each year, totalling \$23,747 over the 2.5 year period. However, Scotiabank records indicate that there have been no deposits to the Scotiabank reserve account since at least December 2010.
49. Hyde Park financial statements covering the period from January 1, 2012 to June 30, 2013 indicate that Hyde Park transferred funds to the Water System and Site Fund and the Reserve Security Deposit (Water System) each year, totalling \$50,727 over the 1.5 year period. However, BMO has confirmed to the Receiver that the last contribution made to its account was on October 13, 2011. The Receiver has requested from BMO, but not yet received, account statements for the past three (3) years.
50. The following table sets out the balances that would be expected (before interest) in Hyde Park's two (2) bank accounts used for reserve funds, based on Hyde Park's June 30, 2013 financial statements and the explanations provided above (in paragraph 47), and the actual balances reported by the banks in late February, 2014:

Name of Bank Account	Reported by Hyde Park	Reported by Bank	Difference
Scotiabank Reserve Account	\$63,897	\$30,968	(\$32,929)
BMO Trust Account	\$280,042	\$112,859	(\$167,183)
Total	\$343,939	\$143,827	(\$200,112)

51. Management and Project Staff confirmed that the amounts reported as reserve fund balances on the financial statements were amounts that were supposed to be in the reserve accounts, and not the amounts that were actually in these accounts. Management was unable to confirm where the missing reserve funds were spent. They believe that the funds may have been spent on construction activity or operations. The Receiver has not investigated where these funds were used as this would be a substantial undertaking with little benefit to the realization process. If such an investigation were to be undertaken, the Court would have to determine which party (i.e. the mortgagees or the residents) would be responsible for the associated costs.
52. Based on available property management budgets and financial statements of Hyde Park, and the five percent (5%) annual contribution requirement, the

Receiver has estimated that the LLOA reserves should equal approximately \$133,000 in total if funds were contributed each year since residents started moving into the ninety-two (92) townhouses. Thus, there appears to be a shortfall of approximately \$101,032 between the reserve funds required under the LLOA and the actual amount on deposit with Scotiabank (i.e. \$30,968). However, as noted above, Management has indicated that part of the LLOA reserves would be held in the BMO trust account. The exact amount is unknown.

53. The Receiver is unable, at this time, to estimate what the capital reserve fund for the Water System Agreement should be, as it has not been able to locate a copy of the initial or any subsequent calculations of this reserve.

Security Deposits with the City, and Deferred Development Charges

54. Based on its discussions with City representatives, Gowlings has advised the Receiver that the City is holding approximately \$647,000 in security deposits provided by Hyde Park that relate to its site plan agreements for the Project. These deposits should eventually be released as the Project is completed. As noted above in paragraph 47, the City is also holding a \$32,595 security deposit pursuant to the Water System Agreement.
55. Gowlings advised the Receiver that, on March 4, 2014, the City transferred \$673,132 in deferred development charges to the Lands' tax roll. This amount is now due and owing. Gowlings believes that this amount will have to be paid in priority to the mortgages on title in order for the Receiver to deliver clear title to a purchaser. As there are currently insufficient funds available to pay this amount, and given the receivership, Gowlings will be requesting that the City continue to defer collection of this amount (and waive interest and penalties) until the Lands are sold. Gowlings has advised the Receiver that the City cannot set off these development charges against the security deposits noted above in paragraph 54.

Insurance

56. Hyde Park had four (4) insurance policies in place to provide coverage for liability and property damage for the ninety-two (92) townhouses, the Water Plant and the two (2) incomplete buildings (i.e. Apartment A and Immanuel House). Upon taking possession of the Property, the Receiver confirmed that all policies were still in force. The Receiver advised HJM Insurance & Financial Services Ltd., Hyde Park's insurance broker, of the receivership on February 24, 2014 and requested that all insurance coverage be continued until further notice. The broker confirmed that it would contact the insurers on the Receiver's behalf.

57. Requirements for insurance coverage with respect to the ninety-two (92) townhouses and the Water Plant are set out in the LLOA and in the Water System Agreement. Two (2) out of the four (4) insurance policies noted above provide coverage for these areas, and continue to be in force. These two (2) policies were provided by Aviva Canada Inc. and Elliott Special Risks. The current townhouse life lease holders are responsible for the cost of this insurance through their monthly occupancy charges.
58. The Receiver retained ProInCon, an insurance consultant, to advise it on insurance matters. ProInCon reviewed the LLOA and the Water System Agreement in order to assess whether the two (2) policies noted above met all of the requirements of the above noted agreements. ProInCon advised the Receiver that there are some gaps in coverage, mainly with respect to the Water System Agreement. Management and Hyde Park's insurance broker have advised the Receiver that the City had previously agreed to the existing insurance coverage (notwithstanding the specific language of the Water System Agreement). The Receiver is currently following up with the City.
59. The other two (2) insurance policies, which covered the incomplete buildings, were provided by Great American Insurance Group ("**Great American**"). These policies had recently been renewed in early January 2014 and extended to June 5, 2014 at the request of Pillar, who represented the first mortgagee. Frontenac was paying the insurance premiums for these policies as protective disbursements on the mortgage.
60. On March 6, 2014, the Receiver received notice that Great American was cancelling its two (2) policies for Hyde Park effective March 10, 2014. After reviewing this matter with its legal counsel, the Receiver instructed Gowlings to send a letter to Great American advising it again of the receivership and the requirements of the Appointment Order, and that the Receiver had required that the policies continue in full force. Gowlings also advised Great American that, if it believed there were grounds upon which to terminate the policies, it should schedule a time to have the matter brought before the Court in order to resolve the issue. As Great American did not respond to Gowlings' first letter dated March 11, 2014, Gowlings sent two (2) additional follow-up letters dated March 24 and 31, 2014 and attempted to contact a representative of Great American by telephone. A copy of Gowlings letters are attached as **Exhibit "E"**. As at the date of this First Report, Gowlings has not received a response from Great American.
61. On March 14, 2014, Mr. Tim Sunderman, a representative of Great American spoke to Mr. Wayne Fast, a representative of ProInCon, the Receiver's insurance

consultant. Mr. Fast informed the Receiver that Mr. Sunderman advised him of the following:

- a) Great American had received Gowlings' letter dated March 11, 2014;
- b) It was Great American's position that coverage was cancelled in accordance with policy provisions, and more specifically because the policy does not insure loss of or damage to property at locations which, to the knowledge of the insured, are vacant, unoccupied or shut down for more than 30 consecutive days; and
- c) With respect to the policy extension it recently granted to Hyde Park (i.e. January 5 to June 5, 2014), Great American was under the impression from its correspondence with the broker that, although there has been some delays, the owner had made progress in resolving the issues with contractors and work would commence once again.

Mr. Fast requested Mr. Sunderman to provide a response directly to Gowlings.

62. The Receiver investigated alternate insurance coverage for the incomplete buildings. The best coverage available contained the following attributes as compared to the existing Great American policies:

Terms	Alternate Policy	Great American Policies
Insurance Limit	\$12.0 million	\$32.7 million
Deductible	\$50,000	\$10,000
6 month premium	\$63,000	\$42,884
Coverage for theft or vandalism	No	Yes
Coverage for water damage	Limited	Yes
50% of premium is earned immediately	Yes	No

63. Based on discussions with Gowlings, and the information and documents available at this time, the Receiver believes that the insurer cannot cancel its policies without leave of the Court. The Receiver has therefore not placed alternate insurance at this time since there would be an immediate non-refundable cost of \$31,500. Given the uncertainty of this situation, the Receiver requests that the Court confirm that the Appointment Order, and specifically paragraphs 13 and 14 of the Order, applies to the insurance policies provided by Great American which cover the incomplete buildings on the Lands.

Status of Investments, and Deposits made by Purchasers of Life Leases, in Apartment A or Immanuel House

64. Gowlings has reviewed approximately one-quarter of Hyde Park's records pertaining to investors who advanced monies to Hyde Park in respect of the construction of Apartment A and Immanuel House, as well as records pertaining to individuals who appear to have entered into agreements with Hyde Park to purchase life leases in Apartment A and Immanuel House.
65. Based on their review, Gowlings concluded that the records indicate that some investors were informed by Hyde Park that their investments were included in mortgages registered against title to the Lands, while in other files there is no indication that the investment was included in a mortgage. It is also not clear whether the records are complete. There are also records that indicate that some individuals who agreed to purchase life leases have had their deposits secured by mortgages registered against title to the Lands. It is also apparent that some individuals who provided deposits to purchase life leases later cancelled their agreements with Hyde Park and were either not repaid their deposits or agreed to transfer their purchase deposit into financial investments in the Project.
66. The Receiver does not plan to investigate the validity or priority of possible secured claims held by investors, or purchasers of life leases, in Apartment A and Immanuel House unless it becomes apparent that the Property will realize more than approximately \$11 million. This is the amount that the Receiver currently estimates will be required to pay all secured claims that rank ahead of all the investors and purchasers (assuming they are secured).
67. Gowlings has advised the Receiver that individuals who agreed to purchase life lease interests in Apartment A or Immanuel House pursuant to LLOAs would have a possible claim against Hyde Park for any deposits that the individuals have paid to Hyde Park but not an interest in the Lands. Therefore, the Receiver will be able to sell the Lands free and clear of the rights of purchasers of these life lease interests as the transactions contemplated under those LLOAs were never completed.

Hyde Park Assets Being Held by Third Parties

68. The Receiver was advised by Management that X-L-Air Energy Services Ltd. ("**X-L-Air**"), the mechanical sub-contractor on the Project, was holding mechanical equipment in storage that had been originally delivered to the Project site, and then subsequently retrieved by X-L-Air. As at January 9, 2014, X-L-Air's legal counsel offered to release the equipment to Hyde Park or its creditors upon payment of

storage costs totalling \$75,661, including HST (but excluding the cost of hoisting and moving the equipment from X-L-Air's storage area). The Receiver believes that the cost value of this equipment to be several hundred thousand dollars, subject to an inspection of the equipment which the Receiver is trying to arrange through legal counsel.

69. The Receiver has asked Gowlings to follow-up with X-L-Air's legal counsel to investigate the basis for the claimed storage charges. This matter is still being pursued.

Third Party Assets on the Project Site

70. Shortly after taking possession, the Receiver learned that Aluma Systems Inc. ("**Aluma**"), a subcontractor of Landform Canada Construction Ltd. (who was a subcontractor of Courtyard, and one of the Lienholders) owned the support shoring systems that had been rented to Landform and were still on the Project site. These could not be removed from the Project site without damaging Immanuel House, since part of the second floor had not been completed. Based on Aluma's invoice, the rental cost of these shoring systems is \$19,058.66 per month (including HST). This will add up to \$228,704 a year. Gowlings has advised that the ongoing rental charges for these shoring systems will be the responsibility of the Receiver, should the Receiver wish that the shoring systems remain on site (since they cannot be removed without damaging the building). The Receiver has requested a copy of the rental contract from Aluma's legal counsel in order to confirm pricing on its invoices.
71. The Receiver retained the structural engineer of record for this Project to inspect the second floor of Immanuel House and estimate the cost to complete the floor so that the Aluma support shoring system could be removed. The engineer estimated the cost to be approximately \$207,000 (including HST). In addition, this work will require additional time of the Receiver's capital projects' specialists to coordinate and oversee the work. Given these costs, it is the Receiver's intention to hold off on this work until the initial results of the Receiver's marketing plan are known. If it appears that a sale could be completed relatively quickly, the Receiver will not complete the second floor, and instead will pay the rental costs associated with Aluma's shoring systems. If it appears that a sale will take a longer period to complete, the Receiver will request additional financing and proceed to complete this work.
72. There is some other miscellaneous equipment on site (e.g. scaffolding, step ladders) but no party has yet made a claim for it.

Property Management Issues for the Current Residents

73. As indicated earlier in this First Report under “*Possession and Control*”, the Receiver took over Hyde Park’s role as property manager for the ninety-two (92) occupied townhouses and Water Plant on the Lands. More specifically, the Receiver:
- a) Froze Hyde Park’s bank account used for property management activities. There was \$8.37 in this account, but there are several invoices for services (e.g. telephone, snow removal, and water testing) that had not been paid;
 - b) Provided notice of the receivership to all service providers for the Water Plant (including utilities, telephone/internet companies, the security service, and the water system operator), as well as other service providers who were delivering services for the benefit of the townhouses, and requested that these services be continued until further notice;
 - c) Changed locks at the Water Plant;
 - d) Took possession of relevant books and records, including all files for the ninety-two (92) life lease holders;
 - e) Retained, as temporary employees of the Receiver, the Project’s current maintenance technician and the Project’s current client service manager to respond to all resident inquiries and property management issues. The maintenance technician also inspects and helps to monitor the Water Plant every day;
 - f) Arranged for access by the Receiver and its new temporary employees to Courtyard’s office located at 301 Chestnut Green Private on the Lands;
 - g) Collected all post-dated cheques that the residents had submitted to Hyde Park for monthly occupancy charges. These cheques are being deposited into the Receiver’s trust account for property management activities each month. One resident is late in providing the occupancy fee for March 2014, and the Receiver is following up. This resident also appears to be in arrears for a payment due in 2013, but it is difficult to confirm as Hyde Park’s financial records were not up to date;
 - h) Met with the residents’ association to explain the receivership and the impact going forward;
 - i) Arranged for BluMetric, an independent water system engineering company, to inspect and evaluate the operational condition of the Water Plant. BluMetric

concluded that the Water Plant was in good operating condition and was currently being operated as required by O.Reg. 170/3. Some minor issues (of an operational nature) were noticed and these will be followed up on by the Receiver;

- j) Entered into a new monthly contract with Brownlee Water Quality Management Inc., the external operator of the Water Plant, to continue providing its services;
- k) Took assignment of the snow removal contract with J&M Harvey from 'Hyde Park – A Living Presence in Canada Inc.' (a company related to Hyde Park); and
- l) Issued a request for proposals to provide summer lawn and grounds maintenance. Proposals are expected back by April 15, 2014.

74. In addition to the above noted activities, the Receiver has prepared a draft property management budget to assess whether the current occupancy charges (determined by Hyde Park's 2014 budget) would be sufficient to cover all costs related to the townhouses and the Water Plant. Attached as **Exhibit "F"** is a comparison of the Hyde Park budget and the Receiver's draft budget, with notes explaining how the various amounts were estimated. Based on its draft budget, the Receiver believes that the current level of occupancy charges should be sufficient to cover all property management expenses except for the following:

- 1) "Reserve Transfer – Water". This budget item represents a transfer to the capital reserve fund as required by the Water System Agreement. Currently, the Receiver has allocated \$3,200 for this transfer, which represents the remaining funds in the Receiver's budget after accounting for all other expenses. It is anticipated that the required transfer will be substantially more, especially given that the actual funds in the trust account at BMO are significantly less than the funds reported in the capital reserve fund (per Hyde Park's financial statements). As noted earlier in paragraph 45, the Receiver has not been able to locate a copy of the initial or any subsequent calculations of this capital reserve fund. Management does not believe that a calculation has been performed for several years; and
- 2) The professional fees of the Receiver and its legal counsel.

75. Hyde Park's 2014 budget, shown on **Exhibit "F"**, allocates \$20,160 to "Reserve Immanuel House" and \$18,492 to "Mortgage Payment". The LLOAs for the residents indicates that a portion of the occupancy charges will be allocated to one or both of these items. Some residents indicated that the amount allocated was \$50.00 per month for each of the ninety-two (92) townhouses. Management

advised the Receiver that “Reserve – Immanuel House” represented a notional fund to help finance the cost of building the community centre (i.e. there are no funds set aside in a bank account for this purpose), and that “Mortgage Payment” represented funds used to reduce the mortgage held by Courtyard (which has an estimated balance outstanding of approximately \$68,000). This mortgage appears to be fourth in priority among the seven (7) mortgages registered on title to the Lands. Based on advice from Gowlings, the Receiver will not be allocating any of the occupancy charges for these items at the current time.

76. The Receiver has agreed to attend a meeting with all residents, which had previously been arranged for April 14, 2014, to respond to any issues they have, and to get input on the Receiver’s draft property management budget.
77. If it appears that a sale of the Property cannot be completed within the timelines outlined below under *Proposed Marketing and Sale Process*, the Receiver will consider requesting proposals from professional property management companies to take over this role from the Receiver. Property management fees would be a cost to the residents.

Ongoing Oversight of Apartment A and Immanuel House

78. As part of the ongoing requirement to provide site safety and security, one of the Receiver’s capital projects’ specialists conducts regular reviews of the Project site. Every two (2) weeks, this person carries out the following activities:
 - 1) Conducts a walkthrough around the perimeter of the site to review the general condition of the building exterior;
 - 2) Walks through the interior units of Apartment A, and each level of Immanuel House, to check current conditions;
 - 3) Reviews site conditions and reports on any changes from the prior visit;
 - 4) Inspects each room of Apartment A. The equipment and fixtures in the rooms are confirmed with those captured in the original inventory list (prepared when taking possession on February 21, 2014) to ensure that no changes have occurred;
 - 5) Meets with the maintenance technician to receive an update on the past two (2) weeks and any concerns moving forward. The maintenance technician, who is the same person providing maintenance services to the residents, is on the Project site every day, and conducts a daily cursory inspection and visual walk around Apartment A and Immanuel House. He ensures that the sump pump in

Apartment A is running and that propane heaters are running when it's cold. His wages for this work are not charged to the residents; and

- 6) Completes a checklist to ensure that all aspects of the inspection are adequately captured during each visit.
79. The Receiver estimates that the ongoing costs of utilities, insurance, security, maintenance, equipment rental, etc. for the incomplete buildings (excluding the professional fees of the Receiver and its legal counsel) will be approximately \$32,000 per month until the Property is sold.

Proposed Marketing and Sales Process

Overview:

80. The Receiver proposes to directly market the Property through a focused target marketing process using Deloitte's real estate specialists. Members of the Deloitte real estate team have reviewed this Property and believe that the opportunity will be of interest to both residential developers and seniors housing developers/operators.
81. The Property will be marketed on an "as is, where is" basis. The broad objectives of this process are to obtain the highest and cleanest offer (i.e. the least conditional offer). The Receiver's marketing process will be structured as a competitive bidding process where prospective purchasers are invited to submit binding offer submissions, including a mark-up of a Template Agreement of Purchase and Sale ("**Template Sale Agreement**"), attached as **Exhibit "G"**, and cash deposit, by a date specified in the offering materials (the "**Offer Date**"). The Receiver will then review the offers and meet with bidders to seek clarification regarding proposed amendments to the Template Sale Agreement and their offer price.
82. The three (3) main phases and anticipated timelines of the Receiver's proposed marketing and sales process are as follows:

Phase 1: Pre-marketing Process (2 to 4 weeks):

83. The pre-marketing process will involve the following tasks:
 - a) Conduct a comprehensive review of all available reports, plans, agreements, and other documents that will be required by, or be of interest to, a prospective purchaser. This review has already been started by the Receiver;

- b) Prepare an email teaser and Property information sheet/brochure for direct marketing. These materials will contain provide recipients with sufficient information to evaluate the opportunity. The email teaser will include embedded links to the Property brochure and a Non-Disclosure Agreement (“**NDA**”). Upon receipt of the executed NDA, prospective purchasers will be granted access to a Confidential Information Memorandum and data room;
- c) Finalize the target list that will be used for email distribution and follow up calls with a wide range of real estate market participants. While the Receiver anticipates “casting a wide net”, it will focus on residential developers who are active in the Ottawa market and on Deloitte’s national list of seniors housing developers/operators engaged in the development, operation and management of Independent Living, Assisted Living and Long-Term Care properties;
- d) Prepare a Confidential Information Memorandum (“**CIM**”), which is a more comprehensive document that provides detailed information in respect of the Property based on the documentation obtained from Hyde Park and the City, and potentially augmented by local real estate market data. Typically, content will include:
 - i.) Offering summary: overview of key features of the Property;
 - ii.) Offering process: outline of submission dates, documents and deposit requirements;
 - iii.) Property location: site location, surrounding uses, etc.;
 - iv.) Legal description and land use regulations: address and legal description, identification of any encumbrances on title, designation and zoning;
 - v.) Building details: site plan, elevations, status or building condition report details;
 - vi.) Financials / operating expenses: expenses associated with operations/maintenance of existing buildings and/or pro forma financials;
 - vii.) Market information: overview of relevant real estate market indicators; and
 - viii.) Legal: disclaimer and confidentiality/indemnification.

The CIM will also include the terms and conditions of any sale by the Receiver and a form of offer. A copy of the form of offer and the Conditions of Sale are attached hereto as **Exhibit "H"**.

- e) Create and populate a secure electronic data room. As well, copies of plans and other documents will be made available for on-site inspection; and
- f) Prepare print advertisement. In addition to the targeted marketing process, the Receiver will run print advertisements in the commercial real estate section of a national newspaper to provide broader exposure. Based on experience, this has been an effective approach to attract smaller, independent developers/investors.

Phase 2: Marketing Process (6 to 8 weeks):

84. The Receiver believes that a marketing period of up to approximately 6 to 8 weeks will be sufficient to expose the Property and permit qualified parties to conduct due diligence and to determine if they will make an offer, while at the same time minimizing the uncertainty and costs of a prolonged receivership period. The marketing process will involve the following activities:
- a) Email the teaser to the Receiver's target list and place the print advertisement;
 - b) Contact parties identified on the target list and others that made enquiries as a result of the print ad to gauge interest and document why they were or were not interested in the Offering. This documentation will be included as part of the Receiver's reporting to the Court;
 - c) Maintain a list of parties that have been contacted, track the feedback received from these parties, and record those parties who have asked for or been granted access to the electronic data room. The Receiver will also monitor activity in the data room to understand what each party that has been granted access to the data room has downloaded; and
 - d) The Receiver will arrange site visits for interested parties, subject to requests.

Phase 3: Receipt and Review of Offers (2 weeks)

85. Following receipt of offers on the Offer Date, the Receiver will carry out the following steps:
- a) Review the offer submissions, including the nature, extent and materiality of mark-ups to the conditions contained in the Template Sale Agreement. The findings of this review will be summarized;
 - b) Compare the offer submissions to the appraisal commissioned by the Receiver. After requesting proposals from three (3) accredited appraisers who specialize in seniors' communities, the Receiver has retained CBRE Limited to conduct an

appraisal of the Lands on a forced sale “as is” basis in order to permit the Receiver to properly evaluate all offers to purchase the Property;

- c) Following the Receiver's review of all submitted offers, the Receiver may, at its option, short-list the most competitive offers and arrange meetings with the bidders to seek clarification from any of the offerors regarding the terms of a submitted offer, reject any of the offers submitted or request all of the short-listed offerors to submit revised and/or improved offers to purchase the Property or to otherwise address any issues or concerns raised by the Receiver. There shall be no obligation on the part of the Receiver to provide any offeror with the opportunity to amend or otherwise improve the terms of its offer following the Offer Date, and the Receiver reserves the right not to accept necessarily the highest offer; and
- d) Upon confirmation of final bids and their conditionality, the Receiver will recommend a bid to the Court for approval.

Procedures for Sale

- 86. All sales will be on an "as is, where is" basis. Each offeror will be solely responsible for inspecting the Property and satisfying itself as to title to the Property it is offering to purchase. The Receiver will not provide any representations or warranties with regard to title, merchantability, condition, description, fitness for purpose, quality, quantity or any other matter or thing regarding the Property.
- 87. The Receiver proposes to retain the option to negotiate with a sales broker or buying agent of a potential purchaser, and to provide a partial sales commission if deemed appropriate, subject to future Court approval of any sales transaction.
- 88. The Receiver shall not be bound to sell the Property until it has entered into a binding agreement of purchase and sale and received approval to complete such transaction from the Court. The Receiver reserves the right to withdraw the Property from the sale.
- 89. The Receiver's legal counsel will draft the closing book documentation with respect to any sale transaction.

Receiver's Interim Statements of Receipts and Disbursements

90. Given the three (3) funds used by Hyde Park, the Receiver has set up three (3) trust accounts:
- 1) A 'Property Management Account' to record all receipts and disbursements relating to the ninety-two (92) townhouses and the Water Plant;
 - 2) A 'Reserve Account' to record all receipts and disbursements relating to reserve funds; and
 - 3) A 'General Account' to record all receipts and disbursements relating to all other receivership matters excluding those that relate to property management or reserve funds.
91. The Receiver attaches as **Exhibit "I"**, a copy of its Interim Statements of Receipts and Disbursements, as at March 31, 2014, for the three (3) trust accounts noted above.
92. To date, the Receiver has received \$250,000 in funding from Frontenac. These funds are reflected in the Receiver's Interim Statement of Receipts and Disbursements for its General Account. In accordance with the Appointment Order, these funds form a first charge on the Property, subordinate only to the Receiver's Charge.

Requests to the Court

93. For the reasons set out above, the Receiver requests that the Court make an Order:
- a) Approving the activities of the Receiver as described in this First Report;
 - b) Confirming that the Appointment Order, and specifically paragraphs 13 and 14 of the Order, applies to the insurance policies provided by Great American Insurance Group which cover the incomplete buildings on the Lands; and
 - c) Authorizing the Receiver to carry out the sale of the Property pursuant to the proposed marketing and sales plan, including, without limitation, the Conditions of Sale attached as **Exhibit "H"** and the Template Agreement of Purchase and Sale attached as **Exhibit "G"**.

All of which is respectfully submitted, this 7th day of April 2014.

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

Per:

A handwritten signature in blue ink, appearing to read "John Saunders", with a stylized, cursive script.

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

Exhibit "A"

Order of Justice Beaudoin, dated February 20, 2014

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)
JUSTICE *Robert W. Beaudry*)

THURSDAY, THE *20th* DAY
OF FEBRUARY, 2014

FRONTENAC MORTGAGE INVESTMENT CORPORATION

Applicant

and

HYDE PARK RESIDENCES INC.

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43 and Rules 14.05(2) and (3) (d), (g) and (h) of the *Rules of Civil Procedure*

ORDER

THIS APPLICATION made by Frontenac Mortgage Investment Corporation ("Frontenac") 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 Restructuring Inc. as receiver and manager (collectively referred to as the "Receiver") without security, of the assets, undertakings and property of Hyde Park Residences Inc. (the "Debtor") more particularly described herein, was heard this day at 161 Elgin Street, Ottawa, Ontario.

ON READING the affidavit of Leo Lee sworn January 31, 2014 and the Exhibits thereto and on hearing the submissions of counsel for Frontenac Mortgage Investment Corporation, and on reading the consent of Deloitte Restructuring Inc. to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application is hereby abridged 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 Restructuring Inc. is hereby appointed Receiver, without security, of all of the lands and premises legally described in Schedule "B" hereto (the "Lands") and all of the Debtor's interest in assets and undertakings of any kind or nature, present and after-acquired, and located on or solely pertaining to the Lands or used in relation to, the development of the Lands and construction of improvements thereon, including all proceeds thereof (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;
- (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 all or part of the business of the Debtor, including the powers to enter into any agreements, incur 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 Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons 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;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) 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 Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) 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 Debtor, 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;

- (k) 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;
- (l) 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 \$200,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; 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*, and Section 31 of the Ontario *Mortgages Act* shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (m) 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;
- (n) 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;

- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) 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 Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) 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 Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtor, Courtyard Developments Inc. and Hyde Park – A Living Presence in Canada Inc., (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its 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 the Receiver be given access to the office premises at 301 Chestnut Green Private, Richmond, Ontario, K0A 2Z0 which the Debtor, Courtyard Developments Inc. and Hyde Park – A Living Presence in Canada Inc. have used for the development and management of the Property (the "Office Premises"). The Receiver shall, at its discretion, be entitled to rent and make use of the Office Premises, and any equipment contained therein, at a per diem rent equivalent to the rent that the Debtor, Courtyard Developments Inc. and/or Hyde Park – A Living Presence in Canada Inc. is presently required to pay.

6. **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 Debtor, 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 6 or in paragraph 7 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.

7. **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, or all Persons having access to 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.

8. **THIS COURT ORDERS** that the Land Registry Office for the appropriate Land Title Division is hereby directed to register a copy of this order on title of the real properties of the Debtor, the particulars of which are attached as Schedule "B" hereto.

UNDERTAKING AS TO DAMAGES

9. **THIS COURT ORDERS** that the necessity for an undertaking as to damages is hereby dispensed with.

NO PROCEEDINGS AGAINST THE RECEIVER

10. **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 DEBTOR OR THE PROPERTY

11. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor 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 Debtor or the Property are hereby stayed and suspended pending further Order of this Court. Notwithstanding the provisions of this paragraph, this court orders that Rasmussen Starr Ruddy LLP may release the funds held in its

trust account to the lien claimants identified in the report of Master Calum MacLeod dated December 27, 2013.

NO EXERCISE OF RIGHTS OR REMEDIES

12. **THIS COURT ORDERS** that all rights and remedies against the Debtor, 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 nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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. Notwithstanding the provisions of this paragraph, this court orders that Rasmussen Starr Ruddy LLP may release the funds held in its trust account to the lien claimants identified in the report of Master Calum MacLeod dated December 27, 2013.

NO INTERFERENCE WITH THE RECEIVER

13. **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 Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

14. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor 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, utility or other services to the Debtor, or to 6143 Perth Street, Richmond, Ontario, or to 301 Chestnut Green Private, Richmond, Ontario, or for the benefit of the Debtor, 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 Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, or telephone numbers, facsimile numbers, internet addresses and domain names in the names of third parties but being used for the benefit of the Debtor, 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 Debtor 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

15. **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

16. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. 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, wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, 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

17. **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 (i) current employees and, (ii) current life lessees, only 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") and for the sole purpose of assisting or facilitating the prospective purchaser's or bidder's negotiation or discussion with said employees and/or life lessees – in respect of said employees – of future employment with the prospective purchaser or bidder, or – in respect of the life lessees – the future development of the Property, changes to existing life leases and/or the provision of services to life lessees. 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 Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

18. **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

19. **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

20. **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, 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.

21. **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 or master of the Ontario Superior Court of Justice.

22. **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

23. **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 \$750,000 (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.

24. **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.

25. **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.

26. **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.

27. **THIS COURT ORDERS** that notwithstanding paragraphs 23 to 26 inclusive above, and as an alternate thereto, the Receiver is hereby authorized to borrow money to fund the exercise of its duties hereunder by way of advances from the Applicant, which advances shall be secured by the Applicant's security on the Property (including, without limitation, the Mortgage as defined in and as attached as an Exhibit to the Affidavit of Leo Lee sworn January 31, 2014) with the same priority that may attach to such security and at a rate of interest of 9.5 per cent per annum, calculated monthly and not in advance.

28. **THIS COURT ORDERS** that the individuals who reside on the Lands and who are signatories or assignees of life lease occupancy agreements with the Debtor which are registered on title of the Lands (the "Life Lessees") shall pay their applicable occupancy charges to the Receiver and the Receiver shall deliver to the Life Lessees the goods and services presently being provided by the Debtor pursuant to the terms of the life lease occupancy agreements in effect between the Debtor and the Life Lessees (the "Goods and Services for Life Lessees"). If the costs incurred by the Receiver in the provision of Goods and Services for Life Lessees exceeds the occupancy charges received from the Life Lessees, and notwithstanding any provision to the contrary in the life lease occupancy agreements, the Receiver is entitled to recover the shortfall from the Life Lessees in a manner to be agreed to between the Receiver and the Life Lessees or in a manner, and in an amount, ordered by this court.

GENERAL

29. **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.

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

31. **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.

32. **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.

33. **THIS COURT ORDERS** that the Applicant shall have its costs of this Application, 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 Debtor's estate with such priority and at such time as this Court may determine.

34. **THIS COURT ORDERS** that the Receiver be at liberty to serve this Order, any other materials and orders in this proceeding, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Debtor's creditors or other interested parties at their respective addresses as listed in the Service List or as recorded in the records of the Debtor and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the

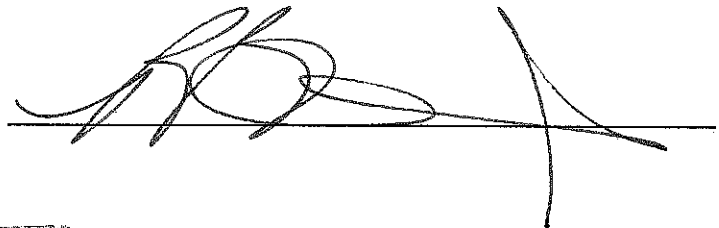
date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

35. **THIS COURT ORDERS** that the Applicant and the Receiver and any party who has served a Notice of Appearance, may serve any materials in this proceeding by e-mailing a pdf or other electronic copy of such material to counsels' email address as recorded on the Service List from time to time.

36. **THIS COURT ORDERS** that the Receiver is hereby authorized to post a copy of this Order and any subsequent proceedings and orders of this court on its website at http://www.deloitte.com/view/en_CA/ca/specialsections/insolvencyandstructuringproceedings/index.htm.

37. **THIS COURT ORDERS** that the Receiver is authorized to serve its reports in these proceedings on the Debtor, its creditors and other interested parties by posting any such reports on the Website.

38. **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, provided that nothing in this section operates to extend any applicable appeal period.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above a horizontal line.

ENTERED AT OTTAWA INSCRIT A OTTAWA
ON/LE FEB 20 2014
DOCUMENT # 591
IN BOOK NO. 73-13
AU REGISTRE NO. 73-13

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. ●

AMOUNT \$ ●

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver and manager (the "Receiver") of certain real property of Hyde Park Residences Inc. (the "Debtor") and all of the Debtor's interest in assets and undertakings of any kind or nature, present and after-acquired, and located on or solely pertaining to the real property or used in relation to, the development of the real property and construction of improvements thereon, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the ● of February, 2014 (the "Order") made in an action having Court file number ●, 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 \$ ● which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the ● day of each month] after the date hereof at a notional rate per annum equal to the rate of ● per cent above the prime commercial lending rate of Bank of ● from time to time.

3. 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.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.
5. 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.
6. 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.
7. 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 _____, 2014.

Deloitte Restructuring Inc., solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: _____

Name:

Title:

SCHEDULE "B"

LEGAL DESCRIPTION

PIN 04437 – 0016 LT

Description PCL 96-2, SEC 4D-22; PT UNIT 96, PL 4D-22, PART 1, 4R2141; S/T LT245432. GOULBOURN. SUBJECT TO AN EASEMENT IN FAVOUR OF CITY OF OTTAWA AS IN OC237114, SUBJECT TO AN EASEMENT IN FAVOUR OF CITY OF OTTAWA AS IN OC268744. TOGETHER WITH AN EASEMENT OVER PART OF UNIT 94 ON PLAN 4D-22, DESIGNATED AS PARTS 3, 4, 5, AND 6 ON PLAN 4R-21531 AS IN OC689066. SUBJECT TO AN EASEMENT IN FAVOUR OF PART OF UNIT 96 ON 4D-22, BEING PART 2 ON 4R-21530 OVER PART 4 ON 4R-21530 AS IN OC685443, SUBJECT TO EASEMENT IN GROSS AS IN OC846825. TOGETHER WITH EASEMENT OVER PART OF UNIT 94 PLAN 4D22 PART 8 PLAN 4R23098 IN FAVOUR OF PART OF UNIT 96 PLAN 4D22 PART 1 ON PLAN 4R2141 AS IN OC910959. SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 10 AND 11 ON PLAN 4R23098 AS IN OC911266. SUBJECT TO AN EASEMENT IN GROSS OVER PART 7 ON PLAN 4R23098 AS IN OC911267.

Address RICHMOND

PIN 04437 – 0259 LT

Description PART OF UNIT 94 ON PLAN 4D-22, DESIGNATED AS PARTS 1 AND 2 ON PLAN 4R-21531. OTTAWA. TOGETHER WITH AN EASEMENT OVER PART OF UNIT 94 ON PLAN 4D-22, DESIGNATED AS PARTS 3, 4, 5, AND 6 ON PLAN 4R-21531 AS IN OC689066. S/T EASEMENT IN GROSS AS IN OC846825. TW EASEMENT OVER PART OF UNIT 94 PLAN 4D22 PART 8 PLAN 4R23098 IN FAVOUR OF PART OF UNIT 94 PLAN 4R22 PARTS 1 & 2 PLAN 4R21531 AS IN OC910959.; SUBJECT TO AN EASEMENT AS IN LT243953

Address RICHMOND

PIN 04437 – 0261 LT

Description PART OF UNIT 96 ON PLAN 4D-22, DESIGNATED AS PART 1 ON PLAN 4R-21530. OTTAWA. S/T EASEMENT IN GROSS AS IN OC846825.

Address RICHMOND

FRONTENAC MORTGAGE INVESTMENT CORPORATION

Applicant

- and -

HYDE PARK RESIDENCES INC.

Respondent

Court File No. 14-59998

**ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
OTTAWA**

ORDER

GOWLING LAFLEUR HENDERSON LLP
Barristers & Solicitors
Suite 2600
160 Elgin Street
Ottawa ON K1P 1C3
Tel: 613-233-1781
Fax: 613-563-9869
Gordon Douglas (#363590)
Tel: 613-786-8652
Fax: 613-788-3635
Lawyers for the Applicant

Exhibit “B”

Notice and Statement of Receiver



Deloitte Restructuring Inc.
800 - 100 Queen Street
Ottawa ON K1P 5T8
Canada
Tel: (613) 236-2442
Fax: (613) 563-2244
www.deloitte.ca

NOTICE AND STATEMENT OF THE RECEIVER
Amended
(Subsections 245(1) and 246(1) of the Bankruptcy and Insolvency Act)

The receiver gives notice and declares that:

1. On the 21st day of February 2014, Deloitte Restructuring Inc. became the receiver of the property of Hyde Park Residences Inc. that is described below:

<u>Asset</u>	<u>Book Value</u>
Cash and investments:	
Scotiabank account – Sales	\$ 13
Scotiabank account – Operating	8
Scotiabank account – Reserve	30,968
BMO Harris Private Banking account – Reserve	112,859
Deposits with City of Ottawa	635,420
Accounts Receivable	76,726
Work in Process	28,722,536
Fixed Assets:	
Building	13,415,161
Pump house	396,917
Infrastructure, Roads, and Utilities	3,136,693
Real Property	899,529

2. Deloitte Restructuring Inc. became a receiver by having taken possession or control of the property described above pursuant to an Order of the Ontario Superior Court of Justice dated February 20, 2014.
3. The undersigned took possession or control of the property described above on the 21st day of February 2014.
4. The following information relates to the receivership:

(a) Address of insolvent person:

Hyde Park Residences Inc.
1 Neely Street
Dunrobin, ON, K0A 1T0

(b) Principal line of business:

Developer of seniors' community

(c) Location of business:

6143 Perth Street
Richmond, ON
K0A 2Z0

(d) Amount owed by insolvent person to each creditor who holds a security on the property described above:

1. Frontenac Mortgage Investment Corporation.	\$ 5,193,203
2. X-L-Air Energy Services Limited on behalf of several sub-contractors*	4,736,982
3. Stephen Hyde in his capacity as trustee on behalf of various lenders*	1,126,045
4. Courtyard Developments Inc.*	64,316
5. Stephen Hyde on behalf of various lenders*	3,000,000
6. Stephen Hyde in his capacity as trustee on behalf of life lease occupancy agreements*	12,000,000
7. Stephen Hyde in his capacity as a trustee for lenders*	1,000,000

*Note: Amounts do not reflect accumulated unpaid interest.

8. The list of other creditors of the insolvent person and the amount owed to each creditor and the total amount due by the insolvent person is as follows:

See Attached list

9. The intended plan of action of the receiver during the receivership, to the extent that such plan has been determined, is as follows:

- Assess value of property;
- Provide property management services to existing residents of property located in Richmond, Ontario;
- Determine best approach to realize on the property for the benefit of creditors;
- With approval of the Court, carry out marketing and sale of the property;
- Distribute net proceeds of realization to creditors in order of priority.

10. Contact person for receiver:

Melissa Brown
800-100 Queen Street,
Ottawa, ON K1P 5T8
Tel: (613) 751-5232
Fax: (613) 563-2244
E-mail: melisbrown@deloitte.ca

Dated at OTTAWA, this 3rd day of March 2014

DELOITTE RESTRUCTURING INC.

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

Per:



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

**Hyde Park Residences Inc.
Unsecured Creditors**

No.	Name of Creditor	Unsecured Claim
1	Andrea and Montague Doyle	\$ 12,094
2	Grace Geertsema	\$ 10
3	Amy Huang	\$ 3,530
4	Lebargé Weinstein LLP.	\$ 7,740
5	MKP Professional Corporation	\$ 2,825
6	7980507 Canada Inc.	\$ 4,897
7	Lorena Severson	\$ 49
8	Wildridge Landscapes	\$ 1,202
9	Ted M. Kelly In Trust	\$ 100,000
10	BMO Harris Private Banking	\$ 8,475
11	Bell Canada	\$ 408
12	Stephen Hyde on behalf of various lenders	\$ 4,210,514
13	Stephen Hyde in his capacity as trustee on behalf of life lease occupancy agreements	\$ 2,923,416
14	Brownlee Water Quality Management Inc.	\$ 2,906

Exhibit “C”

Project site plan

Hyde Park Richmond Site Plan

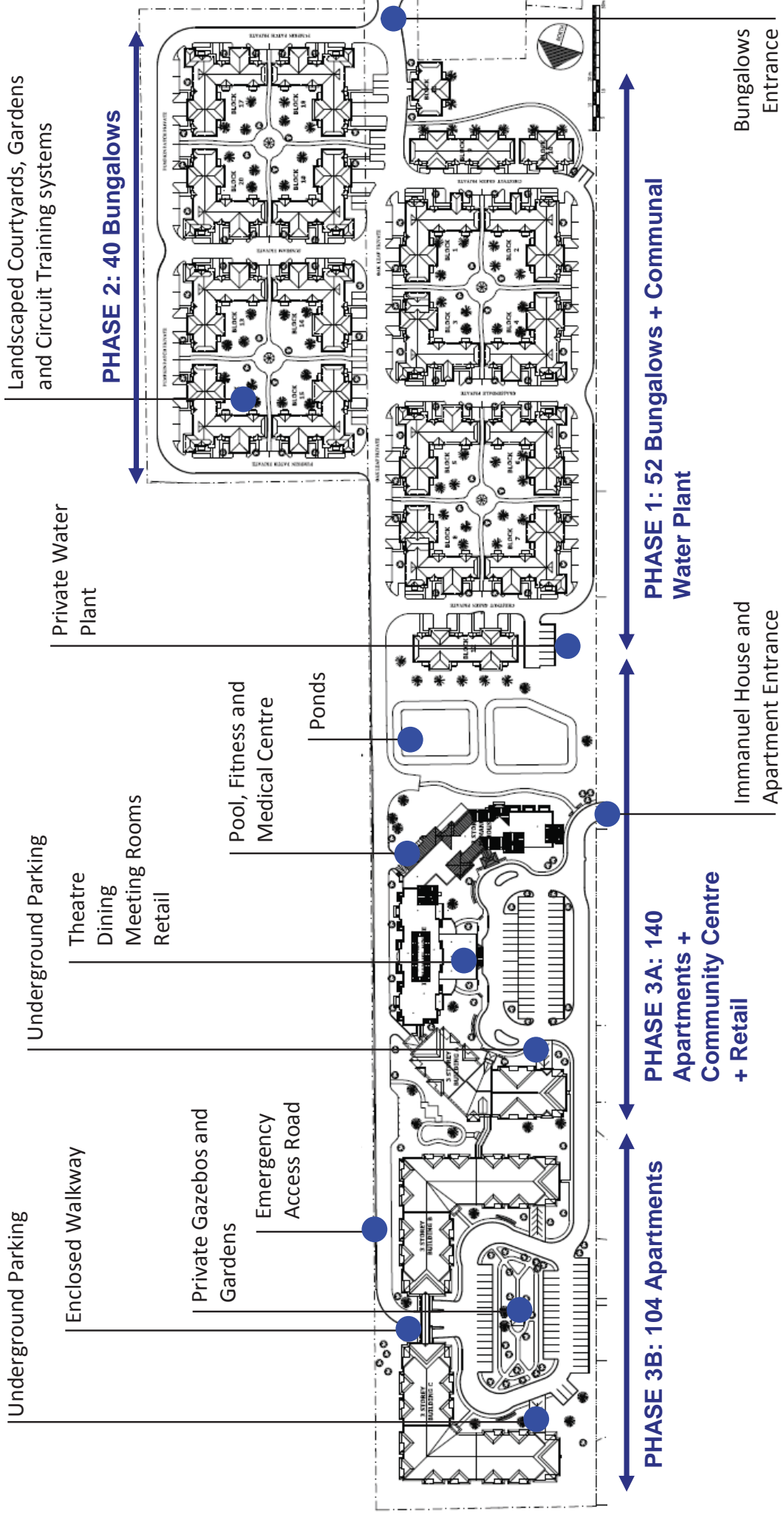


Exhibit “D”

Hyde Park’s Unaudited Interim Financial Statements
for the six-month period ended June 30, 2013

HYDE PARK RESIDENCES INC.
INTERIM FINANCIAL STATEMENTS
JUNE 30, 2013
(Unaudited)

HYDE PARK RESIDENCES INC.

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JUNE 30, 2013

(Unaudited)

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HYDE PARK RESIDENCES INC.

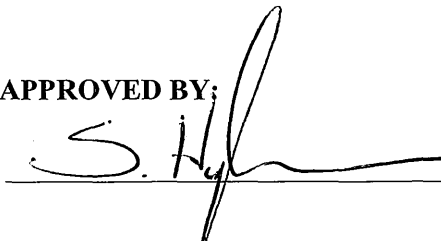
INTERIM STATEMENT OF FINANCIAL POSITION – OPERATING FUND

AS AT JUNE 30, 2013

(Unaudited)

	Jun. 30, <u>2013</u>	Dec. 31, <u>2012</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ (241)	\$ 70,012
Accounts receivable	<u>6,424</u>	<u>23,879</u>
	6,183	93,891
INFRASTRUCTURE (Note 7)	<u>204,522</u>	<u>204,522</u>
	<u>\$ 210,705</u>	<u>\$ 298,413</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 55,578	\$ 147,320
Due to General Fund	44,140	44,140
Due to Reserve Fund	<u>17</u>	<u>17</u>
	99,735	191,477
DUE TO RELATED PARTY (Note 8)	<u>64,316</u>	<u>73,562</u>
	<u>\$ 164,051</u>	<u>\$ 265,039</u>
FUND BALANCES		
FUND BALANCE	<u>46,654</u>	<u>33,374</u>
	<u>\$ 210,705</u>	<u>\$ 298,413</u>

APPROVED BY:


_____, Director

HYDE PARK RESIDENCES INC.

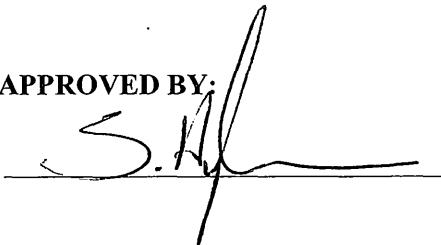
INTERIM STATEMENT OF FINANCIAL POSITION – RESERVE FUND

AS AT JUNE 30, 2013

(Unaudited)

	Jun. 30, <u>2013</u>	Dec. 31, <u>2012</u>
ASSETS		
CURRENT ASSETS		
Due from Operating Fund	\$ <u>17</u>	\$ <u>17</u>
	17	17
TOWNHOUSE BUILDING FUND	\$ 63,897	\$ 59,060
WATER SYSTEM AND SITE FUND	115,589	98,650
WATER SYSTEM OPERATIONAL SECURITY DEPOSIT	36,773	36,773
RESERVE SECURITY DEPOSIT (WATER SYSTEM)	52,945	52,945
HYDE PARK RESIDENCES TRUST	<u>111,508</u>	<u>111,508</u>
	<u>\$ 380,729</u>	<u>\$ 358,953</u>
FUND BALANCES		
FUND BALANCE	<u>380,729</u>	<u>358,953</u>
	<u>\$ 380,729</u>	<u>\$ 358,953</u>

APPROVED BY:


_____, Director

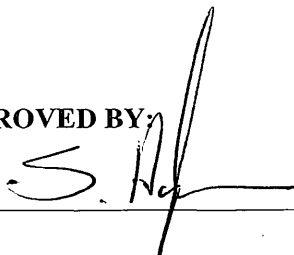
HYDE PARK RESIDENCES INC.

**INTERIM STATEMENT OF GENERAL FUND OPERATIONS AND FUND BALANCE
FOR THE 6 MONTH PERIOD ENDED JUNE 30, 2013**

(Unaudited)

	6 Month Period Ended <u>Jun. 30, 2013</u>	Year Ended <u>Dec. 31, 2012</u>
REVENUES		
Unit Revenues	\$ -	\$ -
Immanuel House Income	10,080	20,160
Recovery	<u>8,758</u>	<u>45,322</u>
	<u>\$ 18,838</u>	<u>\$ 65,482</u>
EXPENSES		
Bank charges and interest	2,432	2,142
Commissions	1,500	7,365
Advertising and promotions	338	-
Interest on long-term debt	1,587,587	2,628,743
Legal fees	<u>500</u>	<u>18,808</u>
	<u>1,592,357</u>	<u>2,657,058</u>
EXCESS OF REVENUES OVER EXPENSES FOR THE PERIOD	1,573,519	2,591,576
CONSTRUCTION COSTS TRANSFERRED TO WORK-IN-PROCESS	<u>1,573,519</u>	<u>2,591,576</u>
NET CHANGE IN FUND BALANCE	-	-
FUND BALANCE – beginning of year	<u>-</u>	<u>-</u>
FUND BALANCE – ending of period	<u>\$ -</u>	<u>\$ -</u>

APPROVED BY:


_____, Director

HYDE PARK RESIDENCES INC.**INTERIM STATEMENT OF OPERATING FUND OPERATIONS AND FUND BALANCE
FOR THE 6 MONTH PERIOD ENDED JUNE 30, 2013**

(Unaudited)

	6 Month Period Ended <u>Jun. 30, 2013</u>	Year Ended <u>Dec. 31, 2012</u>
REVENUES		
Common charges	\$ 208,623	\$ 412,609
Parking fees	330	1,055
Collection for property taxes (Note 9)	(96,408)	(160,682)
Property tax collection released or saved	96,408	160,682
Contribution to the Immanuel House Construction Fund	(10,080)	(20,160)
Contribution to the Reserve Fund	<u>(21,776)</u>	<u>(43,435)</u>
	<u>\$ 177,097</u>	<u>\$ 350,069</u>
EXPENSES		
Bank charges and interest	303	1,055
Engineering Study	441	3,966
Fuel pumphouse	787	1,644
Hydro	1,013	3,259
Insurance – Property	8,833	19,593
Insurance – Water	2,703	5,909
Management fees	12,475	24,021
Phone	988	1,689
Professional fees	-	2,825
Property taxes	96,408	160,682
Repairs and maintenance	4,439	46,161
Repairs to pumphouse	622	941
Resident’s miscellaneous expenses	98	114
Security system	189	365
Snow removal	19,681	41,376
Sump pump upgrade	-	1,195
Summer grounds maintenance	5,577	31,165
Water testing	<u>9,260</u>	<u>17,067</u>
	<u>163,817</u>	<u>363,027</u>
EXCESS OF REVENUES OVER EXPENSES FOR THE PERIOD	13,280	(12,958)
FUND BALANCE – beginning of year	<u>33,374</u>	<u>46,332</u>
FUND BALANCE – ending of period	<u>\$ 46,654</u>	<u>\$ 33,374</u>

HYDE PARK RESIDENCES INC.

INTERIM STATEMENT OF RESERVE FUND OPERATIONS AND FUND BALANCE FOR THE 6 MONTH PERIOD ENDED JUNE 30, 2013

(Unaudited)

	6 Month Period Ended <u>Jun. 30, 2013</u>	Year Ended <u>Dec. 31, 2012</u>
REVENUES		
Contribution to the Townhouse Reserve Fund	\$ 4,837	\$ 9,648
Contribution to the Siteworks Reserve Fund	4,837	9,648
Contribution to the Water System Reserve Fund	12,102	24,140
Contribution from General Fund	<u>-</u>	<u>-</u>
Contribution from the Operating Fund	21,776	43,436
Fund interest	<u>-</u>	<u>2,460</u>
	<u>\$ 21,776</u>	<u>\$ 45,896</u>
EXPENDITURES	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES FOR THE PERIOD	21,776	45,896
FUND BALANCE – beginning of year	<u>358,953</u>	<u>313,057</u>
FUND BALANCE – ending of period	<u>\$ 380,729</u>	<u>\$ 358,953</u>

HYDE PARK RESIDENCES INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTH PERIOD ENDED JUNE 30, 2013
(Unaudited)

CORPORATE PROFILE

Hyde Park Residence Inc. was incorporated without share capital under the provisions of the Ontario Business Corporations Act on January 16, 2001. Its primary activity is to provide affordable housing alternatives for seniors, located in the City of Ottawa. For Canadian income tax purposes, the corporation qualifies as a not-for-profit organization which is exempt from income tax under the Income Tax Act.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the corporation:

(a) *Fund Accounting*

The Corporation follows the restricted fund method of accounting for contributions.

The General Fund reports the contributions from sales and the expenses related to the construction of the premises.

The Operating Fund reports the contributions from occupiers and expenses related to the operations and administration of the common elements.

The Reserve Fund reports the contributions from occupiers and expenditures for major repairs and replacement costs of the common elements and assets. Only major repairs and replacement costs of the common elements are charged directly to this Reserve Fund. Minor repairs and replacements are charges to repairs and maintenance of the Operating Fund. The Corporation segregates amounts accumulated for the purpose of financing future charges to the Reserve Fund in special accounts, for use only to finance such charges. Interest earned on these amounts is credited directly to the Reserve Fund.

(b) *Assets and cash receipts identified under life lease*

Currently there is no industry specific or government regulated accounting treatment for the life lease of housing properties in Canada. Life lease agreements are a relatively new form of housing tenure in Ontario and across Canada. These agreements that are focussed on seniors provide an opportunity to live independently in a retirement community setting. In a life lease arrangement, individuals acquire the right to occupy a dwelling unit for their lifetime from the housing sponsor, Hyde Park Residences, Inc. (HPRI).

HYDE PARK RESIDENCES INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTH PERIOD ENDED JUNE 30, 2013
(Unaudited)

Life leases have similarities in common with both condominium ownership and rental housing but are not covered by the Condominium Act, 1998 or the Residential Tenancies Act, 2006. In all life lease models, the sponsor retains ownership of the property and individual units. As owner, HPRI has the primary responsibility for the financial viability and management of the housing property. HPRI reserves the right to appoint directors or delegate authority for decision-making purposes.

An analysis of the CICA handbook may lean towards reporting the life lease as a sale, Management has decided to establish its own accounting policies to account for life lease agreements because of legal and management responsibility and opinion of economic reality.

Accordingly the costs of units under life lease have been capitalized and a life lease obligation has been recorded on the statement of financial position. The units have not been amortized as the current value of the units has been estimated by management to exceed the recorded cost. The lease obligation will be amortized on the same basis as the units under life lease are amortized.

In prior years the life leases were accounted for as a sale. Management has restated the prior year to incorporate the new accounting policy adopted in 2011.

(c) *Capital Assets*

Capital assets are recorded at cost, amortization is taken on infrastructure.

(d) *Related party transactions*

Related party transactions occur in the normal course of business and are measured at the exchange amount, being the amount of consideration established and agreed to by the related parties.

(e) *Use of estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

HYDE PARK RESIDENCES INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTH PERIOD ENDED JUNE 30, 2013
(Unaudited)

2. CAPITAL ASSETS	<u>Cost</u>	<u>Net Book Value 2013</u>	<u>Net Book Value 2012</u>
Land	\$ 899,529	\$ 899,529	\$ 899,529
Townhouses	13,415,161	13,415,161	13,415,161
Infrastructure, roads and utilities	2,916,693	2,916,693	2,916,693
Pumphouse	396,917	396,917	396,917
	<u>\$17,628,300</u>	<u>\$17,628,300</u>	<u>\$17,628,300</u>

NET CAPITAL ASSETS	<u>2013</u>	<u>2012</u>
Infrastructure, roads and utilities	\$2,916,693	\$2,916,693
Pumphouse	396,917	396,917
	<u>\$3,313,610</u>	<u>\$3,313,610</u>

3. UNITS DEPOSITS

Unit deposits include proceeds allocated and secured by the Baart III, Hyde I and Hyde II mortgages as shown below;

	<u>2013</u>	<u>2012</u>
Unit Deposits	\$1,656,355	\$1,900,555
Unit Deposits Secured by Mortgages	13,267,061	13,267,061
	<u>\$14,923,416</u>	<u>\$15,167,616</u>

4. DUE TO (FROM) RELATED PARTY – General Fund

The amounts due are from Courtyard Developments Inc., a related party. It does not bear interest and is paid in accordance with the contract – CCDC2.

HYDE PARK RESIDENCES INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTH PERIOD ENDED JUNE 30, 2013
(Unaudited)

	<u>2013</u>	<u>2012</u>
5. LONG TERM DEBT – General Fund		
Mortgage payable, bearing interest at 12%, Baart III	\$ 546,000	\$ 546,000
Mortgage payable, bearing interest at 12%, Hyde I	662,845	692,845
Mortgage payable, bearing interest at 12%, Hyde II	6,925,214	6,103,914
Mortgage payable, bearing interest at 10.75%, OM	1,000,000	400,000
Construction Loan, bearing interest at 9.5% Compounded semi-annually	5,000,000	5,000,000
Construction Mortgage, bearing interest at PR plus 4%	4,736,982	4,736,982
	<u>\$18,871,041</u>	<u>\$17,479,741</u>

The Baart III, Hyde I, Hyde II and OM mortgages as well as the Construction Loan and Construction Mortgage were borrowed to purchase land and build the pump house, construct buildings, develop roads and other infrastructure, and pay for utilities. Management keeps a breakdown of the costs.

6. LIFE LEASE OBLIGATIONS

Hyde Park Residences Inc. has entered into Life Lease Occupancy Agreements (LLOA) and Reservation Agreements (RA) relating to 92 of 92 completed townhouses, 29 of 35 Apartments and 101 of 105 Immanuel House Suites comprising part of its overall development project which, when complete will include a total of 382 units including 150 apartments relating to Phase 3B. Under the terms of the LLOA, the occupant obtains the right to occupy the unit in perpetuity in exchange for a fixed fee at the inception of the agreements and a monthly occupancy charge thereafter. Components of the Occupancy Charge include a proportionate share of costs relating to the operating, maintaining, repairing and improving Common areas. In addition, the Occupancy Charge shall service the principal, interest and costs to be paid pursuant to the Infrastructure Mortgage and the Community Centre Mortgage.

HYDE PARK RESIDENCES INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTH PERIOD ENDED JUNE 30, 2013
(Unaudited)

7. INFRASTRUCTURE

Management assesses infrastructure annually and amortization of infrastructure mortgage was taken to reflect the one time special payment with relation to a property tax credit from the City of Ottawa.

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value 2013</u>	<u>Net Book Value 2012</u>
Infrastructure	<u>\$ 220,000</u>	<u>\$ (15,478)</u>	<u>\$204,522</u>	<u>\$ 204,522</u>

8. DUE TO RELATED PARTY – Operating Fund

The amount is due to Courtyard Developments Inc. This infrastructure loan bears interest at 0%. Previously the loan was bearing 7% compounded semi-annually. Courtyard Developments Inc. did not require payment until June 1 2004. The loan matures in May 2020.

9. COLLECTION FOR PROPERTY TAXES

	<u>2013</u>	<u>2012</u>
Actual taxes – 52 units	\$55,272	\$ 92,124
Actual taxes – 40 units (land)	41,136	68,558
	<u>\$96,408</u>	<u>\$ 160,682</u>

Exhibit “E”

Gowlings’ letters to Great American Insurance Group (without attachments)



montréal • ottawa • toronto • hamilton • waterloo region • calgary • vancouver • beijing • moscow • london

March 11, 2014

VIA EMAIL AND COURIER

Great American Insurance Group
301 E 4th Street
Cincinnati, OH 45202

Jaclyn Marmara
Direct 613-786-0125
Direct Fax 613-788-3523
jaclyn.marmara@gowlings.com
File No. 01394985

Dear Sir or Madam:

**Re: In the Matter of the Receivership of Hyde Park Residences Inc. (the "Debtor");
Insurance Policies # IMP4617975 & IMP0323650 (the "Policies")**

We are writing to you on behalf of Deloitte Restructuring Inc. ("Deloitte"), further to its correspondence dated February 26, 2014, addressed to HJM Insurance & Financial Services Ltd. (the "Broker") which we understand is the insurance broker in connection with the Policies.

As you may be aware, Deloitte was appointed as Receiver and Manager of the Debtor (the "Receiver") pursuant to a Court Order dated February 20, 2014 (the "Order"), a copy of which is attached for your reference. The Receiver is currently in possession of the property of the Debtor located in Richmond, Ontario (the "Property") and the Receiver had written to the Broker to advise, among other things, of its appointment as Receiver and Manager of the Debtor and to request that the existing insurance coverage provided under the Policies be continued and that the Receiver be added to such policies as additional loss payee.

We understand that in the Receiver's correspondence referred to above, it also advised that it does not intend to continue any construction activities on the Property and that it is only preparing the Property for sale. We also understand that notwithstanding the Receiver's correspondence, you, or the Broker on your behalf, has given notice to the Receiver of its intention to cancel the Policies.

We draw your attention to sections 12, 13 and 14 of the Order. Section 12 provides for a stay of all claims against the Debtor or affecting the Property without leave of the court which granted the Order (the "Court"). Section 13 orders that no one will, among other things, discontinue, fail to honour, alter, repudiate, terminate or cease to perform any right, contract or agreement in favour of the Debtor without consent of the Court. Finally, section 14 orders that anyone with an oral or written agreement with the Debtor for the supply of goods or services, including insurance, in respect of the Debtor or the Property, are restrained, without further order of the Court, from discontinuing, altering, interfering with or terminating the supply of such goods or services required by the Receiver.

As the Receiver has notified you that it requires that the Policies continue in full force and effect and you are bound by the terms of the Order, please be advised that cancellation of the Policies will be in



breach of the Order and the Receiver reserves the right to claim against you for any damages caused as a result of any such cancellation or other breach of the Order on your part.

For greater certainty, we confirm, on behalf of the Receiver, that it does *not* accept termination of the Policies and that it will require that the Policies continue in full force and effect until you are otherwise notified by the Receiver. As indicated in the Receiver's correspondence referred to herein, the Receiver will be responsible for charges incurred in connection with the Policies following the date of the Order and invoices should be submitted to its attention at the address indicated in its correspondence.

We remind you again that the Order expressly provides that no action will be taken against the Debtor or the Property without further order from the Court. Should you feel that there are grounds upon which to terminate the Policies, we recommend that arrangements be made to schedule a time to have the matter brought before the Court so that the issue may be resolved. In the meantime, the Receiver requires that the Policies continue in full force and effect.

Sincerely,

GOWLING LAFLEUR HENDERSON LLP

A handwritten signature in cursive script, appearing to read "Jaclyn Marmara".

Jaclyn Marmara

OTT_LAW\4187370\1

March 24, 2014

VIA EMAIL AND COURIER

Great American Insurance Group
301 E 4th Street
Cincinnati, OH 45202

Jaclyn Marmara
Direct 613-786-0125
Direct Fax 613-788-3523
jaclyn.marmara@gowlings.com
File No. 01394985

Dear Sir or Madam:

**Re: In the Matter of the Receivership of Hyde Park Residences Inc. (the "Debtor");
Insurance Policies # IMP4617975 & IMP0323650 (the "Policies")**

As we have not received a response from you to our letter dated March 11, 2014, we presume that you acknowledge that Deloitte Restructuring Inc. ("Deloitte"), as Receiver and Manager of the Debtor (the "Receiver"), does *not* accept termination of the Policies and you have conceded to the fact that insurance coverage under the Policies must continue in full force and effect pursuant to the Court Order dated February 20, 2014 (the "Order"). Accordingly, the Receiver, is proceeding with the receivership process in reliance upon same.

We remind you that any damages caused as a result of any such termination or cancellation of the Policies or other breach of the Order on your part will result in a claim being brought against you by the Receiver.

We remind you again that as the Order expressly provides that no action will be taken against the Debtor or the Property, no contract terminated or cancelled in respect of the Property, and no provision of goods or services to the Debtor or the Property shall be discontinued, without further order from the Court, you are required to make an application to the Court should you wish to cancel or terminate coverage under the Policies.

Sincerely,

GOWLING LAFLEUR HENDERSON LLP



Jaclyn Marmara

March 31, 2014

VIA EMAIL AND COURIER

Great American Insurance Group
301 E 4th Street
Cincinnati, OH 45202

Jaclyn Marmara
Direct 613-786-0125
Direct Fax 613-788-3523
jaclyn.marmara@gowlings.com
File No. 01394985

Dear Sir or Madam:

Re: In the Matter of the Receivership of Hyde Park Residences Inc. (the “Debtor”); Insurance Policies # IMP4617975 & IMP0323650 (the “Policies”)

We have written to you on two separate occasions and refer you to our letters dated March 11, 2014 and March 24, 2014, copies of which are enclosed for your reference. As indicated in our correspondence would be the case, we take your failure to respond as your confirmation that insurance coverage under the Policies continues in full force and effect pursuant to the Court Order dated February 20, 2014 (the “Order”). Accordingly, the Receiver is proceeding with the receivership process in reliance upon same.

As it is our preference to receive a formal response from you, we request that you kindly provide your written response to the undersigned by April 7, 2014 and if we do not receive your reply by such date, the Receiver will continue to proceed on the understanding that insurance coverage under the Policies continues as indicated above.


Notwithstanding the foregoing or any response you may provide to dispute that coverage under the Policies must remain in place, the Receiver reserves its right to seek compensation for damages caused as a result of any termination or cancellation of the Policies or other breach of the Order.

We remind you yet again that as the Order expressly provides that no contract or provision of goods or services may be terminated, cancelled or discontinued, as the case may be, in respect of the Debtor or the Property, without further order from the Court, you are required to make an application to the Court should you wish to cancel or terminate coverage under the Policies.

We wish to advise you that the Receiver will be addressing this issue in its report to the Court and requesting that the Court make an order confirming that the Policies remain in effect.

Sincerely,

GOWLING LAFLEUR HENDERSON LLP



Jaclyn Marmara

OTT_LAW\4235935\3

Exhibit “F”

Comparison of the Hyde Park’s budget and the Receiver’s draft budget for property management of the 92 townhouses and Water Plant

**Hyde Park Residences Inc. and Receiver
Budget Comparison**

Budget Item ①	Hyde Park Budget 2014	Receiver's Budget March 1, 2014 February 28, 2015 ③	Notes and Explanations ②
Revenue			
Monthly Fees (92 Units)	\$ 434,163	\$ 434,200	Receiver amount based on Hyde Park Residences Inc. ("HP") list of monthly occupancy fees due from each resident.
Parking Revenue	1,260	1,300	Receiver amount based on HP 2014 Budget
	<u>\$ 435,423</u>	<u>\$ 435,500</u>	
<u>Transfer to Reserves:</u>			
Reserve Transfer - Water	25,312	3,200	Receiver amount represents remaining funds after all other expenses are paid. Actual amount required to be transferred will not be known until a valuation of the Capital Reserve Fund can be completed. HP Budget transfers 5.8% of Monthly Fees to Water Reserve. Source of the 5.8% figure is not known.
Reserve Transfer - Building	10,116	10,900	Receiver amounts are based on 5% of total occupancy fees as per Life Lease Occupancy Agreement ("LLOA"); 2.5% transfer each to Building and Site Reserves. HP amounts calculated as 2.33% to Building and Site respectively.
Reserve Transfer - Site	10,116	10,900	
Reserve - Immanuel House	20,160	-	HP transfers were set out in the LLOA. There are currently no transfers contemplated by the Receiver as the Receiver is still assessing whether such transfers are required.
Mortgage Payment	18,492	-	
Total Transfers	<u>\$ 84,196</u>	<u>\$ 25,000</u>	
Total Operating Revenue	<u>\$ 351,227</u>	<u>\$ 410,500</u>	
Expenses			
<u>Pump house</u>			
Fuel - Gas	\$ 1,800	1,200	Receiver amount based on invoices for 2014 plus review of prior year invoices. HP amount is based on prior year actual amounts (which include late penalties)
Hydro	3,500	4,300	Receiver amount based on initial invoices. HP amount based on prior year actual amounts.
Phone	2,100	2,500	Receiver amount based on 2/3rds of initial invoices received since 1/3 relates to construction site. HP amount based on prior year actual amounts.
Maintenance and Repairs	2,000	12,000	Receiver amount based on expected payroll for property maintenance technician plus anticipated costs of various repairs. HP amount based on expected projects and prior year actual amounts.
Security	365	400	Receiver amount based on current invoice. HP amount based on prior year actual amounts.
Water Testing	18,000	20,000	Receiver amount based on average monthly invoice for last 3 months plus a quote for required repairs to monitoring equipment (since repairs are related to water testing). HP amount based on expected projects as well as prior year actual amounts.
Insurance	6,000	6,700	Receiver amount based on premium invoice. HP amount based on prior year actual amounts.
<u>Maintenance</u>			
Snow Removal	40,000	41,800	Receiver amount based on initial invoice and estimate of amounts for November 2014 to February 2015. HP amount based prior year actual amount
Lawn Maintenance	20,000	24,000	Receiver amount is based on an average of actual costs over the last 2 years. HP amount based on prior year actual amounts
Additional Landscaping	10,000	15,000	Receiver amount is based on an estimate received from property manager. HP amount based on earlier estimate by property manager
Maintenance and Repairs	24,000	37,300	Receiver amount based on expected payroll for the property maintenance technician and other repair expenses. HP amount based on property maintenance technician, specialized contractors and materials
Insurance - Property	18,000	17,100	Receiver amount based on premium invoice. HP amount based on prior year actual amount.
<u>General</u>			
Professional Fees - Accounting	3,000	-	Receiver will not be engaging external accountant. HP amount based on prior year actual amount.
Bank Charges	500	2,500	Receiver amount based on initial invoice from BMO (trustee for the water system Capital Reserve Fund). HP amount based on prior year actual amounts.
Management Fees	24,950	48,400	Receiver amount based on expected payroll of property manager plus 50% of Courtyard office utilities (agreed to by Receiver to have access to office). HP amount based on a portion of office overhead, accounting, administrative and technical support. Project Staff indicated that budgeted amount has never been sufficient to cover all management costs.
Property Taxes	176,892	176,900	Receiver amount based on HP budget. No increase planned to due a \$15,000 credit received in 2014. HP amount based on prior year actual amounts.
Resident Association Expenses	120	400	Receiver amount based on meeting with Residents' Association. HP amount based on amount requested by residents
Total Expenses	<u>\$ 351,227</u>	<u>\$ 410,500</u>	
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	

Notes

- ① The descriptions of the budget items were taken from Hyde Park's 2014 budget
- ② Explanations of how Hyde Park determined budget amounts were provided by Management and/or Project Staff
- ③ Receiver amounts have been rounded to the nearest hundredth dollar

Exhibit “G”

Template Agreement of Purchase and Sale

AGREEMENT OF PURCHASE AND SALE

Made as of the _____ day of _____, 201__

Between

Deloitte Restructuring Inc.
in its capacity as receiver and manager of certain of the assets, property and undertaking
of
Hyde Park Residences Inc.
and not in its personal capacity

(the "**Vendor**")

- and -

**

(the "**Purchaser**")

AGREEMENT OF PURCHASE AND SALE

This Agreement is made as of the ** day of *****, 201*

B E T W E E N:

Deloitte Restructuring Inc.,

in its capacity as receiver and manager of certain of the assets, property and undertaking of Hyde Park Residences Inc., and not in its personal capacity

(the "**Vendor**")

and

(the "**Purchaser**")

RECITALS

A. Pursuant to the Receivership Order of The Honourable Mr. Justice Robert N. Beaudoin dated February 20, 2014, Deloitte Restructuring Inc. has been appointed receiver and manager of all of the lands and premises legally described in Schedule "A" attached hereto (the "**Lands**") and all of the assets, undertakings and properties of Hyde Park Residences Inc. (the "**Debtor**") acquired for, or used in relation to, the Lands, pursuant to Section 101 of the *Courts of Justice Act* (Ontario) and section 243(1) of the *Bankruptcy and Insolvency Act*.

B. Pursuant to the Marketing Order, the Court approved the sale process proposed by the Vendor for the sale of the Assets;

C. The Vendor desires to sell and the Purchaser desires to purchase the Assets, as more particularly set out herein, subject to the terms and conditions hereof.

FOR VALUE RECEIVED, the Parties agree as follows:

3. INTERPRETATION

3.1. Definitions

In this Agreement:

- (a) **Acceptance Date** means the day on which this Agreement is executed by both parties hereto;

- (b) “**Adjustments**” means the adjustments to the Purchase Price provided for and determined pursuant to this Agreement, including, without limitation, Section 7.9;
- (c) “**Agreement**” means this Agreement of Purchase and Sale;
- (d) “**Applicable Laws**” means, with respect to any Person, property, transaction or event, all laws, by-laws, rules, regulations, orders, judgments, decrees, decisions or other requirements having the force of law relating to or applicable to such Person, property, transaction or event;
- (e) “**Appointment Order**” means the order set out in recital A herein appointing Deloitte Restructuring Inc., as receiver and manager of the assets, property and undertaking of the Debtor, as defined therein, pursuant to the provisions of the Ontario *Courts of Justice Act* and the *Bankruptcy and Insolvency Act*;
- (f) “**Approval and Vesting Order**” has the meaning set out in Section 6.3(a);
- (g) “**Assets**” means the right, title and interest of the Debtor in and to the Property, the Contracts, and the assets described in Schedule “A”;
- (h) “**Assignment of Leases**” means an Assignment by Vendor without any warranties, representations and on a non-recourse basis and an Assumption by the Purchaser of the Leases.
- (i) “**Assumed Encumbrances**” means those items listed in Schedule “B” attached hereto and in Schedule “D” to the Approval and Vesting Order;
- (j) “**Assumed Obligations**” means all obligations and liabilities of the Debtor and/or the Vendor under the Contracts that the Purchaser has agreed to assume as of the Closing Date by way of separate written agreement with the Vendor or Party or Parties to whom the relevant obligations and liabilities are owed.
- (k) “**Buildings**” means the existing buildings situate on the Lands described in the Confidential Information Memorandum including the Completed Buildings and the Partially Completed Buildings;
- (l) “**Business Day**” means a day on which banks are open for business in the City of Ottawa but does not include a Saturday, Sunday, Jewish Holidays, or statutory holiday in the Province of Ontario;
- (m) “**CI Memorandum**” means the Confidential Information Memorandum posted in the Data Room;
- (n) “**Claim**” means any claim, demand, action, cause of action, damage, loss, cost, liability or expense, including reasonable professional fees and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.
- (o) “**Closing**” means the successful completion of the Transaction;

- (p) **“Closing Date”** means later of the 31st day after approval by the Court of this Agreement or two Business Days after the granting of the Approval and Vesting Order and subject to Sections 6.5 and 7.1, in no event later than ****;
- (q) **“Completed Buildings”** means the existing completed buildings situate on the Lands described in the Confidential Information Memorandum.
- (r) **“Conditions of Sale”** means the conditions of sale approved pursuant to the Marketing Order.
- (s) **“Contracts”** means the agreements and licenses listed in Schedule “A”.
- (t) **“Court”** means the Ontario Superior Court of Justice;
- (u) **“Data Room”** means the virtual data room containing, inter alia, due diligence materials relating to the transaction contemplated by this Agreement, including the Project Documents, access to which has been made available to the Purchaser;
- (v) **“Debtor”** means Hyde Park Residences Inc.;
- (w) **“Deposit ”** means the deposit in an amount equal to 10% of the Purchase Price paid to the Vendor by the Purchaser by way of solicitor’s certified cheque or solicitor’s bank draft drawn upon a Schedule 1 Canadian chartered bank, or by wired funds, pursuant to the Conditions of Sale;
- (x) **“Due Diligence Date”** means 5:00 p.m. on the **** day after the Acceptance Date or if such date is not a Business Day, the first Business Day thereafter.
- (y) **“Encumbrance”** means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), claim, title retention agreement or arrangement, restrictive covenant, rights of way, easements, encroachments, reserves, or other encumbrance of any nature or any other arrangement or condition which, in substance, secures payment or performance of an obligation;
- (z) **“Environmental Laws”** means all Applicable Laws concerning pollution or protection of the natural environment or otherwise relating to the environment or health or safety matters, including Applicable Laws pertaining to (i) reporting, licensing, permitting, investigating and remediating the presence of Hazardous Substances, and (ii) the storage, generation, use, handling, manufacture, processing, transportation, treatment, Release and disposal of Hazardous Substances;
- (aa) **“ETA”** means the *Excise Tax Act* (Canada);
- (bb) **"Government Authority"** means any person, body, department, bureau, agency, board, tribunal, commission, branch or office of any federal, provincial or municipal government having or claiming to have jurisdiction over part or all of the Purchased Assets, the transaction contemplated in this Agreement or one or both of the parties and shall include a board, commission, courts, bureau, agency

or any quasi-governmental or private body exercising any regulatory authority including an association of insurance underwriters;

- (cc) **“Land Transfer Tax”** means all the taxes payable under the *Land Transfer Tax Act* (Ontario) and any other applicable provincial or municipal land transfer tax legislation, including all registration fees, license fees, and other like charges payable upon a transfer of real property, together with interest, penalties and additions thereto;
- (dd) **“Lands”** means the lands and premises described in Schedule “A” attached hereto;
- (ee) **“Leases”** means all of those subsisting life lease occupancy agreements granted to possess or occupy units within the Property now or hereafter recognized and acknowledged by the Vendor, whether or not notice of same has been registered on title to the Lands, together with all security, guarantees and indemnities of the life lessee’s obligations thereunder, in each case as amended, renewed or otherwise varied to the date hereof; and “Lease” means any one of the Leases;
- (ff) **“Hazardous Materials”** means any contaminants, pollutants, substances or materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances or materials are or shall become prohibited, controlled or regulated by any Authority and any “contaminants”, “dangerous substances”, “hazardous materials”, “hazardous substances”, “hazardous wastes”, “industrial wastes”, “liquid wastes”, “pollutants” and “toxic substances”, all as defined in, referred to or contemplated in federal, provincial and/or municipal legislation, regulations, orders and/or ordinances relating to environmental, health or safety matters;
- (gg) **“HST”** means all goods and services taxes payable and harmonized sales tax under the ETA;
- (hh) **“Jewish Holidays”** means the first, second, seventh and eighth days of Passover, the first and second day of Shavuoth, first and second days of Rosh Hashanah, Yom Kippur, the first and second day of Sukkoth, Shemini Azereth and Simchas Torah;
- (ii) **“Marketing Order”** means the Order of the Court dated **** authorizing the Receiver to market and sell the Property.
- (jj) **“Partially Completed Buildings”** means the existing partially completed buildings situate on the Lands described in the Confidential Information Memorandum.
- (kk) **“Parties”** means the Vendor, the Purchaser and any other Person who may become a party to this Agreement **“Party”** means any one of the foregoing.

- (ll) **“Person”** means an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.
- (mm) **“Plans”** means all plans and documentation in the possession and control of the Vendor relevant to the development of the Lands and the construction of any buildings thereon including, without limitation, engineering drawings, architectural plans and working drawings, landscaping plans, other documentation prepared to illustrate or define a particular aspect of the development of the Lands and the construction of the buildings;
- (nn) **“Project Documents”** means, the documents made available to the Purchaser in the Data Room, or otherwise, including, Leases, Contracts, survey, agreements, the Reports and the CI Memorandum;
- (oo) **“Property”** means, the Buildings situate on the Lands;
- (pp) **“Purchase Price”** shall have the meaning ascribed to it in Section 4.6. For greater certainty, the Purchase Price shall be exclusive of Transfer Taxes and any other taxes payable as a result of or in connection with the Transaction;
- (qq) **“Purchaser”** means ***;
- (rr) **“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 of any Hazardous Materials;
- (ss) **“Reports”** means all the reports posted in the Data Room;
- (tt) **“Residents”** means all persons or parties having a right to occupy any part of the Property pursuant to a Lease;
- (uu) **“Resident Trust Funds”** means all money held by the Vendor, or by a third party for the Vendor, on behalf of the Residents including reserve funds contemplated under the Leases and a communal water system responsibility agreement entered into between the Debtor and the City of Ottawa;
- (vv) **“Time of Closing”** means 2:00 p.m. (EST) on the Closing Date or such other time on the Closing Date as the Parties may mutually agree;
- (ww) **“Transaction”** means the transaction of purchase and sale and assignment and assumption contemplated by this Agreement;
- (xx) **“Transfer Taxes”** means all HST, land transfer tax, sales, excise, use, transfer, gross receipts, documentary, filing, recordation, value-added, stamp, stamp duty

reserve, and all other similar taxes, duties or other like charges, however denominated together with interest, penalties and additional amounts imposed with respect thereto; and

(yy) **“Vendor”** means Deloitte Restructuring Inc., in its capacity as receiver and manager of the Assets, and not in its personal capacity.

3.2. Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof.

3.3. Extended Meanings

Words importing the singular include the plural and vice versa, words importing gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and governmental authorities. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

3.4. Schedules

The following Schedules are incorporated in and form part of this Agreement:

Schedule “A”	Assets
Schedule “B”	Assumed Encumbrances
Schedule “C”	Form of Approval and Vesting Order
Schedule “D”	Allocation of Purchase Price

4. SALE AND PURCHASE AND ASSIGNMENT

4.1. Sale and Purchase of Assets

Subject to the terms and conditions hereof, the Vendor, exercising the powers of sale granted pursuant to the Appointment Order, shall sell to the Purchaser, and the Purchaser shall purchase, the Assets on the Closing Date. The Purchaser acknowledges that it is not purchasing any other property or assets of the Debtor other than the Assets. The Purchaser acknowledges that the various parties who prepared the Plans may have restricted the use thereof by the Debtor only, in their respective retainers with the Debtor and any purported conveyance of the Plans by the Vendor to the Purchaser may be subject to such limitations.

4.2. "As is, Where is"

The Purchaser acknowledges and agrees that:

- (a) It has gained access to the Data Room, the Project Documents, CI Memorandum and any other information and documentation provided by or at the request of the Vendor and that same has been made available for informational and convenience purposes only and do not constitute any express, or implied representation or warranty by the Vendor, or any other representative of the Vendor to the Purchaser as to the contents thereof, the completeness and accuracy thereof, or otherwise and although believed to be correct, if any misstatement, error or omission is found in the particulars thereof, the Purchaser shall not be entitled to any abatement, damages, reimbursement, in respect thereof. Without limiting the generality of the foregoing, in respect of the financial data, forecasts, residential development potential and any like material contained in the Data Room and/or described in the CI Memorandum (collectively, “**Forward Looking Information**”), it is acknowledged by the Purchaser that (i) there are uncertainties inherent in attempting to make such estimates, projections and other forecasts and plans, (ii) the Purchaser is familiar with such uncertainties, (iii) the Purchaser is taking full responsibility for making its own evaluation of the adequacy and accuracy of all Forward Looking Information (including the reasonableness of any underlying assumptions), and (iv) the Purchaser has will have no claim against the Vendor, or any other parties in respect of the Forward Looking Information;
- (b) It has inspected the Property and that it is relying entirely upon its own investigations and inspections in proceeding with this transaction and has relied solely upon its own judgement therefrom and not in reliance on any information, including the Forward Looking Information provided by the Vendor, or any other person or entities on behalf of or at the direction of the Vendor;
- (c) The Property is being purchased, accepted and assumed by the Purchaser “As Is, Where Is”. The term “As Is, Where Is” means in its condition or state on the date of this Agreement and Closing including, in the case of the Completed Buildings, subject to the Leases and, in the case of the Partially Completed Buildings, in their partially completed state, and all without any agreement, representation or warranty, statutory or otherwise, expressed or implied, as to title, description, fitness for purpose, merchantability, quantity, conditions or quality, the suitability of the Property for development, the existence of patent and latent defects and the quality of the Property, compliance with Applicable Laws and Environmental Laws (including any environmental condition thereof arising as a result of the presence of Hazardous Materials or the Release thereof) or in respect of any other matter or thing whatsoever and that the Property shall be subject to the Assumed Encumbrances;
- (d) The Vendor makes no representation or warranties with respect to the physical condition or any other aspect of the Purchased Assets, the Forward Looking Information, or any other aspect of the transaction contemplated by this Agreement including, (i) the structural integrity of any Building, (ii) the conformity of the Buildings to any plans or specifications for such Buildings (including, but not limited to, any plans and specifications that may have been or which may be provided to the Purchaser), (iii) the conformity of the Lands and

Buildings, or any of them, to past, current or future applicable zoning or building code requirements, (iv) the existence of soil instability, past soil repairs, soil additions or conditions of soil fill, or susceptibility to landslides, (v) the sufficiency of any undershoring, (vi) the sufficiency of any drainage, (vii) whether the Lands or any of them are located wholly or partially in a flood plain or a flood hazard boundary or similar area, (viii) the existence or non-existence of underground storage tanks, (ix) any other matters affecting the stability or integrity of the Lands, or any Building situated on or as part of the Lands, (x) the availability of public utilities and services for the Lands, (xi) the fitness or suitability of the Lands for occupancy or any intended use (including matters relating to health and safety), (xii) the potential for further development of the Lands, (xiii) the existence of vested land use, zoning or building entitlements affecting the Lands, (xiv) the Leases, or (xv) the presence of Hazardous Materials;

- (e) as part of its agreement to purchase and accept the Purchased Assets “As Is, Where Is”, and not as a limitation on such agreement, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights the Purchaser might have against the Vendor regarding any form of warranty, express or implied, of any kind or type, (including all applicable statutory warranties), such waiver is absolute, complete, total and unlimited in every way. Such waiver includes, but is not limited to, a waiver of express warranties, implied warranties, warranties of fitness for a particular use or purpose, warranties of merchantability, warranties of occupancy, all applicable statutory warranties, strict liability rights, and claims of every kind and type, including, but not limited to, claims regarding defects which might have been discoverable, claims regarding defects which were not or are not discoverable, product liability claims, product liability type claims, and all other extent or later created or conceived of strict liability or strict liability type claims and rights; The Purchaser acknowledges to the Vendor that it has inspected the Assets and that the Vendor is selling the Assets on an "as is, where is" basis with all faults known, or unknown, as they shall exist as of the date of execution of this Agreement, or on the Closing Date. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Assets and that the Purchaser has conducted such inspections of the condition of and title to the Assets as it deemed appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to any matter including, title, encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality, latent defects, cost, size, value, state of repair, environmental condition, Environmental Laws, zoning, permitted uses, permits, compliance with Applicable Laws of the Governmental Authorities, threatened claims, litigation, or in respect of any other matter or thing whatsoever concerning the Assets or the right of the Vendor to sell or assign same save and except as expressly represented or warranted herein. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation do not apply hereto and are hereby waived by the Purchaser. The description of the Assets contained in the Schedules hereto, in the Data Room and in any marketing material is for the purpose of identification only. No representation, warranty or

condition has or will be given by the Vendor concerning completeness or the accuracy of such descriptions. The Purchaser acknowledges that it has relied entirely upon its own inspections and investigations with respect to the purchase of the Assets including the quantity, quality and value thereof. The information in the Data Room and description of the Assets in any marketing material, listing information, and any like material delivered or made available by the Vendor, agents or any other party on its behalf to the Purchaser or its representatives are believed to be correct, but if any misstatement, error, inaccuracy or omission (collectively the “**Inaccuracies**”) is found in the particulars thereof, the Purchaser shall not be entitled to any abatement, damages, reimbursement, costs or to termination of this Agreement as a result thereof and the Purchaser hereby releases the Vendor from any claims, damages, suits, costs, etc., the Purchaser had, has or may have as a result of such Inaccuracies.

4.3. Assignment and Assumption of Assumed Obligations

Provided that the Purchaser has advised the Vendor in writing by no later than the seventh Business Day prior to the Due Diligence Date of which Contracts it intends to assume, and subject to the conditions and terms of this Agreement, the Vendor will assign to the Purchaser all of the Debtor’s rights, benefits and interests in and to the Contracts and the Purchaser will assume the Assumed Obligations. This Agreement and any document delivered under this Agreement will not constitute an assignment or an attempted assignment of any Contract contemplated to be assigned to the Purchaser under this Agreement which is not assignable without the consent of a third party if that consent has not been obtained and that assignment or attempted assignment would constitute a breach of such Contract or, in the alternative, if an order of the Court authorizing and approving the assignment of the Contracts to the Purchaser has not been obtained. At the option of the Vendor, any such assignment may be made in the name of and on behalf of the Debtor. 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 assignment and assumption of Assumed Obligations including, without limitation, any approvals with respect to the assignment and assumption of the Assumed Obligations not assignable without the consent or action of a third party or parties.

4.4. Assumed Obligations

In connection with its acquisition of the Assets, the Purchaser will assume the Assumed Obligations, if any, on Closing. On Closing, to the extent necessary, the Purchaser will enter into an assumption agreement in form and substance satisfactory to the Vendor. The Purchaser acknowledges that the Vendor will have no responsibility whatsoever for curing any defaults, paying any arrears, or performing any obligations under or with respect to the Contracts.

4.5. Assumed Encumbrances

The Purchaser acknowledges that the Vendor is selling the Assets subject to the Assumed Encumbrances and that the Vendor undertakes no obligation to discharge such Assumed Encumbrances on the Closing or thereafter. The Purchaser acknowledges that it shall be its sole

responsibility to obtain, at its own expense, any consents or further documents or assurances necessary or desirable to transfer the Assets or any part thereof.

4.6. Payment of the Purchase Price

The Purchaser shall pay the Purchase Price of ** Dollars (**.00), subject to the usual adjustments, as follows:

- (a) payments by the Purchaser of the Deposit which shall have been delivered by the Purchaser to the Vendor at the time of submission of the Purchaser's initial offer to purchase the Assets and such Deposit is to be held by the Vendor in trust until the Time of Closing and credited toward the Purchase Price upon Closing;
- (b) the balance due on closing shall be paid by solicitors certified funds or wired funds at the Time of Closing;

The Vendor agrees to cause the Deposit to be placed into an interest bearing account or certificate of deposit, with all interest earned or accrued thereon to be paid or credited to the Purchaser at the Time of Closing, unless the Purchaser forfeits the Deposit as provided below in which event the interest shall be paid to the Vendor. Unless otherwise agreed, all amounts payable to the Vendor either by way of Deposit or at the Time of Closing shall be paid to the Vendor by solicitor's certified cheque, or bank draft of a Canadian chartered bank drawn on a solicitor's trust account, or by wired funds.

4.7. Taxes

In addition to the Purchase Price, the Purchaser shall pay all applicable Transfer Taxes exigible in connection with the purchase and sale of the Assets, including, without limitation, HST and Land Transfer Tax.

The Purchaser will be a HST registrant under the *Excise Tax Act* (Canada) on or before the Closing Date and will provide its registration number to the Vendor on or before the Closing Date.

- (a) If part or all of the said transaction is subject to **HST** and:
 - (i) the Vendor is a non-resident of Canada or the Vendor would be a non-resident of Canada but for Subsection 132(2) of the Act; and/or
 - (ii) the Purchaser is a "prescribed recipient" under the Act and/or is registered under the Act,

then the Purchaser shall deliver, prior to Closing, its certificate in form prescribed by the Act or, if no such form is prescribed, then in reasonable form, certifying that the Purchaser shall be liable for, shall self-assess and shall remit to the appropriate Governmental Authority all **HST** payable in respect of the transaction contemplated hereunder. If sub-paragraph (a)(ii) above is applicable, then the Purchaser's certificate shall also include certification of the Purchaser's prescription and/or registration as the case may be, and the Purchaser's **HST** registration number. If the Purchaser shall fail to deliver its certificate, then the Purchaser shall tender to the

Vendor at Closing, in addition to the balance due on Closing, an amount equal to the **HST** that the Vendor shall be obligated to collect and remit in connection with the said transaction.

The Purchaser hereby indemnifies and holds the Vendor harmless from and against any liability for Transfer Taxes, including, without limitation, HST and Land Transfer Tax, arising out of any failure to pay such taxes as and when due, together with all interest, penalties and expenses resulting from such failure.

4.8. Inspections

The Vendor will permit the Purchaser, its consultants, agents and representatives to carry out, at the Purchaser's sole expense and risk, such tests and investigations (including structural and physical tests, soil tests and environmental audits) and inspections as the Purchaser, acting reasonably, may deem necessary with respect to the Property, provided that no invasive testing shall be conducted in or under the Buildings and any other invasive testing shall require the Vendor's written approval prior to such testing and:

- (a) such tests and inspections shall not unduly interfere with the use of, or occupancy by, the Residents of their respective premises, shall be subject to the provisions of the Leases shall be carried out in compliance with the Leases;
- (b) the Purchaser shall provide at least two Business Days' Notice to the Vendor of any such tests and inspections and the Vendor will be entitled to have a representative present during all such tests and inspections;
- (c) all soil tests or environmental audits shall be co-ordinated with the Vendor;
- (d) any damage to the Properties caused by such tests and inspections will be promptly repaired by the Purchaser and the Purchaser will indemnify and save the Vendor harmless from all losses, costs, claims, third party actions, damages and expenses which the Vendor may suffer directly as a result of the said tests and inspections or any other breach of this Section by the Purchaser;
- (e) in any situation where the Vendor's Solicitors are required to return the Deposit paid by the Purchaser hereunder to the Purchaser, the Vendor shall be entitled to deduct from such Deposit (i) the amount of any losses, costs, claims, damages and expenses which the Vendor suffers as a result of a breach of paragraph (a); and (ii) the costs of repairing any damage to the Properties caused by any tests or inspections conducted by the Purchaser or any of its consultants, agents or representatives; and
- (f) prior to entering the Property to conduct the Purchaser's tests and investigations, the Purchaser shall deliver (or shall cause its representatives completing the Purchaser's Investigations on its behalf to deliver) to the Vendor evidence of liability insurance coverage for at least **[\$2,000,000]**.

5. REPRESENTATIONS AND WARRANTIES

5.1. Purchaser's Representations

The Purchaser represents and warrants to the Vendor that:

- (a) the Purchaser is a corporation duly incorporated, organized and subsisting under the laws of ****;
- (b) the Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations and the execution and delivery of this Agreement and the consummation of the transactions contemplated have been duly authorized by all necessary corporate action on the part of the Purchaser;
- (c) the Purchaser is not a party to, bound or affected by or subject to any indenture, agreement, instrument, charter or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained herein;
- (d) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, pending or, to the best of the Purchaser's knowledge, threatened against or relating to the Purchaser or any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator which, in any case, might adversely affect the ability of the Purchaser to enter into this Agreement or to consummate the transactions contemplated and the Purchaser is not aware of any existing ground on which any action, suit or proceeding may be commenced with any reasonable likelihood of success.
- (e) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been or will be, as at the Time of Closing, duly and validly executed and delivered by the Purchaser and constitute or will, as at the Time of Closing, constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof;
- (f) the Purchaser is not a non-Canadian person as defined in the *Investment Canada Act*; and
- (g) the Purchaser is registered or will be registered on Closing under Part IX of the ETA and its registration number is **.

5.2. Vendor's Representations

The Vendor represents and warrants to the Purchaser as follows:

- (a) the Vendor has been duly appointed as the receiver and manager of the Assets pursuant to the Appointment Order with authority to exercise the powers of sale contained therein;

- (b) the Vendor has the right to enter into this Agreement and to complete the Transaction, subject to the granting of the Approval and Vesting Order;
- (c) save and except for the charges created in the Appointment Order, the Vendor has done no act to encumber the Assets; and
- (d) the Receiver is not a non-resident of Canada for purposes of Section 116 of the *Income Tax Act* (Canada).

6. CONDITIONS AND TITLE

6.1. Conditions - Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions precedent being fulfilled or performed at or prior to the Time of Closing:

- (a) by the Due Diligence Date, the Purchaser shall have conducted whatever searches the Purchaser, in its sole and unfettered discretion, deems advisable with respect to the Property including, without limitation, title to the Property, inspections of the Property, compliance with all Applicable Laws and regulations, any agreements with third parties affecting the Property, environmental audits, soil tests, financial and operating costs analysis, review of Leases and any other like matters with respect to the Property and shall have been satisfied, in its sole and unfettered discretion, with the results of all such searches; and
- (b) the Vendor shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date;

The foregoing condition is for the exclusive benefit of the Purchaser. Such condition may be waived by the Purchaser in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing.

6.2. Conditions – Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true as of the Closing Date with the same effect as though made on and as of that date;
- (b) the Purchaser shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date;
- (c) no action or proceedings shall be pending or threatened to restrain or prohibit the completion of the Transaction contemplated by this Agreement; and
- (d) the Vendor shall not have lost possession or control of the Assets or any part thereof.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition may be waived by the Vendor in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing.

6.3. Approval and Vesting Order

The obligations of the Vendor and the Purchaser are subject to the conditions that:

- (a) an order will have been made by the Court approving this Agreement and the Transaction and vesting in the Purchaser all the right, title and interest of the Debtor in the Assets free and clear of any and all liabilities and encumbrances except for the Assumed Encumbrances (the “**Approval & Vesting Order**”), 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, varied, reversed, vacated or dismissed; and
- (b) no order, action or proceeding shall have been issued, pending or threatened which restrains or prohibits the completion of the Transaction.

The Parties hereto acknowledge that the foregoing conditions are for the mutual benefit of the Vendor and the Purchaser.

6.4. Non-Satisfaction of Conditions

If any condition set out in this Section 6 is not satisfied or performed prior to the time specified therefore, the party for whose benefit the condition is inserted may:

- (a) waive compliance with the condition in whole or in part in its sole discretion by written notice to the other party and without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part; or
- (b) elect on written notice to the other party to terminate this Agreement before the time specified for the condition.

6.5. Title Examination

The Purchaser acknowledges that, notwithstanding any statutory provisions to the contrary, the Purchaser has no right to submit requisitions on title in respect of the Assets, or in regard to any outstanding work orders, deficiency notices, orders issued by any Government Authority. The Purchaser further acknowledges that it shall not be entitled to a conveyance of Transfer, but shall receive an Approval and Vesting Order whereby title to the Assets will be vested in the Purchaser free and clear of all Encumbrances other than the Assumed Encumbrances.

Except as may be otherwise specified herein, the Purchaser will not call for the production of any title deed, abstract of title, survey or other evidence of title.

7. CLOSING

7.1. Closing

The completion of the Transaction shall take place on the Closing Date at the Time of Closing or as otherwise determined by mutual agreement of the Parties in writing.

7.2. Purchaser's Deliveries on Closing

At or before the Time of Closing, the Purchaser shall execute or deliver as applicable, to the Vendor the following, each of which shall be in form and substance satisfactory to the Vendor, acting reasonably:

- (a) payment of the Purchase Price;
- (b) a certificate, dated the Closing Date, confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- (c) an acknowledgement dated the Closing Date, that each of the conditions precedent in Section 6.1 of this Agreement have been fulfilled, performed or waived as of the Closing Date;
- (d) an Assignment and Assumption of Leases;
- (e) an assumption of the Assumed Encumbrances and Assumed Obligations;
- (f) a certificate of the Purchaser executed by a senior officer of the Purchaser confirming that the Purchaser (or such permitted assignee of the Purchaser) is purchasing the Lands on its own account and not as agent, trustee or nominee for any other Person and that it is a registrant for HST purposes under the *Excise Tax Act* (Canada) as at the Closing Date and setting out the registration number of the Purchaser for HST purposes;
- (g) an undertaking of the Purchaser to remit to the Receiver General for Canada on a timely basis, to the extent required under the *Excise Tax Act* (Canada), any HST exigible in connection with the transactions contemplated by this Agreement and to indemnify and hold the Vendor harmless from and against any and all Claims that may be suffered or incurred by the Vendor arising from or in respect of the Purchaser's failure to register for the purposes of the HST or to perform its obligations under the *Excise Tax Act* (Canada) in connection with the completion of the transactions contemplated by this Agreement;
- (h) an undertaking by the Purchaser to readjust any errors, omissions or changes in the statement of adjustments, limited to 120 days from the Closing;

- (i) 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;
- (j) a certificate of status and certified copy of the Articles of Incorporation of the Purchaser; and
- (k) such further and other documentation as is referred to in this Agreement or as the Receiver may reasonably require to give effect to this Agreement.

7.3. Vendor's Deliveries on Closing

At the Time of Closing the Vendor shall execute and deliver to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) Certified or notarial copy of the Approval and Vesting Order and the Receiver's Certificate, as referred to in the Approval and Vesting Order;
- (b) an acknowledgement dated the Closing Date, that each of the conditions precedent in Section 6.2 of this Agreement have been fulfilled, performed or waived as of the Closing Date;
- (c) an Assignment and Assumption of Leases;
- (d) an assignment of the Assumed Encumbrances and Assumed Obligations;
- (e) a transfer of the Resident Trust Funds together with related records;
- (f) a statement of adjustments;
- (g) an undertaking by the Vendor to readjust any errors, omissions or changes in the statement of adjustments, limited to 120 days from the Closing;
- (h) such other documents as may be reasonably requested by the Purchaser's solicitors to give effect to this Agreement.

7.4. Purchaser's Acknowledgement

The Purchaser acknowledges that the Vendor is selling the rights, title and interest of the Debtor in and to the Assets pursuant to the Vendor's powers and as authorized by the Appointment Order, Conditions of Sale and the Approval and Vesting Order. The Purchaser agrees to purchase and accept the rights, title and interests of the Debtor in and to the Assets pursuant to and in accordance with the terms of this Agreement, the Conditions of Sale and the Approval and Vesting Order.

7.5. Possession of Assets and Resident Trust Funds

On Closing, the Purchaser shall take possession of the Assets, subject to the Leases, wherever situate at the Time of Closing, and the Resident Trust Funds. The Purchaser

acknowledges that the Vendor has no obligation to deliver physical possession of the Assets to the Purchaser nor any obligation to inspect or count, or to provide any inspection or counting, of the Assets or any part thereof. In no event shall the Assets be sold, assigned, transferred or set over to the Purchaser until the conditions set out in the Approval and Vesting Order have been satisfied and the Purchaser has satisfied all delivery requirements outlined in Section 7.2.

The Purchaser Acknowledges that the Vendor is not and never has been in actual physical possession of the Assets.

7.6. Risk

The Assets shall be and remain at the risk of the Debtor until Closing and at the risk of the Purchaser from and after Closing. Pending completion, the Vendor will hold insurance policies covering the Assets and any proceeds derived therefrom for the Parties as their respective interest may appear. If, prior to Closing, the Assets are substantially damaged or destroyed by fire or other casualty, then, at its option, the Purchaser may decline to complete the Transaction. Such option will be exercised within 15 days after notification to the Purchaser by the Vendor of the occurrence of damage or destruction (or prior to the Closing Date if such occurrence takes place within 15 days of the Closing Date) in which event this Agreement will be terminated automatically and the Purchaser will be entitled only to a return of the Deposits and any interest thereon but without any other compensation. If the Purchaser does not exercise such option, or where any damage or destruction is not substantial, the Purchaser will complete the Transaction and will be entitled to the proceeds of any insurance payable as a result of the occurrence of such loss, damage or destruction but not to any other costs or compensation whatsoever. If any dispute arises under this Section as to whether damage or destruction is substantial or with respect to the amount of any abatement, such dispute will be determined by an arbitrator mutually acceptable to the Parties. If the Parties fail to agree on an arbitrator, either may, after such Party has notified the other of such failure to agree, give notice to the other Party that it wishes to submit the dispute to arbitration by a single arbitrator in accordance with the *Arbitration Act*, 1991 (Ontario). The decision of the arbitrator, which will be final and binding on the Parties, will be made as soon as possible following his appointment. The fees and expenses of the arbitration will be borne equally by the Parties or as otherwise determined by the arbitrator. If an arbitration proceeding is commenced pursuant to this Section prior to the Closing Date, the Closing Date will be automatically extended to the date, which is four (4) Business Days from the date of the decision of the arbitrator.

7.7. Termination

If either the Vendor or the Purchaser validly terminates this Agreement pursuant to the provisions of Section 6.4,

- (a) all the obligations of both the Vendor and Purchaser pursuant to this Agreement shall be at an end;
- (b) the Purchaser shall be entitled to have the Deposit and all the monies paid hereunder to the Vendor returned with any interest earned thereon but without deduction; and

- (c) neither party shall have any right to specific performance or other remedy against, or any right to recover damages or expenses from, the other.

7.8. Breach by Purchaser

If all of the conditions contained in Section 6.1 have been complied with, or waived by the Purchaser and the Purchaser fails to comply with the terms of this Agreement, the Vendor may by notice to the Purchaser elect to treat this Agreement as having been repudiated by the Purchaser. In that event, the Deposit and any other payments made by the Purchaser shall be forfeited to the Vendor on account of its liquidated damages, and the Assets may be resold by the Vendor. In addition, the Purchaser shall pay to the Vendor, on demand the deficiency, if any, arising upon such resale (after deducting the expenses of resale) together with interest and all other damages, charges, costs or expenses occasioned by or resulting from the default by the Purchaser.

7.9. Adjustments

All usual adjustments, including realty taxes, rates and assessments, water, utilities, fuel and rents or occupancy payments shall be adjusted as of the Closing Date. There shall be no adjustment for arrears of rents or occupancy fees which shall remain the property of the Vendor and there shall be no adjustment for prepaid rents or security deposits. Except as otherwise provided in this Agreement, the Vendor shall be responsible for all expenses and entitled to all revenues accrued from the Property for the period ending on the day before the Closing Date and the Purchaser shall be responsible for all expenses and shall be entitled to all revenues accrued from the Property from and including the Closing Date and thereafter. After Closing, the Vendor shall have the right to recover from Residents any arrears of rents or occupancy fees, operating cost recoveries and receivables which accrued prior to the Closing Date, and the Purchaser agrees to reasonably co-operate with the Vendor to recover said arrears (provided the Purchaser shall not be required to distrain under or terminate any Lease for that purpose). For receivables not adjusted for, to the extent the Purchaser, after Closing, receives any amount from a Resident on account of receivables at a time when no amounts are owing by that Resident to the Purchaser, the Purchaser shall pay such amount to the Vendor.

The right of the parties to re-adjust pursuant to the undertakings to re-adjust exchanged on Closing shall terminate 120 days after the Closing and there shall be no right thereafter for any re-adjustments, unless a claim in writing has been submitted by either party hereto to the other prior to the expiry of the said 120 days.

7.10. Allocation of Purchase Price

The Purchase Price will be allocated among the Assets in accordance with Schedule "D" attached hereto.

8. GENERAL

8.1. Further Assurances

Each of the Parties shall, from time to time after the Closing Date, at the request and expense of the other, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such documents and further assurances as may be reasonably necessary to give effect to this Agreement.

8.2. Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered personally or transmitted by fax, addressed in the case of the Purchaser, as follows:

and in the case of the Purchaser, as follows:

Attention:
Telephone No.: ()
Fax No.: ()

With a copy to as follows:

Attention:
Telephone No.: ()
Fax No.: ()

and in the case of the Vendor, as follows:

Deloitte Restructuring Inc.
800-100 Queen Street
Ottawa, ON K1P 5T8

Attention: John Saunders
Telephone No.: (613)751-5303
Fax No.: (613)563-2244

with a copy to

Gowling Lafleur Henderson LLP
160 Elgin Street, Suite 2600
Ottawa, ON K1P 1C3

Attention: Wayne Kerrick/Gordon Douglas/Jaclyn Marmara
Telephone No.: (613)233-1781
Fax No.: (613)563-9869

Any such notice or other communication, if given by personal delivery, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by fax before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on that Business Day, and if transmitted by fax after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

8.3. Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser or by their respective solicitors.

8.4. Currency

Except where otherwise indicated, all references herein to money amounts are in Canadian currency.

8.5. Survival

The representations and warranties of the Parties hereto contained in this Agreement shall survive Closing.

8.6. Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns, provided that the Purchaser shall not assign the benefit of this Agreement without the prior written consent of the Vendor.

8.7. Entire Agreement

This Agreement and the attached Schedules constitute the entire agreement between the Parties with respect to the subject matter and supersede all prior negotiations, understandings and agreements 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 executed 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.

8.8. Paramouncy

In the event of any conflict or inconsistency between the provisions of this Agreement and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

8.9. Severability

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision's validity or enforceability in any other jurisdiction.

8.10. Governing Law

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 each of the Parties irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario.

8.11. Commission

The Purchaser acknowledges that there are no agent or broker fees or other commissions payable by the Vendor on the Purchase Price or otherwise in connection with the Transaction, and the Purchaser agrees to indemnify the Vendor against any claim for compensation or commission by any third party or agent retained by the Purchaser in connection with, or in contemplation of, the Transaction.

8.12. 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.

8.13. 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.

8.14. 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.

8.15. No Registrations

The Purchaser covenants and agrees not to register Notices of this Agreement, assignments thereof, caution, Certificate of Pending Litigation, Purchaser's Liens or any other instrument or reference to this Agreement of its interest in the Lands. If any such registration occurs, the Vendor may, at its option, terminate this Agreement and the Deposit shall be forfeited as liquidated damages and not as a penalty. The Purchaser hereby irrevocably consents to a

court order removing any such registrations and agrees to bear all costs on a solicitor and his own client basis, in obtaining such order.

8.16. 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.

8.17. Capacity of Vendor

The Purchaser acknowledges that Deloitte Restructuring Inc. has been appointed as Receiver and manager pursuant to the Appointment Order. The Purchaser further acknowledges and agrees that Deloitte Restructuring Inc. acts, and is entering into this Agreement, solely in its capacity as Receiver and manager and that Deloitte Restructuring 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.

8.18. 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.

8.19. Planning Act

This Agreement is entered into subject to the express conditions that it is to be effective only if the provisions of Section 50 of the Planning Act, R.S.O. 1990, Chapter P.13, and amendments, are complied with.

8.20. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or electronic mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

8.21. Electronic Registration

The Purchaser agrees to cause all necessary procedures to be taken, as may be required by the Vendor or the Vendor's solicitors, to complete the transfer of Lands part of the Transaction using

the system for electronic registration operative and mandatory in the applicable land registry office (“**Ereg**”) in accordance with the Law Society of Upper Canada’s guidelines. The Purchaser agrees to use a lawyer authorized to use Ereg and who is in good standing with the Law Society of Upper Canada and the Purchaser’s solicitors will enter into the Vendor’s solicitors’ standard form of escrow closing agreement or document registration agreement, which will establish the procedures for closing the Transaction provided same are in accordance with Law Society guidelines. If the Purchaser’s solicitors are unwilling or unable to complete the Transaction using Ereg, then the Purchaser’s solicitors must attend at the Vendor’s solicitors’ office or at another location designated by the Vendor’s solicitors at such time on Closing as directed by the Vendor’s solicitors to complete the Transaction using Ereg utilizing the Vendor’s solicitors’ computer facilities, in which event, the Purchaser shall pay to the Vendor’s solicitors a reasonable fee therefor.

8.22. Confidentiality

All information exchanged between the Parties in connection with this Transaction shall be considered to be confidential information. Any publicity relating to the Transaction and the manner of releasing any information regarding the Transaction will be mutually agreed upon between the Parties, acting reasonably.

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The Parties have executed this Agreement by their duly authorized officers.

DELOITTE RESTRUCTURING INC.,
in its capacity as receiver and manager of the
assets, undertakings and properties of the Debtor,
and not in its personal capacity

By:

Name:

Title:

I have authority to bind the Corporation

By:

Name:

Title:

I have authority to bind the Corporation

Schedule A

Assets

The Lands

The right, title and interest of the Debtor in the real property described as:

PIN	04437 – 0016 LT
Description	PCL 96-2, SEC 4D-22; PT UNIT 96, PL 4D 22, PART 1, 4R2141; S/T LT245432. GOULBOURN. SUBJECT TO AN EASEMENT IN FAVOUR OF CITY OF OTTAWA AS IN OC237114, SUBJECT TO AN EASEMENT IN FAVOUR OF CITY OF OTTAWA AS IN OC268744. TOGETHER WITH AN EASEMENT OVER PART OF UNIT 94 ON PLAN 4D 22, DESIGNATED AS PARTS 3, 4, 5, AND 6 ON PLAN 4R 21531 AS IN OC689066. SUBJECT TO AN EASEMENT IN FAVOUR OF PART OF UNIT 96 ON 4D 22, BEING PART 2 ON 4R 21530 OVER PART 4 ON 4R 21530 AS IN OC685443, SUBJECT TO EASEMENT IN GROSS AS IN OC846825. TOGETHER WITH EASEMENT OVER PART OF UNIT 94 PLAN 4D22 PART 8 PLAN 4R23098 IN FAVOUR OF PART OF UNIT 96 PLAN 4D22 PART 1 ON PLAN 4R2141 AS IN OC910959. SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 10 AND 11 ON PLAN 4R23098 AS IN OC911266. SUBJECT TO AN EASEMENT IN GROSS OVER PART 7 ON PLAN 4R23098 AS IN OC911267.
Address	RICHMOND
PIN	04437 – 0259 LT
Description	PART OF UNIT 94 ON PLAN 4D 22, DESIGNATED AS PARTS 1 AND 2 ON PLAN 4R 21531. OTTAWA. TOGETHER WITH AN EASEMENT OVER PART OF UNIT 94 ON PLAN 4D 22, DESIGNATED AS PARTS 3, 4, 5, AND 6 ON PLAN 4R 21531 AS IN OC689066. S/T EASEMENT IN GROSS AS IN OC846825. T/W EASEMENT OVER PART OF UNIT 94 PLAN 4D22 PART 8 PLAN 4R23098 IN FAVOUR OF PART OF UNIT 94 PLAN 4R22 PARTS 1 & 2 PLAN 4R21531 AS IN OC910959.; SUBJECT TO AN EASEMENT AS IN LT243953
Address	RICHMOND
PIN	04437 – 0261 LT
Description	PART OF UNIT 96 ON PLAN 4D 22, DESIGNATED AS PART 1 ON PLAN 4R 21530. OTTAWA. S/T EASEMENT IN GROSS AS IN OC846825.
Address	RICHMOND

The Plans * depending on responses may need to add Leases, Agreements of Purchase and Sale and Contracts, Resident Trust Fund details**

Schedule B**Assumed Encumbrances**

"Assumed Encumbrances" means the following:

1. The exceptions and qualifications contained in Section 44(1) of the *Land Titles Act*, R.S.O 1990, and any amendments thereto or any successor legislation;
2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;
3. Any registered or unregistered easements or rights of way in favour of any governmental authority or public utility;
4. Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due;
5. All agreements and easements, registered or otherwise, for utilities and services for hydro, water, heat, power, sewer, drainage, cable and telephone serving the Property, adjacent or neighbouring properties;
6. Any encroachments, defects or irregularities indicated on any survey of the Property or which may be disclosed on an up-to-date survey of the Property;
7. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations;
8. Any breaches of any Applicable Laws, including outstanding building permits, work orders and deficiency notices;
9. Any subdivision agreements, site plan agreements, developments and any other agreements with the Municipality, Region, publicly regulated utilities or other governmental authorities having jurisdiction;
10. Minor title defects, if any, that do not in the aggregate materially affect the use of the Property for the purposes for which it is used on the date of acceptance of this Agreement;
11. All Leases and Contracts **[including a life lease occupancy agreement in favour of Elizabeth Hyde]**.
12. The following instruments registered on title against the Lands:

Assumed Encumbrances related to the Lands

(unaffected by the Vesting Order)

Permitted Encumbrances for PIN No. 04437-0016

<u>Registration No.</u>	<u>Date</u>	<u>Instrument Type</u>	<u>Parties From</u>	<u>Parties To</u>
LT245432	10/29/1980	Transfer of Easement	Robert Irwin Fraser, Ray Emerson Fraser, Joan Ann Boisseau and Doris Elaine Hall	The Corporation of the Township of Gloucester
OC141333	11/15/2002	Transfer by Personal Representative	Ray Emerson Fraser, Robert Irwin Fraser, Donald John Hall, the estate of Doris Elaine Hall and Joan Ann Boisseau	Hyde Park Residences Inc.
OC222814	07/21/2003	Notice of Agreement	Hyde Park Residences Inc.	City of Ottawa
OC237113	08/26/2003	Notice of a Site Plan Agreement	Hyde Park Residences Inc.	City of Ottawa
OC237114	08/26/2003	Transfer of Easement	Hyde Park Residences Inc.	City of Ottawa
OC249996	09/24/2003	Notice of Lease	Hyde Park Residences Inc.	Robert Gibson
OC250078	09/24/2003	Notice of Lease	Hyde Park Residences Inc.	Shirley Morris
OC250220	09/24/2003	Notice of Lease	Hyde Park Residences Inc.	Abraham Blenk and Annetje Blenk
OC250500	09/25/2003	Notice of Lease	Hyde Park Residences Inc.	John Harvey and Elizabeth Harvey
OC250897	09/26/2003	Notice of Lease	Hyde Park Residences Inc.	Ralph Shemilt and Marlene Shemilt
OC250914	09/26/2003	Notice of Charge of Lease	Ralph Shemilt and Marlene Shemilt	Canadian Imperial Bank of Commerce
OC257649	10/10/2003	Notice of Lease	Hyde Park Residences Inc.	Joseph Barthelette and Nancy Barthelette
OC257986	10/10/2003	Notice of Lease	Hyde Park Residences Inc.	June Craig
OC258472	10/15/2003	Notice of Lease	Hyde Park Residences Inc.	Rudy Hollywood and John Hollywood
OC262741	10/24/2003	Notice of Lease	Hyde Park Residences	Lois Ann Mayhew, Clarence Sheldon

			Inc.	Mayhew, Marion Esther Mayhew and Ronald Sheldon Mayhew
OC268744	11/10/2003	Transfer of Easement	Hyde Park Residences Inc.	City of Ottawa
OC274175	11/24/2003	Notice of Lease	Hyde Park Residences Inc.	Richard Schouten and Lydia Schouten
OC275618	11/27/2003	Notice of Lease	Hyde Park Residences Inc.	Henry Joseph Janssens and Barbara Ann Janssens
OC277839	12/02/2003	Notice of Lease	Hyde Park Residences Inc.	Mabel Jean Leech
OC277866	12/02/2003	Notice of Charge of Lease	Mabel Jean Leech	Canadian Imperial Bank of Commerce
OC278035	12/02/2003	Notice of Lease	Hyde Park Residences Inc.	Ronald William Poulton and Lorna Agnes Bannerman Poulton
OC278855	12/04/2003	Notice of Lease	Hyde Park Residences Inc.	Carmella Zulpo
OC284662	12/19/2003	Notice of Lease	Hyde Park Residences Inc.	Allenby O'Neill
OC284733	12/19/2003	Notice of Lease	Hyde Park Residences Inc.	Marcella Gilmour
OC287306	01/02/2004	Notice of Lease	Hyde Park Residences Inc.	Leo Paul Bernier and Audrey Charlotte Bernier
OC287307	01/02/2004	Notice of Charge of Lease	Leo Paul Bernier and Audrey Charlotte Bernier	Scotia Mortgage Corporation
OC289180	01/09/2004	Notice of Lease	Hyde Park Residences Inc.	Connie MacDowell
OC289272	01/09/2004	Notice of Lease	Hyde Park Residences Inc.	Joyce Deeks
OC306842	03/05/2004	Notice of Lease	Hyde Park Residences Inc.	Helen I. Mills
OC308306	03/11/2004	Notice of Lease	Hyde Park Residences Inc.	Gerhard Lehmann and Karin Lehmann
OC308798	03/12/2004	Notice of Lease	Hyde Park Residences Inc.	Albert H. Bond and Joyce W. Bond
OC308822	03/12/2004	Notice of Lease	Hyde Park Residences Inc.	F. Cheryl McCoy
OC311882	03/24/2004	Notice of Lease	Hyde Park Residences	Pearl Vaughan

			Inc.	
OC311899	03/24/2004	Notice of Charge of Lease	Pearl Vaughan	Canadian Imperial Bank of Commerce
OC321591	04/22/2004	Notice of Lease	Hyde Park Residences Inc.	Bryan Landon and Joyce Landon
OC323461	04/28/2004	Notice of Lease	Hyde Park Residences Inc.	Guglielmo Erminio Micucci and Marilyn Elizabeth Micucci
OC327795	05/07/2004	Notice of Lease	Hyde Park Residences Inc.	James Rath and Velma Rath
OC327846	05/07/2004	Notice of Lease	Hyde Park Residences Inc.	Michael Baker and Catherine Baker
OC365531	08/04/2004	Notice of Lease	Hyde Park Residences Inc.	Hazel Sunstrum and Margaret Sunstrum
OC365843	08/05/2004	Notice of Lease	Hyde Park Residences Inc.	Ginette Senechal
OC365849	08/05/2004	Notice of Charge of Lease	Ginette Senechal	Canadian Imperial Bank of Commerce
OC376073	08/30/2004	Notice of Lease	Hyde Park Residences Inc.	Douglas Turmaine and Louise Turmaine
OC380615	09/10/2004	Notice of Lease	Hyde Park Residences Inc.	John Robert Hiley and Margaret Isobel Hiley
OC399054	10/29/2004	Notice of Lease	Hyde Park Residences Inc.	Lise Kovari
OC401483	11/04/2004	Notice of Lease	Hyde Park Residences Inc.	Michael Rock
OC401908	11/05/2004	Notice of Lease	Hyde Park Residences Inc.	Bryan Ronald Hodge and Dorise Mae Hodge
OC402198	11/08/2004	Notice of Lease	Hyde Park Residences Inc.	Donald Joyce
OC407374	11/22/2004	Notice of Lease	Hyde Park Residences Inc.	Joseph Harold Sims and Carole Nataline Sims
OC414021	12/08/2004	Notice of Lease	Hyde Park Residences Inc.	Yvan Lebrun and Louise Lebrun

OC416240	12/15/2004	Notice of Lease	Hyde Park Residences Inc.	Ralph Heazle and Joy Heazle
OC416280	12/15/2004	Notice of Charge of Lease	Ralph Heazle and Joy Heazle	Canadian Imperial Bank of Commerce
OC416348	12/15/2004	Notice of Lease	Hyde Park Residences Inc.	Hilde Schreier
OC417005	12/16/2004	Notice of Lease	Hyde Park Residences Inc.	Edward Albert Treboutat and Joyce Treboutat
OC421683	01/05/2005	Notice of Lease	Hyde Park Residences Inc.	Angus Peter McIntyre
OC448235	04/01/2005	Notice of Lease	Hyde Park Residences Inc.	John Carson McCullough and Shirley Ann McCullough
OC468959	06/01/2005	Notice of Lease	Hyde Park Residences Inc.	Robert Irwin Birtch and Elizabeth Jane Birtch
OC468982	06/01/2004	Notice of Charge of Lease	Robert Irwin Birtch and Elizabeth Jane Birtch	Scotia Mortgage Corporation
OC518830	10/04/2005	Notice of Assignment of Lessee's Interest	Karin Lehmann and Gerhard Lehmann (Deceased)	Karin Lehmann
OC540975	12/01/2005	Notice of Assignment of Lessee's Interest	Connie MacDowell	Jean Ruddick and Joseph Ruddick
OC543402	12/09/2005	Notice of Assignment of Lessee's Interest	Hazel Sunstrum and Margaret Sunstrum	Margaret Sunstrum
OC595022	05/25/2006	Notice of Lease	Hyde Park Residences Inc.	Judith Patricia Brazeau and John Phillip Brazeau
OC598477	06/01/2006	Notice of Lease	Hyde Park Residences Inc.	James Mabbutt and Huguette Mabbutt
OC598673	06/01/2006	Notice of Lease	Hyde Park Residences Inc.	Gladys Baart and Joseph Baart
OC604121	06/16/2006	Notice of Lease	Hyde Park Residences Inc.	Richard Goyette and Geoffrey Woods
OC608870	06/29/2006	Notice of Lease	Hyde Park Residences Inc.	June Elaine Myers
OC617990	07/21/2006	Notice of Lease	Hyde Park Residences Inc.	Maurice Vincent Laviolette and Patricia Beatrice Laviolette
OC621221	07/28/2006	Notice of Lease	Hyde Park Residences	Helen Marjorie Smith

			Inc.	
OC669281	12/11/2006	Notice of Assignment of Lessee's Interest	Angus Peter McIntyre	Irene Burwash
OC675646	01/04/2007	Notice of an Amending Site Plan Agreement	City of Ottawa	Hyde Park Residences Inc.
OC685443	02/02/2007	Transfer of Easement	Hyde Park Residences Inc.	Bonnie Jensen
OC685913	02/05/2007	Notice of Assignment of Lessee's Interest	Yvan Lebrun and Louise Lebrun	Robert Francis Leighton and Glenna Maureen Leighton
OC780016	10/01/2007	Notice of Assignment of Lessee's Interest	Douglas Turmaine and Louise Turmaine	Penelope Tennant
OC798165	11/20/2007	Notice of an Amending Site Plan Agreement	City of Ottawa	Hyde Park Residences Inc.
OC803250	11/30/2007	Notice of Assignment of Lessee's Interest	Ian Moffat Tennant	Joanne Braaksma
OC806454	12/10/2007	Notice of an Agreement	Hyde Park Residences Inc.	Gladys Baart
OC828435	02/28/2008	Notice of Assignment of Lessee's Interest	Richard Goyette and Geoffrey Woods	Donna Manning
OC828934	02/29/2008	Notice of Assignment of Lessee's Interest	Karin Lehmann	Jean Brunet
OC846433	04/30/2008	Notice of an Agreement	City of Ottawa	Hyde Park Residences Inc.
OC846435	04/30/2008	Notice of an Agreement	City of Ottawa	Hyde Park Residences Inc.
OC846825	04/30/2008	Transfer of Easement	Hyde Park Residences Inc.	City of Ottawa
OC849197	05/06/2008	Notice of Site Plan Agreement	City of Ottawa	Hyde Park Residences Inc.
OC857508	05/30/2008	Notice of Assignment of Lessee's Interest	Judith Patricia Brazeau and John Phillip Brazeau	Sandra Inez Tubman
OC911266	10/03/2008	Transfer of Easement	Hyde Park Residences Inc.	City of Ottawa
OC911267	10/03/2008	Transfer of Easement	Hyde Park Residences Inc.	City of Ottawa
OC919754	10/29/2008	Postponement	Canadian Imperial Bank of Commerce	City of Ottawa
OC919755	10/29/2008	Postponement	Canadian Imperial Bank of Commerce	City of Ottawa

OC919756	10/29/2008	Postponement	Canadian Imperial Bank of Commerce	City of Ottawa
OC920598	10/30/2008	Notice of Lease	Hyde Park Residences Inc.	Robert Lloyd Abbott and Ethel Alice Abbott
OC920814	10/30/2008	Notice of Lease	Hyde Park Residences Inc.	Joan Iris Bailey
OC920873	10/30/2008	Notice of Lease	Hyde Park Residences Inc.	Bernadette Rose Nagle
OC921983	10/31/2008	Notice of Lease	Hyde Park Residences Inc.	Glenroy Ashton Huff and Marjorie Catherine Huff
OC925776	11/12/2008	Notice of Lease	Hyde Park Residences Inc.	Elsie Ruby Salter
OC940551	12/19/2008	Notice of Lease	Hyde Park Residences Inc.	Lloyd Francis Decoste and Jacqueline Edna Decoste
OC940615	12/19/2008	Notice of Lease	Hyde Park Residences Inc.	Bob Timmons, Ann Timmons and Marilyn Wright
OC946415	01/16/2009	Notice of Lease	Hyde Park Residences Inc.	Jacqueline Taylor
OC947828	01/22/2009	Notice of Lease	Hyde Park Residences Inc.	Carol Leslie Pattison
OC957061	03/02/2009	Notice of Assignment of Lessee's Interest	Donald Joyce	Lois Ida Garland
OC957101	03/02/2009	Notice of Lease	Hyde Park Residences Inc.	Donald Ralph Joyce
OC957347	03/03/2009	Notice of Lease	Hyde Park Residences Inc.	Glenn Wannamaker and Ewen Lorraine Rose Wannamaker
OC957403	03/03/2009	Notice of Lease	Hyde Park Residences Inc.	Barry Barnett and Lynn Barnett
OC957769	03/04/2009	Notice of Lease	Hyde Park Residences Inc.	Raymond Tugwell and James Elizabeth Tugwell and Joanne
OC958460	03/06/2009	Notice of Lease	Hyde Park Residences Inc.	Robert Adelard Ranger and Robert Purcell

				Ranger
OC966010	04/03/2009	Notice of Lease	Hyde Park Residences Inc.	Elsbeth Rae Adam Bell
OC966015	04/03/2009	Notice of Lease	Hyde Park Residences Inc.	Betty Jean Provost
OC966099	04/03/2009	Notice of Lease	Hyde Park Residences Inc.	Bernard Bellefeuille and Georgette Bellefeuille
OC966254	04/06/2009	Notice of Lease	Hyde Park Residences Inc.	Karl Felix Joseph Calagoure and Doris Alberta Calagoure
OC971514	04/24/2009	Notice of Lease	Hyde Park Residences Inc.	Thomas Ainslie Frame and Lucille Eva Frame
OC974591	05/01/2009	Notice of Lease	Hyde Park Residences Inc.	Gerald Thomas Blair and Francine Marie Blair
OC974611	05/01/2009	Notice of Charge of Lease	Gerald Thomas Blair and Francine Marie Blair	Nancy Green
OC974770	05/01/2009	Notice of Lease	Hyde Park Residences Inc.	Bruce James Carter and Margaret Mary Carter
OC977761	05/12/2009	Notice of Lease	Hyde Park Residences Inc.	Walter Neutel and Clasina Ineke Neutel
OC979712	05/19/2009	Notice of Lease	Hyde Park Residences Inc.	Barbara Lecompte
OC985193	06/02/2009	Notice of Lease	Hyde Park Residences Inc.	Nora Ann Green
OC985719	06/03/2009	Notice of Assignment of Lessee's Interest	Joseph Baart	Gladys Baart
OC986309	06/04/2009	Notice of Lease	Hyde Park Residences Inc.	Lois Marion Stewart
OC987657	06/09/2009	Notice of Lease	Hyde Park Residences Inc.	Douglas Alan Vaughn
OC988133	06/10/2009	Notice of Lease	Hyde Park Residences Inc.	Ronald Norris Heinbuch and Joanne Frances Heinbuch
OC989892	06/15/2009	Notice of Lease	Hyde Park Residences Inc.	Colin MacKenzie and Judy MacKenzie

OC996648	06/30/2009	Notice of Lease	Hyde Park Residences Inc.	Barbara Joyce James
OC999989	07/08/2009	Notice of Lease	Hyde Park Residences Inc.	Andrew Hamilton Wilson
OC1003764	07/16/2009	Notice of Lease	Hyde Park Residences Inc.	William Donaldson
OC1003939	07/16/2009	Notice of Lease	Hyde Park Residences Inc.	Lawrence Stuart Calnan and Norma Helen Calnan
OC1005310	07/20/2009	Notice of Lease	Hyde Park Residences Inc.	Margaret Louise Marlatt
OC1006905	07/23/2009	Notice of Lease	Hyde Park Residences Inc.	Gerald Franklin Beals and Lise Oliva Beals
OC1007270	07/24/2009	Notice of Lease	Hyde Park Residences Inc.	Bernard Herman Berghout and Anna Petronella Berghout
OC1008191	07/27/2009	Notice of Lease	Hyde Park Residences Inc.	Dorothy Ovens
OC1012253	08/04/2009	Notice of Lease	Hyde Park Residences Inc.	Maria Elizabeth Jean Raymond
OC1013372	08/06/2009	Notice of Lease	Hyde Park Residences Inc.	Francis James Gribben and Heather Gribben
OC1024204	08/31/2009	Notice of Lease	Hyde Park Residences Inc.	Donna Mae Gignac
OC1030827	09/18/2009	Notice of Lease	Hyde Park Residences Inc.	Brian Goddard and Margaret Lodge
OC1052386	11/18/2009	Application	Margaret Mary Carter	
OC1113592	05/31/2010	Notice of Assignment of Lessee's Interest	Bob Timmons, Ann Timmons and Marilyn Wright	Christine Jeffs
OC1116373	06/04/2010	Notice of Assignment of Lessee's Interest	June Craig	June Craig and Laura Jill Craig
OC1119691	06/15/2010	Notice of Assignment of Lessee's Interest	James Mabbutt and Huguette Mabbutt	Aage Edward Svendsen and Marion Rose Svendsen
OC1154900	08/31/2010	Notice of Assignment of Lessee's Interest	Henry Joseph Janssens and Barbara Ann	Gaetane Noden

			Janssens	
OC1183044	11/22/2010	Notice of Site Plan Agreement	City of Ottawa	Hyde Park Residences Inc.
OC1184356	11/25/2010	Notice of a Development Charges Deferral Agreement	City of Ottawa	Hyde Park Residences Inc.
OC1211886	03/02/2011	Notice of Assignment of Lessee's Interest	Brian Goddard and Margaret Lodge	Victor Hosquet and Barbara Hosquet
OC1217889	03/24/2011	Notice with respect to a Private Communal Water System and a Private Communal Waste Water System Responsibility Agreement	City of Ottawa	Hyde Park Residences Inc.
OC1230427	05/02/2011	Notice of Assignment of Lessee's Interest	Ronald William Poulton and Lorna Agnes Bannerman Poulton	Brenda Hamm
OC1230479	05/02/2011	Notice of Assignment of Lessee's Interest	Brenda Hamm	Maria Quenneville and Maurice Quenneville
OC1233349	05/11/2011	Application	Marion Rose Svendsen	
OC1251748	06/29/2011	Application	Mary Ellen Hurd and David Brent Melbourne	Mary Ellen Hurd, David Brent Melbourne and the Estate of Betty Jean Provost
OC1255464	07/08/2011	Application	Joyce Winnifred Bond	Joyce Winnifred Bond and the Estate of Albert H. Bond
OC1255671	07/08/2011	Notice of Assignment of Lessee's Interest	Joyce W. Bond and Joyce Winnifred Bond	Lois Brown
OC1264826	07/29/2011	Notice of Assignment of Lessee's Interest	Joyce Deeks	Eric Rolofs and Diane Rolofs
OC1278084	08/31/2011	Notice of Assignment of Lessee's Interest	Mary Ellen Hurd and David Brent Melbourne	Huguette Saley
OC1280467	09/07/2011	Notice of Assignment of Lessee's Interest	Rudy Hollywood and Joan Hollywood	Lawrence Hull and Lynn Hull
OC1281362	09/09/2011	Notice of Assignment of Lessee's Interest	Elsie Ruby Salter	Phyllis Grace Allum
OC1299092	10/27/2011	Application	Robert Lloyd Abbott	
OC1327127	01/24/2012	Application	Joseph Ruddick	
OC1333120	02/13/2012	Notice of Assignment of Lessee's Interest	Richard Schouten and Lydia Schouten	Beverly Konkle and Derek Konkle
OC1354961	04/26/2012	Notice of Assignment of Lessee's Interest	June Elaine Myers	June Elaine Myers and Mark Myers
OC1367068	05/31/2012	Notice of Assignment of	Donald Ralph Joyce	Donald Albert Lacroix

		Lessee's Interest		and Norma Elizabeth Lacroix
OC1396212	08/09/2012	Notice of Assignment of Lessee's Interest	Donna Manning	Ronald Birtch and Dora Birtch
OC1403084	08/28/2012	Notice of Assignment of Lessee's Interest	Lois Ida Garland	Heinz Klabouch and Linda Cathcart
OC1416192	10/04/2012	Notice of Assignment of Lessee's Interest	Lois Ann Mayhew, Clarence Sheldon Mayhew, Marion Esther Mayhew and Ronald Sheldon Mayhew	Lois Ann Mayhew and Ronald Sheldon Mayhew
OC1460358	03/15/2013	Notice of Assignment of Lessee's Interest	Mabel Jean Leech	Avis Irene Templeton
OC1469589	04/19/2013	Notice of Assignment of Lessee's Interest	Lois Ann Mayhew and Ronald Sheldon Mayhew	Linda Johns
OC1508482	08/15/2013	Notice of Assignment of Lessee's Interest	Joseph Ruddick	Charles Hazen Diffin and Margaret Joan Diffin
OC1508663	08/15/2013	Notice of Assignment of Lessee's Interest	William Donaldson	Mary Dianne Pope
OC1519532	09/17/2013	Notice of Assignment of Lessee's Interest	Hilde Schreier	Keith Eddy and Margaret Eddy
OC1523252	09/27/2013	Notice of Assignment of Lessee's Interest	Helen Marjorie Smith	Jacqueline Marcelle Bergeron
OC1550421	01/06/2014	Application	Velma Rath	
OC1561057	02/25/2014	Application for a Court Order	Ontario Superior Court of Justice	Deloitte Restructuring Inc.

Permitted Encumbrances for PIN No. 04437-0259

<u>Registration No.</u>	<u>Date</u>	<u>Instrument Type</u>	<u>Parties From</u>	<u>Parties To</u>
LT243953	10/03/1980	Transfer of Easement	James Donald Green and Sidney Francis Green	The Corporation of the Township of Goulbourn
OC846433	04/30/2008	Notice of an Agreement	City of Ottawa	Hyde Park Residences Inc.
OC846435	04/30/2008	Notice of an Agreement	City of Ottawa	Hyde Park Residences Inc.
OC846825	04/30/2008	Transfer of Easement	Hyde Park Residences Inc.	City of Ottawa
OC849197	05/06/2008	Notice of Site Plan Agreement	City of Ottawa	Hyde Park Residences Inc.
OC920598	10/30/2008	Notice of Lease	Hyde Park Residences	Robert Lloyd Abbott

			Inc.	and Ethel Alice Abbott
OC920814	10/30/2008	Notice of Lease	Hyde Park Residences Inc.	Joan Iris Bailey
OC920873	10/30/2008	Notice of Lease	Hyde Park Residences Inc.	Bernadette Rose Nagle
OC921983	10/31/2008	Notice of Lease	Hyde Park Residences Inc.	Glenroy Ashton Huff and Marjorie Catherine Huff
OC925776	11/12/2008	Notice of Lease	Hyde Park Residences Inc.	Elsie Ruby Salter
OC940551	12/19/2008	Notice of Lease	Hyde Park Residences Inc.	Lloyd Francis Decoste and Jacqueline Edna Decoste
OC940615	12/19/2008	Notice of Lease	Hyde Park Residences Inc.	Bob Timmons, Ann Timmons and Marilyn Wright
OC946415	01/16/2009	Notice of Lease	Hyde Park Residences Inc.	Jacqueline Taylor
OC947828	01/22/2009	Notice of Lease	Hyde Park Residences Inc.	Carol Leslie Pattison
OC957101	03/02/2009	Notice of Lease	Hyde Park Residences Inc.	Donald Ralph Joyce
OC957347	03/03/2009	Notice of Lease	Hyde Park Residences Inc.	Glenn Wannamaker and Ewen Lorraine Rose Wannamaker
OC957403	03/03/2009	Notice of Lease	Hyde Park Residences Inc.	Barry Barnett and Lynn Barnett
OC957769	03/04/2009	Notice of Lease	Hyde Park Residences Inc.	Raymond Tugwell and James Elizabeth Tugwell and Joanne
OC958460	03/06/2009	Notice of Lease	Hyde Park Residences Inc.	Robert Adelard Ranger and Robert Purcell Ranger
OC966010	04/03/2009	Notice of Lease	Hyde Park Residences Inc.	Elsbeth Rae Adam Bell
OC966015	04/03/2009	Notice of Lease	Hyde Park Residences Inc.	Betty Jean Provost

OC966099	04/03/2009	Notice of Lease	Hyde Park Residences Inc.	Bernard Bellefeuille and Georgette Bellefeuille
OC966254	04/06/2009	Notice of Lease	Hyde Park Residences Inc.	Karl Felix Joseph Calagoure and Doris Alberta Calagoure
OC971514	04/24/2009	Notice of Lease	Hyde Park Residences Inc.	Thomas Ainslie Frame and Lucille Eva Frame
OC974591	05/01/2009	Notice of Lease	Hyde Park Residences Inc.	Gerald Thomas Blair and Francine Marie Blair
OC974611	05/01/2009	Notice of Charge of Lease	Gerald Thomas Blair and Francine Marie Blair	Nancy Green
OC974770	05/01/2009	Notice of Lease	Hyde Park Residences Inc.	Bruce James Carter and Margaret Mary Carter
OC977761	05/12/2009	Notice of Lease	Hyde Park Residences Inc.	Walter Neutel and Clasina Ineke Neutel
OC979712	05/19/2009	Notice of Lease	Hyde Park Residences Inc.	Barbara Lecompte
OC985193	06/02/2009	Notice of Lease	Hyde Park Residences Inc.	Nora Ann Green
OC986309	06/04/2009	Notice of Lease	Hyde Park Residences Inc.	Lois Marion Stewart
OC987657	06/09/2009	Notice of Lease	Hyde Park Residences Inc.	Douglas Alan Vaughn
OC988133	06/10/2009	Notice of Lease	Hyde Park Residences Inc.	Ronald Norris Heinbuch and Joanne Frances Heinbuch
OC989892	06/15/2009	Notice of Lease	Hyde Park Residences Inc.	Colin MacKenzie and Judy MacKenzie
OC996648	06/30/2009	Notice of Lease	Hyde Park Residences Inc.	Barbara Joyce James
OC999989	07/08/2009	Notice of Lease	Hyde Park Residences Inc.	Andrew Hamilton Wilson
OC1003764	07/16/2009	Notice of Lease	Hyde Park Residences Inc.	William Donaldson
OC1003939	07/16/2009	Notice of Lease	Hyde Park Residences	Lawrence Stuart Calnan

			Inc.	and Norma Helen Calnan
OC1005310	07/20/2009	Notice of Lease	Hyde Park Residences Inc.	Margaret Louise Marlatt
OC1006905	07/23/2009	Notice of Lease	Hyde Park Residences Inc.	Gerald Franklin Beals and Lise Oliva Beals
OC1007270	07/24/2009	Notice of Lease	Hyde Park Residences Inc.	Bernard Herman Berghout and Anna Petronella Berghout
OC1008191	07/27/2009	Notice of Lease	Hyde Park Residences Inc.	Dorothy Ovens
OC1012253	08/04/2009	Notice of Lease	Hyde Park Residences Inc.	Maria Elizabeth Jean Raymond
OC1013372	08/06/2009	Notice of Lease	Hyde Park Residences Inc.	Francis James Gribben and Heather Gribben
OC1024204	08/31/2009	Notice of Lease	Hyde Park Residences Inc.	Donna Mae Gignac
OC1030827	09/18/2009	Notice of Lease	Hyde Park Residences Inc.	Brian Goddard and Margaret Lodge
OC1052386	11/18/2009	Application	Margaret Mary Carter	
OC1113592	05/31/2010	Notice of Assignment of Lessee's Interest	Bob Timmons, Ann Timmons and Marilyn Wright	Christine Jeffs
OC1183044	11/22/2010	Notice of Site Plan Agreement	City of Ottawa	Hyde Park Residences Inc.
OC1184356	11/25/2010	Notice of a Development Charges Deferral Agreement	City of Ottawa	Hyde Park Residences Inc.
OC1211886	03/02/2011	Notice of Assignment of Lessee's Interest	Brian Goddard and Margaret Lodge	Victor Hosquet and Barbara Hosquet
OC1217889	03/24/2011	Notice with respect to a Private Communal Water System and a Private Communal Waste Water System Responsibility Agreement	City of Ottawa	Hyde Park Residences Inc.
OC1251748	06/29/2011	Application	Mary Ellen Hurd and David Brent Melbourne	Mary Ellen Hurd, David Brent Melbourne and the Estate of Betty Jean Provost

OC1278084	08/31/2011	Notice of Assignment of Lessee's Interest	Mary Ellen Hurd and David Brent Melbourne	Huguette Saley
OC1281362	09/09/2011	Notice of Assignment of Lessee's Interest	Elsie Ruby Salter	Phyllis Grace Allum
OC1299092	10/27/2011	Application	Robert Lloyd Abbott	
OC1367068	05/31/2012	Notice of Assignment of Lessee's Interest	Donald Ralph Joyce	Donald Albert Lacroix and Norma Elizabeth Lacroix
OC1508663	08/15/2013	Notice of Assignment of Lessee's Interest	William Donaldson	Mary Dianne Pope
OC1561057	02/25/2014	Application for a Court Order	Ontario Superior Court of Justice	Deloitte Restructuring Inc.

Permitted Encumbrances for PIN No. 04437-0261

<u>Registration No.</u>	<u>Date</u>	<u>Instrument Type</u>	<u>Parties From</u>	<u>Parties To</u>
OC846433	04/30/2008	Notice of an Agreement	City of Ottawa	Hyde Park Residences Inc.
OC846825	04/30/2008	Transfer of Easement	Hyde Park Residences Inc.	City of Ottawa
OC920598	10/30/2008	Notice of Lease	Hyde Park Residences Inc.	Robert Lloyd Abbott and Ethel Alice Abbott
OC920814	10/30/2008	Notice of Lease	Hyde Park Residences Inc.	Joan Iris Bailey
OC920873	10/30/2008	Notice of Lease	Hyde Park Residences Inc.	Bernadette Rose Nagle
OC921983	10/31/2008	Notice of Lease	Hyde Park Residences Inc.	Glenroy Ashton Huff and Marjorie Catherine Huff
OC925776	11/12/2008	Notice of Lease	Hyde Park Residences Inc.	Elsie Ruby Salter
OC940551	12/19/2008	Notice of Lease	Hyde Park Residences Inc.	Lloyd Francis Decoste and Jacqueline Edna Decoste
OC940615	12/19/2008	Notice of Lease	Hyde Park Residences Inc.	Bob Timmons, Ann Timmons and Marilyn Wright
OC946415	01/16/2009	Notice of Lease	Hyde Park Residences Inc.	Jacqueline Taylor

OC947828	01/22/2009	Notice of Lease	Hyde Park Residences Inc.	Carol Leslie Pattison
OC957101	03/02/2009	Notice of Lease	Hyde Park Residences Inc.	Donald Ralph Joyce
OC957347	03/03/2009	Notice of Lease	Hyde Park Residences Inc.	Glenn Wannamaker and Ewen Lorraine Rose Wannamaker
OC957403	03/03/2009	Notice of Lease	Hyde Park Residences Inc.	Barry Barnett and Lynn Barnett
OC957769	03/04/2009	Notice of Lease	Hyde Park Residences Inc.	Raymond Tugwell and James Elizabeth Tugwell and Joanne
OC958460	03/06/2009	Notice of Lease	Hyde Park Residences Inc.	Robert Adelard Ranger and Robert Purcell Ranger
OC966010	04/03/2009	Notice of Lease	Hyde Park Residences Inc.	Elsbeth Rae Adam Bell
OC966015	04/03/2009	Notice of Lease	Hyde Park Residences Inc.	Betty Jean Provost
OC966099	04/03/2009	Notice of Lease	Hyde Park Residences Inc.	Bernard Bellefeuille and Georgette Bellefeuille
OC966254	04/06/2009	Notice of Lease	Hyde Park Residences Inc.	Karl Felix Joseph Calagoure and Doris Alberta Calagoure
OC971514	04/24/2009	Notice of Lease	Hyde Park Residences Inc.	Thomas Ainslie Frame and Lucille Eva Frame
OC974591	05/01/2009	Notice of Lease	Hyde Park Residences Inc.	Gerald Thomas Blair and Francine Marie Blair
OC974611	05/01/2009	Notice of Charge of Lease	Gerald Thomas Blair and Francine Marie Blair	Nancy Green
OC974770	05/01/2009	Notice of Lease	Hyde Park Residences Inc.	Bruce James Carter and Margaret Mary Carter
OC977761	05/12/2009	Notice of Lease	Hyde Park Residences Inc.	Walter Neutel and Clasina Ineke Neutel
OC979712	05/19/2009	Notice of Lease	Hyde Park Residences Inc.	Barbara Lecompte

OC985193	06/02/2009	Notice of Lease	Hyde Park Residences Inc.	Nora Ann Green
OC986309	06/04/2009	Notice of Lease	Hyde Park Residences Inc.	Lois Marion Stewart
OC987657	06/09/2009	Notice of Lease	Hyde Park Residences Inc.	Douglas Alan Vaughn
OC988133	06/10/2009	Notice of Lease	Hyde Park Residences Inc.	Ronald Norris Heinbuch and Joanne Frances Heinbuch
OC989892	06/15/2009	Notice of Lease	Hyde Park Residences Inc.	Colin MacKenzie and Judy MacKenzie
OC996648	06/30/2009	Notice of Lease	Hyde Park Residences Inc.	Barbara Joyce James
OC999989	07/08/2009	Notice of Lease	Hyde Park Residences Inc.	Andrew Hamilton Wilson
OC1003764	07/16/2009	Notice of Lease	Hyde Park Residences Inc.	William Donaldson
OC1003939	07/16/2009	Notice of Lease	Hyde Park Residences Inc.	Lawrence Stuart Calnan and Norma Helen Calnan
OC1005310	07/20/2009	Notice of Lease	Hyde Park Residences Inc.	Margaret Louise Marlatt
OC1006905	07/23/2009	Notice of Lease	Hyde Park Residences Inc.	Gerald Franklin Beals and Lise Oliva Beals
OC1007270	07/24/2009	Notice of Lease	Hyde Park Residences Inc.	Bernard Herman Berghout and Anna Petronella Berghout
OC1008191	07/27/2009	Notice of Lease	Hyde Park Residences Inc.	Dorothy Ovens
OC1012253	08/04/2009	Notice of Lease	Hyde Park Residences Inc.	Maria Elizabeth Jean Raymond
OC1013372	08/06/2009	Notice of Lease	Hyde Park Residences Inc.	Francis James Gribben and Heather Gribben
OC1024204	08/31/2009	Notice of Lease	Hyde Park Residences Inc.	Donna Mae Gignac

OC1030827	09/18/2009	Notice of Lease	Hyde Park Residences Inc.	Brian Goddard and Margaret Lodge
OC1052386	11/18/2009	Application	Margaret Mary Carter	
OC1113592	05/31/2010	Notice of Assignment of Lessee's Interest	Bob Timmons, Ann Timmons and Marilyn Wright	Christine Jeffs
OC1183044	11/22/2010	Notice of Site Plan Agreement	City of Ottawa	Hyde Park Residences Inc.
OC1184356	11/25/2010	Notice of a Development Charges Deferral Agreement	City of Ottawa	Hyde Park Residences Inc.
OC1211886	03/02/2011	Notice of Assignment of Lessee's Interest	Brian Goddard and Margaret Lodge	Victor Hosquet and Barbara Hosquet
OC1217889	03/24/2011	Notice with respect to a Private Communal Water System and a Private Communal Waste Water System Responsibility Agreement	City of Ottawa	Hyde Park Residences Inc.
OC1251748	06/29/2011	Application	Mary Ellen Hurd and David Brent Melbourne	Mary Ellen Hurd, David Brent Melbourne and the Estate of Betty Jean Provost
OC1278084	08/31/2011	Notice of Assignment of Lessee's Interest	Mary Ellen Hurd and David Brent Melbourne	Huguette Saley
OC1281362	09/09/2011	Notice of Assignment of Lessee's Interest	Elsie Ruby Salter	Phyllis Grace Allum
OC1299092	10/27/2011	Application	Robert Lloyd Abbott	
OC1367068	05/31/2012	Notice of Assignment of Lessee's Interest	Donald Ralph Joyce	Donald Albert Lacroix and Norma Elizabeth Lacroix
OC1508663	08/15/2013	Notice of Assignment of Lessee's Interest	William Donaldson	Mary Dianne Pope
OC1561057	02/25/2014	Application for a Court Order	Ontario Superior Court of Justice	Deloitte Restructuring Inc.

Schedule C

Form of Approval and Vesting Order

Court File No. 14-59998

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) DAY THE DAY
JUSTICE) OF , 2014

B E T W E E N:

Applicant

- and -

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by Deloitte Restructuring Inc. in its capacity as the court-appointed receiver and manager (the "**Receiver**") of all of the lands and premises described in the ■ Agreement and listed on Schedule "B" hereto and all of the respondent's (the "**Debtor**") interest in assets and undertakings of any kind or nature and located on or solely pertaining to such lands or used in relation to the development of such lands and construction of

improvements thereon, for an order, *inter alia*, approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Agreement**") between the Receiver and ■ (the "**Purchaser**") dated as of ■ and attached in redacted form as Appendix " ■ " to the ■ Report of the Receiver dated ■ (the "**Report**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the Assets, as such term is defined in the ■ Agreement (the "**Assets**"), was heard this day at 161 Elgin Street, Ottawa, Ontario.

ON READING the ■ Report and the appendices attached thereto, [**any applicable affidavits**], and on hearing the submissions of counsel for the Receiver, the Debtor, the Purchaser, [**and any additional necessary parties**], no one appearing for any other person on the service list, although properly served as appears from the affidavit of ■ sworn ■, filed,

SERVICE

THIS COURT ORDERS that the time for service of the Receiver's notice of motion and motion record dated ■ is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL AND VESTING

THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the ■ Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. 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 Assets to the Purchaser.

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 Debtor's right, title and interest in and to the Assets described in the ■ 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, and

all agreements of purchase and sale, reservation contracts and leases (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order herein of The Honourable Mr. Justice Robert N. Beaudoin dated February 20, 2014; (ii) all charges, security interests, agreements, leases or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Land Titles Act* (Ontario) or any other personal or real 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 assumed encumbrances listed on Schedule "D" hereto) and (iv) any other Claims registered or arising prior to the registration of this Order (the "**Additional Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances and Additional Encumbrances affecting or relating to the Assets are hereby expunged and discharged as against the Assets.

THIS COURT ORDERS that upon the registration in the Ottawa-Carleton Land Registry Office (No. 4) 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.

THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Assets shall stand in the place and stead of the 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 Assets with the same priority as they had with respect to the Assets immediately prior to the sale, as if the 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.

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

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 Debtor's records

pertaining to the Debtor's past and current employees. 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 Debtor.

THIS COURT ORDERS that, notwithstanding:

the pendency of these proceedings;

any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such application; and

any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, 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.

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

APPROVAL OF ACTIVITIES

THIS COURT ORDERS that the ■ Report of the Receiver dated ■, and the activities of the Receiver described therein, be and are hereby approved.

SEALING

THIS COURT ORDERS that the Confidential Information Memorandum, the Template Sale Agreement, the summary of the offers received and the unredacted version of the ■ Agreement,

delivered to the Court as Confidential Appendices “■”, “■”, “■” and “■” respectively to the ■ Report, be and are hereby sealed until the filing with the Court of the Receiver's Certificate, or upon further order of the Court.

AID AND RECOGNITION

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.

1.

2. _____

3.

Schedule A (to Vesting Order)– Form of Receiver’s Certificate

Court File No. 14-59998

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

Applicant

- and -

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an order herein of The Honourable Mr. Justice Robert N. Beaudoin of the Ontario Superior Court of Justice (the "**Court**") dated February 20, 2014, Deloitte Restructuring Inc. was appointed as the receiver and manager (the "**Receiver**") of all of the lands and premises described in the ■ Agreement and listed on Schedule “B” hereto and all of the respondent’s (the "**Debtor**") interest in assets and undertakings of any kind or nature and located on or solely pertaining to such lands or used in relation to the development of such lands and construction of improvements thereon, all as described in the said order.

B. Pursuant to an order of the Court dated ■, the (the “**Approval Order**”) the Court approved the agreement of purchase and sale made as of ■ (the "**■ Agreement**") between the Receiver and ■ (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Assets as defined in the ■ Agreement, which vesting is to be effective with respect to the 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 Assets; (ii)

that the conditions to Closing as set out in section ■ of the ■ 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 ■ Agreement and the Approval Order.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Assets payable on the Closing Date pursuant to the ■ Agreement;
2. The conditions to Closing as set out in section ■ of the ■ 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 RESTRUCTURING INC., in its
capacity as receiver and manager of Hyde
Park Residences Inc., and not in its personal
capacity**

Per:

Name:

Title:

Schedule B (to Vesting order) –Assets

The Lands

The right, title and interest of the Debtor in the real property described as:

PIN 04437 – 0016 LT
Description PCL 96-2, SEC 4D-22; PT UNIT 96, PL 4D 22, PART 1, 4R2141; S/T LT245432. GOULBOURN. SUBJECT TO AN EASEMENT IN FAVOUR OF CITY OF OTTAWA AS IN OC237114, SUBJECT TO AN EASEMENT IN FAVOUR OF CITY OF OTTAWA AS IN OC268744. TOGETHER WITH AN EASEMENT OVER PART OF UNIT 94 ON PLAN 4D 22, DESIGNATED AS PARTS 3, 4, 5, AND 6 ON PLAN 4R 21531 AS IN OC689066. SUBJECT TO AN EASEMENT IN FAVOUR OF PART OF UNIT 96 ON 4D 22, BEING PART 2 ON 4R 21530 OVER PART 4 ON 4R 21530 AS IN OC685443, SUBJECT TO EASEMENT IN GROSS AS IN OC846825. TOGETHER WITH EASEMENT OVER PART OF UNIT 94 PLAN 4D22 PART 8 PLAN 4R23098 IN FAVOUR OF PART OF UNIT 96 PLAN 4D22 PART 1 ON PLAN 4R2141 AS IN OC910959. SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 10 AND 11 ON PLAN 4R23098 AS IN OC911266. SUBJECT TO AN EASEMENT IN GROSS OVER PART 7 ON PLAN 4R23098 AS IN OC911267.
Address RICHMOND

PIN 04437 – 0259 LT
Description PART OF UNIT 94 ON PLAN 4D 22, DESIGNATED AS PARTS 1 AND 2 ON PLAN 4R 21531. OTTAWA. TOGETHER WITH AN EASEMENT OVER PART OF UNIT 94 ON PLAN 4D 22, DESIGNATED AS PARTS 3, 4, 5, AND 6 ON PLAN 4R 21531 AS IN OC689066. S/T EASEMENT IN GROSS AS IN OC846825. T/W EASEMENT OVER PART OF UNIT 94 PLAN 4D22 PART 8 PLAN 4R23098 IN FAVOUR OF PART OF UNIT 94 PLAN 4R22 PARTS 1 & 2 PLAN 4R21531 AS IN OC910959.; SUBJECT TO AN EASEMENT AS IN LT243953
Address RICHMOND

PIN 04437 – 0261 LT
Description PART OF UNIT 96 ON PLAN 4D 22, DESIGNATED AS PART 1 ON PLAN 4R 21530. OTTAWA. S/T EASEMENT IN GROSS AS IN OC846825.
Address RICHMOND

The Plans * depending on responses may need to add Leases, Agreements of Purchase and Sale and Contracts, Resident Trust Fund details**

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

PIN No. 04437-0016

PIN No. 04437-0259

PIN No. 04437-0261

D R R A

Schedule D (to Vesting Order)

Assumed Encumbrances related to the Real Property

(unaffected by the Vesting Order)

Permitted Encumbrances for PIN No. 04437-0016

<u>Registration No.</u>	<u>Date</u>	<u>Instrument Type</u>	<u>Parties From</u>	<u>Parties To</u>
LT245432	10/29/1980	Transfer of Easement	Robert Irwin Fraser, Ray Emerson Fraser, Joan Ann Boisseau and Doris Elaine Hall	The Corporation of the Township of Gloucester
OC141333	11/15/2002	Transfer by Personal Representative	Ray Emerson Fraser, Robert Irwin Fraser, Donald John Hall, the estate of Doris Elaine Hall and Joan Ann Boisseau	Hyde Park Residences Inc.
OC222814	07/21/2003	Notice of Agreement	Hyde Park Residences Inc.	City of Ottawa
OC237113	08/26/2003	Notice of a Site Plan Agreement	Hyde Park Residences Inc.	City of Ottawa
OC237114	08/26/2003	Transfer of Easement	Hyde Park Residences Inc.	City of Ottawa
OC249996	09/24/2003	Notice of Lease	Hyde Park Residences Inc.	Robert Gibson
OC250078	09/24/2003	Notice of Lease	Hyde Park Residences Inc.	Shirley Morris
OC250220	09/24/2003	Notice of Lease	Hyde Park Residences Inc.	Abraham Blenk and Annetje Blenk
OC250500	09/25/2003	Notice of Lease	Hyde Park Residences Inc.	John Harvey and Elizabeth Harvey
OC250897	09/26/2003	Notice of Lease	Hyde Park Residences Inc.	Ralph Shemilt and Marlene Shemilt
OC250914	09/26/2003	Notice of Charge of Lease	Ralph Shemilt and Marlene Shemilt	Canadian Imperial Bank of Commerce
OC257649	10/10/2003	Notice of Lease	Hyde Park Residences Inc.	Joseph Barthelette and Nancy Barthelette
OC257986	10/10/2003	Notice of Lease	Hyde Park Residences	June Craig

			Inc.	
OC258472	10/15/2003	Notice of Lease	Hyde Park Residences Inc.	Rudy Hollywood and John Hollywood
OC262741	10/24/2003	Notice of Lease	Hyde Park Residences Inc.	Lois Ann Mayhew, Clarence Sheldon Mayhew, Marion Esther Mayhew and Ronald Sheldon Mayhew
OC268744	11/10/2003	Transfer of Easement	Hyde Park Residences Inc.	City of Ottawa
OC274175	11/24/2003	Notice of Lease	Hyde Park Residences Inc.	Richard Schouten and Lydia Schouten
OC275618	11/27/2003	Notice of Lease	Hyde Park Residences Inc.	Henry Joseph Janssens and Barbara Ann Janssens
OC277839	12/02/2003	Notice of Lease	Hyde Park Residences Inc.	Mabel Jean Leech
OC277866	12/02/2003	Notice of Charge of Lease	Mabel Jean Leech	Canadian Imperial Bank of Commerce
OC278035	12/02/2003	Notice of Lease	Hyde Park Residences Inc.	Ronald William Poulton and Lorna Agnes Bannerman Poulton
OC278855	12/04/2003	Notice of Lease	Hyde Park Residences Inc.	Carmella Zulpo
OC284662	12/19/2003	Notice of Lease	Hyde Park Residences Inc.	Allenby O'Neill
OC284733	12/19/2003	Notice of Lease	Hyde Park Residences Inc.	Marcella Gilmour
OC287306	01/02/2004	Notice of Lease	Hyde Park Residences Inc.	Leo Paul Bernier and Audrey Charlotte Bernier
OC287307	01/02/2004	Notice of Charge of Lease	Leo Paul Bernier and Audrey Charlotte Bernier	Scotia Mortgage Corporation
OC289180	01/09/2004	Notice of Lease	Hyde Park Residences Inc.	Connie MacDowell
OC289272	01/09/2004	Notice of Lease	Hyde Park Residences Inc.	Joyce Deeks
OC306842	03/05/2004	Notice of Lease	Hyde Park Residences Inc.	Helen I. Mills
OC308306	03/11/2004	Notice of Lease	Hyde Park Residences Inc.	Gerhard Lehmann and Karin Lehmann
OC308798	03/12/2004	Notice of Lease	Hyde Park Residences	Albert H. Bond and Joyce W. Bond

			Inc.	
OC308822	03/12/2004	Notice of Lease	Hyde Park Residences Inc.	F. Cheryl McCoy
OC311882	03/24/2004	Notice of Lease	Hyde Park Residences Inc.	Pearl Vaughan
OC311899	03/24/2004	Notice of Charge of Lease	Pearl Vaughan	Canadian Imperial Bank of Commerce
OC321591	04/22/2004	Notice of Lease	Hyde Park Residences Inc.	Bryan Landon and Joyce Landon
OC323461	04/28/2004	Notice of Lease	Hyde Park Residences Inc.	Guglielmo Erminio Micucci and Marilyn Elizabeth Micucci
OC327795	05/07/2004	Notice of Lease	Hyde Park Residences Inc.	James Rath and Velma Rath
OC327846	05/07/2004	Notice of Lease	Hyde Park Residences Inc.	Michael Baker and Catherine Baker
OC365531	08/04/2004	Notice of Lease	Hyde Park Residences Inc.	Hazel Sunstrum and Margaret Sunstrum
OC365843	08/05/2004	Notice of Lease	Hyde Park Residences Inc.	Ginette Senechal
OC365849	08/05/2004	Notice of Charge of Lease	Ginette Senechal	Canadian Imperial Bank of Commerce
OC376073	08/30/2004	Notice of Lease	Hyde Park Residences Inc.	Douglas Turmaine and Louise Turmaine
OC380615	09/10/2004	Notice of Lease	Hyde Park Residences Inc.	John Robert Hiley and Margaret Isobel Hiley
OC399054	10/29/2004	Notice of Lease	Hyde Park Residences Inc.	Lise Kovari
OC401483	11/04/2004	Notice of Lease	Hyde Park Residences Inc.	Michael Rock
OC401908	11/05/2004	Notice of Lease	Hyde Park Residences Inc.	Bryan Ronald Hodge and Dorise Mae Hodge
OC402198	11/08/2004	Notice of Lease	Hyde Park Residences Inc.	Donald Joyce

OC407374	11/22/2004	Notice of Lease	Hyde Park Residences Inc.	Joseph Harold Sims and Carole Nataline Sims
OC414021	12/08/2004	Notice of Lease	Hyde Park Residences Inc.	Yvan Lebrun and Louise Lebrun
OC416240	12/15/2004	Notice of Lease	Hyde Park Residences Inc.	Ralph Heazle and Joy Heazle
OC416280	12/15/2004	Notice of Charge of Lease	Ralph Heazle and Joy Heazle	Canadian Imperial Bank of Commerce
OC416348	12/15/2004	Notice of Lease	Hyde Park Residences Inc.	Hilde Schreier
OC417005	12/16/2004	Notice of Lease	Hyde Park Residences Inc.	Edward Albert Treboutat and Joyce Treboutat
OC421683	01/05/2005	Notice of Lease	Hyde Park Residences Inc.	Angus Peter McIntyre
OC448235	04/01/2005	Notice of Lease	Hyde Park Residences Inc.	John Carson McCullough and Shirley Ann McCullough
OC468959	06/01/2005	Notice of Lease	Hyde Park Residences Inc.	Robert Irwin Birtch and Elizabeth Jane Birtch
OC468982	06/01/2004	Notice of Charge of Lease	Robert Irwin Birtch and Elizabeth Jane Birtch	Scotia Mortgage Corporation
OC518830	10/04/2005	Notice of Assignment of Lessee's Interest	Karin Lehmann and Gerhard Lehmann (Deceased)	Karin Lehmann
OC540975	12/01/2005	Notice of Assignment of Lessee's Interest	Connie MacDowell	Jean Ruddick and Joseph Ruddick
OC543402	12/09/2005	Notice of Assignment of Lessee's Interest	Hazel Sunstrum and Margaret Sunstrum	Margaret Sunstrum
OC595022	05/25/2006	Notice of Lease	Hyde Park Residences Inc.	Judith Patricia Brazeau and John Phillip Brazeau
OC598477	06/01/2006	Notice of Lease	Hyde Park Residences Inc.	James Mabbutt and Huguette Mabbutt
OC598673	06/01/2006	Notice of Lease	Hyde Park Residences Inc.	Gladys Baart and Joseph Baart
OC604121	06/16/2006	Notice of Lease	Hyde Park Residences Inc.	Richard Goyette and Geoffrey Woods
OC608870	06/29/2006	Notice of Lease	Hyde Park Residences	June Elaine Myers

			Inc.	
OC617990	07/21/2006	Notice of Lease	Hyde Park Residences Inc.	Maurice Vincent Lavolette and Patricia Beatrice Lavolette
OC621221	07/28/2006	Notice of Lease	Hyde Park Residences Inc.	Helen Marjorie Smith
OC669281	12/11/2006	Notice of Assignment of Lessee's Interest	Angus Peter McIntyre	Irene Burwash
OC675646	01/04/2007	Notice of an Amending Site Plan Agreement	City of Ottawa	Hyde Park Residences Inc.
OC685443	02/02/2007	Transfer of Easement	Hyde Park Residences Inc.	Bonnie Jensen
OC685913	02/05/2007	Notice of Assignment of Lessee's Interest	Yvan Lebrun and Louise Lebrun	Robert Francis Leighton and Glenna Maureen Leighton
OC780016	10/01/2007	Notice of Assignment of Lessee's Interest	Douglas Turmaine and Louise Turmaine	Penelope Tennant
OC798165	11/20/2007	Notice of an Amending Site Plan Agreement	City of Ottawa	Hyde Park Residences Inc.
OC803250	11/30/2007	Notice of Assignment of Lessee's Interest	Ian Moffat Tennant	Joanne Braaksma
OC806454	12/10/2007	Notice of an Agreement	Hyde Park Residences Inc.	Gladys Baart
OC828435	02/28/2008	Notice of Assignment of Lessee's Interest	Richard Goyette and Geoffrey Woods	Donna Manning
OC828934	02/29/2008	Notice of Assignment of Lessee's Interest	Karin Lehmann	Jean Brunet
OC846433	04/30/2008	Notice of an Agreement	City of Ottawa	Hyde Park Residences Inc.
OC846435	04/30/2008	Notice of an Agreement	City of Ottawa	Hyde Park Residences Inc.
OC846825	04/30/2008	Transfer of Easement	Hyde Park Residences Inc.	City of Ottawa
OC849197	05/06/2008	Notice of Site Plan Agreement	City of Ottawa	Hyde Park Residences Inc.
OC857508	05/30/2008	Notice of Assignment of Lessee's Interest	Judith Patricia Brazeau and John Phillip Brazeau	Sandra Inez Tubman
OC911266	10/03/2008	Transfer of Easement	Hyde Park Residences Inc.	City of Ottawa
OC911267	10/03/2008	Transfer of Easement	Hyde Park Residences Inc.	City of Ottawa

OC919754	10/29/2008	Postponement	Canadian Imperial Bank of Commerce	City of Ottawa
OC919755	10/29/2008	Postponement	Canadian Imperial Bank of Commerce	City of Ottawa
OC919756	10/29/2008	Postponement	Canadian Imperial Bank of Commerce	City of Ottawa
OC920598	10/30/2008	Notice of Lease	Hyde Park Residences Inc.	Robert Lloyd Abbott and Ethel Alice Abbott
OC920814	10/30/2008	Notice of Lease	Hyde Park Residences Inc.	Joan Iris Bailey
OC920873	10/30/2008	Notice of Lease	Hyde Park Residences Inc.	Bernadette Rose Nagle
OC921983	10/31/2008	Notice of Lease	Hyde Park Residences Inc.	Glenroy Ashton Huff and Marjorie Catherine Huff
OC925776	11/12/2008	Notice of Lease	Hyde Park Residences Inc.	Elsie Ruby Salter
OC940551	12/19/2008	Notice of Lease	Hyde Park Residences Inc.	Lloyd Francis Decoste and Jacqueline Edna Decoste
OC940615	12/19/2008	Notice of Lease	Hyde Park Residences Inc.	Bob Timmons, Ann Timmons and Marilyn Wright
OC946415	01/16/2009	Notice of Lease	Hyde Park Residences Inc.	Jacqueline Taylor
OC947828	01/22/2009	Notice of Lease	Hyde Park Residences Inc.	Carol Leslie Pattison
OC957061	03/02/2009	Notice of Assignment of Lessee's Interest	Donald Joyce	Lois Ida Garland
OC957101	03/02/2009	Notice of Lease	Hyde Park Residences Inc.	Donald Ralph Joyce
OC957347	03/03/2009	Notice of Lease	Hyde Park Residences Inc.	Glenn Wannamaker and Lorraine Rose Wannamaker
OC957403	03/03/2009	Notice of Lease	Hyde Park Residences Inc.	Barry Barnett and Lynn Barnett

OC957769	03/04/2009	Notice of Lease	Hyde Park Residences Inc.	Raymond James Tugwell and Joanne Elizabeth Tugwell
OC958460	03/06/2009	Notice of Lease	Hyde Park Residences Inc.	Robert Adelard Ranger and Robert Purcell Ranger
OC966010	04/03/2009	Notice of Lease	Hyde Park Residences Inc.	Elsbeth Rae Adam Bell
OC966015	04/03/2009	Notice of Lease	Hyde Park Residences Inc.	Betty Jean Provost
OC966099	04/03/2009	Notice of Lease	Hyde Park Residences Inc.	Bernard Bellefeuille and Georgette Bellefeuille
OC966254	04/06/2009	Notice of Lease	Hyde Park Residences Inc.	Karl Felix Joseph Calagoure and Doris Alberta Calagoure
OC971514	04/24/2009	Notice of Lease	Hyde Park Residences Inc.	Thomas Ainslie Frame and Lucille Eva Frame
OC974591	05/01/2009	Notice of Lease	Hyde Park Residences Inc.	Gerald Thomas Blair and Francine Marie Blair
OC974611	05/01/2009	Notice of Charge of Lease	Gerald Thomas Blair and Francine Marie Blair	Nancy Green
OC974770	05/01/2009	Notice of Lease	Hyde Park Residences Inc.	Bruce James Carter and Margaret Mary Carter
OC977761	05/12/2009	Notice of Lease	Hyde Park Residences Inc.	Walter Neutel and Clasina Ineke Neutel
OC979712	05/19/2009	Notice of Lease	Hyde Park Residences Inc.	Barbara Lecompte
OC985193	06/02/2009	Notice of Lease	Hyde Park Residences Inc.	Nora Ann Green
OC985719	06/03/2009	Notice of Assignment of Lessee's Interest	Joseph Baart	Gladys Baart
OC986309	06/04/2009	Notice of Lease	Hyde Park Residences Inc.	Lois Marion Stewart
OC987657	06/09/2009	Notice of Lease	Hyde Park Residences Inc.	Douglas Alan Vaughn
OC988133	06/10/2009	Notice of Lease	Hyde Park Residences	Ronald Norris Heinbuch and Joanne Frances

			Inc.	Heinbuch
OC989892	06/15/2009	Notice of Lease	Hyde Park Residences Inc.	Colin MacKenzie and Judy MacKenzie
OC996648	06/30/2009	Notice of Lease	Hyde Park Residences Inc.	Barbara Joyce James
OC999989	07/08/2009	Notice of Lease	Hyde Park Residences Inc.	Andrew Hamilton Wilson
OC1003764	07/16/2009	Notice of Lease	Hyde Park Residences Inc.	William Donaldson
OC1003939	07/16/2009	Notice of Lease	Hyde Park Residences Inc.	Lawrence Stuart Calnan and Norma Helen Calnan
OC1005310	07/20/2009	Notice of Lease	Hyde Park Residences Inc.	Margaret Louise Marlatt
OC1006905	07/23/2009	Notice of Lease	Hyde Park Residences Inc.	Gerald Franklin Beals and Lise Oliva Beals
OC1007270	07/24/2009	Notice of Lease	Hyde Park Residences Inc.	Bernard Herman Berghout and Anna Petronella Berghout
OC1008191	07/27/2009	Notice of Lease	Hyde Park Residences Inc.	Dorothy Ovens
OC1012253	08/04/2009	Notice of Lease	Hyde Park Residences Inc.	Maria Elizabeth Jean Raymond
OC1013372	08/06/2009	Notice of Lease	Hyde Park Residences Inc.	Francis James Gribben and Heather Gribben
OC1024204	08/31/2009	Notice of Lease	Hyde Park Residences Inc.	Donna Mae Gignac
OC1030827	09/18/2009	Notice of Lease	Hyde Park Residences Inc.	Brian Goddard and Margaret Lodge
OC1052386	11/18/2009	Application	Margaret Mary Carter	
OC1113592	05/31/2010	Notice of Assignment of Lessee's Interest	Bob Timmons, Ann Timmons and Marilyn Wright	Christine Jeffs
OC1116373	06/04/2010	Notice of Assignment of Lessee's Interest	June Craig	June Craig and Laura Jill Craig
OC1119691	06/15/2010	Notice of Assignment of	James Mabbutt and	Aage Edward Svendsen

		Lessee's Interest	Huguette Mabbutt	and Marion Rose Svendsen
OC1154900	08/31/2010	Notice of Assignment of Lessee's Interest	Henry Joseph Janssens and Barbara Ann Janssens	Gaetane Noden
OC1183044	11/22/2010	Notice of Site Plan Agreement	City of Ottawa	Hyde Park Residences Inc.
OC1184356	11/25/2010	Notice of a Development Charges Deferral Agreement	City of Ottawa	Hyde Park Residences Inc.
OC1211886	03/02/2011	Notice of Assignment of Lessee's Interest	Brian Goddard and Margaret Lodge	Victor Hosquet and Barbara Hosquet
OC1217889	03/24/2011	Notice with respect to a Private Communal Water System and a Private Communal Waste Water System Responsibility Agreement	City of Ottawa	Hyde Park Residences Inc.
OC1230427	05/02/2011	Notice of Assignment of Lessee's Interest	Ronald William Poulton and Lorna Agnes Bannerman Poulton	Brenda Hamm
OC1230479	05/02/2011	Notice of Assignment of Lessee's Interest	Brenda Hamm	Maria Quenneville and Maurice Quenneville
OC1233349	05/11/2011	Application	Marion Rose Svendsen	
OC1251748	06/29/2011	Application	Mary Ellen Hurd and David Brent Melbourne	Mary Ellen Hurd, David Brent Melbourne and the Estate of Betty Jean Provost
OC1255464	07/08/2011	Application	Joyce Winnifred Bond	Joyce Winnifred Bond and the Estate of Albert H. Bond
OC1255671	07/08/2011	Notice of Assignment of Lessee's Interest	Joyce W. Bond and Joyce Winnifred Bond	Lois Brown
OC1264826	07/29/2011	Notice of Assignment of Lessee's Interest	Joyce Deeks	Eric Rolofs and Diane Rolofs
OC1278084	08/31/2011	Notice of Assignment of Lessee's Interest	Mary Ellen Hurd and David Brent Melbourne	Huguette Saley
OC1280467	09/07/2011	Notice of Assignment of Lessee's Interest	Rudy Hollywood and Joan Hollywood	Lawrence Hull and Lynn Hull
OC1281362	09/09/2011	Notice of Assignment of Lessee's Interest	Elsie Ruby Salter	Phyllis Grace Allum
OC1299092	10/27/2011	Application	Robert Lloyd Abbott	
OC1327127	01/24/2012	Application	Joseph Ruddick	
OC1333120	02/13/2012	Notice of Assignment of	Richard Schouten and	Beverly Konkle and

		Lessee's Interest	Lydia Schouten	Derek Konkle
OC1354961	04/26/2012	Notice of Assignment of Lessee's Interest	June Elaine Myers	June Elaine Myers and Mark Myers
OC1367068	05/31/2012	Notice of Assignment of Lessee's Interest	Donald Ralph Joyce	Donald Albert Lacroix and Norma Elizabeth Lacroix
OC1396212	08/09/2012	Notice of Assignment of Lessee's Interest	Donna Manning	Ronald Birtch and Dora Birtch
OC1403084	08/28/2012	Notice of Assignment of Lessee's Interest	Lois Ida Garland	Heinz Klabouch and Linda Cathcart
OC1416192	10/04/2012	Notice of Assignment of Lessee's Interest	Lois Ann Mayhew, Clarence Sheldon Mayhew, Marion Esther Mayhew and Ronald Sheldon Mayhew	Lois Ann Mayhew and Ronald Sheldon Mayhew
OC1460358	03/15/2013	Notice of Assignment of Lessee's Interest	Mabel Jean Leech	Avis Irene Templeton
OC1469589	04/19/2013	Notice of Assignment of Lessee's Interest	Lois Ann Mayhew and Ronald Sheldon Mayhew	Linda Johns
OC1508482	08/15/2013	Notice of Assignment of Lessee's Interest	Joseph Ruddick	Charles Hazen Diffin and Margaret Joan Diffin
OC1508663	08/15/2013	Notice of Assignment of Lessee's Interest	William Donaldson	Mary Dianne Pope
OC1519532	09/17/2013	Notice of Assignment of Lessee's Interest	Hilde Schreier	Keith Eddy and Margaret Eddy
OC1523252	09/27/2013	Notice of Assignment of Lessee's Interest	Helen Marjorie Smith	Jacqueline Marcelle Bergeron
OC1550421	01/06/2014	Application	Velma Rath	
OC1561057	02/25/2014	Application for a Court Order	Ontario Superior Court of Justice	Deloitte Restructuring Inc.

Permitted Encumbrances for PIN No. 04437-0259

<u>Registration No.</u>	<u>Date</u>	<u>Instrument Type</u>	<u>Parties From</u>	<u>Parties To</u>
LT243953	10/03/1980	Transfer of Easement	James Donald Green and Sidney Francis Green	The Corporation of the Township of Goulbourn
OC846433	04/30/2008	Notice of an Agreement	City of Ottawa	Hyde Park Residences Inc.
OC846435	04/30/2008	Notice of an Agreement	City of Ottawa	Hyde Park Residences Inc.
OC846825	04/30/2008	Transfer of Easement	Hyde Park Residences	City of Ottawa

			Inc.	
OC849197	05/06/2008	Notice of Site Plan Agreement	City of Ottawa	Hyde Park Residences Inc.
OC920598	10/30/2008	Notice of Lease	Hyde Park Residences Inc.	Robert Lloyd Abbott and Ethel Alice Abbott
OC920814	10/30/2008	Notice of Lease	Hyde Park Residences Inc.	Joan Iris Bailey
OC920873	10/30/2008	Notice of Lease	Hyde Park Residences Inc.	Bernadette Rose Nagle
OC921983	10/31/2008	Notice of Lease	Hyde Park Residences Inc.	Glenroy Ashton Huff and Marjorie Catherine Huff
OC925776	11/12/2008	Notice of Lease	Hyde Park Residences Inc.	Elsie Ruby Salter
OC940551	12/19/2008	Notice of Lease	Hyde Park Residences Inc.	Lloyd Francis Decoste and Jacqueline Edna Decoste
OC940615	12/19/2008	Notice of Lease	Hyde Park Residences Inc.	Bob Timmons, Ann Timmons and Marilyn Wright
OC946415	01/16/2009	Notice of Lease	Hyde Park Residences Inc.	Jacqueline Taylor
OC947828	01/22/2009	Notice of Lease	Hyde Park Residences Inc.	Carol Leslie Pattison
OC957101	03/02/2009	Notice of Lease	Hyde Park Residences Inc.	Donald Ralph Joyce
OC957347	03/03/2009	Notice of Lease	Hyde Park Residences Inc.	Glenn Wannamaker and Ewen Rose Wannamaker
OC957403	03/03/2009	Notice of Lease	Hyde Park Residences Inc.	Barry Barnett and Lynn Barnett
OC957769	03/04/2009	Notice of Lease	Hyde Park Residences Inc.	Raymond Tugwell and James Elizabeth Tugwell
OC958460	03/06/2009	Notice of Lease	Hyde Park Residences Inc.	Robert Adelard Ranger and Robert Purcell Ranger
OC966010	04/03/2009	Notice of Lease	Hyde Park Residences	Elsbeth Rae Adam Bell

			Inc.	
OC966015	04/03/2009	Notice of Lease	Hyde Park Residences Inc.	Betty Jean Provost
OC966099	04/03/2009	Notice of Lease	Hyde Park Residences Inc.	Bernard Bellefeuille and Georgette Bellefeuille
OC966254	04/06/2009	Notice of Lease	Hyde Park Residences Inc.	Karl Felix Joseph Calagoure and Doris Alberta Calagoure
OC971514	04/24/2009	Notice of Lease	Hyde Park Residences Inc.	Thomas Ainslie Frame and Lucille Eva Frame
OC974591	05/01/2009	Notice of Lease	Hyde Park Residences Inc.	Gerald Thomas Blair and Francine Marie Blair
OC974611	05/01/2009	Notice of Charge of Lease	Gerald Thomas Blair and Francine Marie Blair	Nancy Green
OC974770	05/01/2009	Notice of Lease	Hyde Park Residences Inc.	Bruce James Carter and Margaret Mary Carter
OC977761	05/12/2009	Notice of Lease	Hyde Park Residences Inc.	Walter Neutel and Clasina Ineke Neutel
OC979712	05/19/2009	Notice of Lease	Hyde Park Residences Inc.	Barbara Lecompte
OC985193	06/02/2009	Notice of Lease	Hyde Park Residences Inc.	Nora Ann Green
OC986309	06/04/2009	Notice of Lease	Hyde Park Residences Inc.	Lois Marion Stewart
OC987657	06/09/2009	Notice of Lease	Hyde Park Residences Inc.	Douglas Alan Vaughn
OC988133	06/10/2009	Notice of Lease	Hyde Park Residences Inc.	Ronald Norris Heinbuch and Joanne Frances Heinbuch
OC989892	06/15/2009	Notice of Lease	Hyde Park Residences Inc.	Colin MacKenzie and Judy MacKenzie
OC996648	06/30/2009	Notice of Lease	Hyde Park Residences Inc.	Barbara Joyce James
OC999989	07/08/2009	Notice of Lease	Hyde Park Residences	Andrew Hamilton Wilson

			Inc.	
OC1003764	07/16/2009	Notice of Lease	Hyde Park Residences Inc.	William Donaldson
OC1003939	07/16/2009	Notice of Lease	Hyde Park Residences Inc.	Lawrence Stuart Calnan and Norma Helen Calnan
OC1005310	07/20/2009	Notice of Lease	Hyde Park Residences Inc.	Margaret Louise Marlatt
OC1006905	07/23/2009	Notice of Lease	Hyde Park Residences Inc.	Gerald Franklin Beals and Lise Oliva Beals
OC1007270	07/24/2009	Notice of Lease	Hyde Park Residences Inc.	Bernard Herman Berghout and Anna Petronella Berghout
OC1008191	07/27/2009	Notice of Lease	Hyde Park Residences Inc.	Dorothy Ovens
OC1012253	08/04/2009	Notice of Lease	Hyde Park Residences Inc.	Maria Elizabeth Jean Raymond
OC1013372	08/06/2009	Notice of Lease	Hyde Park Residences Inc.	Francis James Gribben and Heather Gribben
OC1024204	08/31/2009	Notice of Lease	Hyde Park Residences Inc.	Donna Mae Gignac
OC1030827	09/18/2009	Notice of Lease	Hyde Park Residences Inc.	Brian Goddard and Margaret Lodge
OC1052386	11/18/2009	Application	Margaret Mary Carter	
OC1113592	05/31/2010	Notice of Assignment of Lessee's Interest	Bob Timmons, Ann Timmons and Marilyn Wright	Christine Jeffs
OC1183044	11/22/2010	Notice of Site Plan Agreement	City of Ottawa	Hyde Park Residences Inc.
OC1184356	11/25/2010	Notice of a Development Charges Deferral Agreement	City of Ottawa	Hyde Park Residences Inc.
OC1211886	03/02/2011	Notice of Assignment of Lessee's Interest	Brian Goddard and Margaret Lodge	Victor Hosquet and Barbara Hosquet
OC1217889	03/24/2011	Notice with respect to a Private Communal Water System and a Private Communal Waste Water	City of Ottawa	Hyde Park Residences Inc.

		System Responsibility Agreement		
OC1251748	06/29/2011	Application	Mary Ellen Hurd and David Brent Melbourne	Mary Ellen Hurd, David Brent Melbourne and the Estate of Betty Jean Provost
OC1278084	08/31/2011	Notice of Assignment of Lessee's Interest	Mary Ellen Hurd and David Brent Melbourne	Huguette Saley
OC1281362	09/09/2011	Notice of Assignment of Lessee's Interest	Elsie Ruby Salter	Phyllis Grace Allum
OC1299092	10/27/2011	Application	Robert Lloyd Abbott	
OC1367068	05/31/2012	Notice of Assignment of Lessee's Interest	Donald Ralph Joyce	Donald Albert Lacroix and Norma Elizabeth Lacroix
OC1508663	08/15/2013	Notice of Assignment of Lessee's Interest	William Donaldson	Mary Dianne Pope
OC1561057	02/25/2014	Application for a Court Order	Ontario Superior Court of Justice	Deloitte Restructuring Inc.

Permitted Encumbrances for PIN No. 04437-0261

<u>Registration No.</u>	<u>Date</u>	<u>Instrument Type</u>	<u>Parties From</u>	<u>Parties To</u>
OC846433	04/30/2008	Notice of an Agreement	City of Ottawa	Hyde Park Residences Inc.
OC846825	04/30/2008	Transfer of Easement	Hyde Park Residences Inc.	City of Ottawa
OC920598	10/30/2008	Notice of Lease	Hyde Park Residences Inc.	Robert Lloyd Abbott and Ethel Alice Abbott
OC920814	10/30/2008	Notice of Lease	Hyde Park Residences Inc.	Joan Iris Bailey
OC920873	10/30/2008	Notice of Lease	Hyde Park Residences Inc.	Bernadette Rose Nagle
OC921983	10/31/2008	Notice of Lease	Hyde Park Residences Inc.	Glenroy Ashton Huff and Marjorie Catherine Huff
OC925776	11/12/2008	Notice of Lease	Hyde Park Residences Inc.	Elsie Ruby Salter
OC940551	12/19/2008	Notice of Lease	Hyde Park Residences Inc.	Lloyd Francis Decoste and Jacqueline Edna

D R A

				Decoste
OC940615	12/19/2008	Notice of Lease	Hyde Park Residences Inc.	Bob Timmons, Ann Timmons and Marilyn Wright
OC946415	01/16/2009	Notice of Lease	Hyde Park Residences Inc.	Jacqueline Taylor
OC947828	01/22/2009	Notice of Lease	Hyde Park Residences Inc.	Carol Leslie Pattison
OC957101	03/02/2009	Notice of Lease	Hyde Park Residences Inc.	Donald Ralph Joyce
OC957347	03/03/2009	Notice of Lease	Hyde Park Residences Inc.	Glenn Wannamaker and Lorraine Rose Wannamaker
OC957403	03/03/2009	Notice of Lease	Hyde Park Residences Inc.	Barry Barnett and Lynn Barnett
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OC966254	04/06/2009	Notice of Lease	Hyde Park Residences Inc.	Karl Felix Joseph Calagoure and Doris Alberta Calagoure
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OC974611	05/01/2009	Notice of Charge of Lease	Gerald Thomas Blair and Francine Marie Blair	Nancy Green
OC974770	05/01/2009	Notice of Lease	Hyde Park Residences	Bruce James Carter and

			Inc.	Margaret Mary Carter
OC977761	05/12/2009	Notice of Lease	Hyde Park Residences Inc.	Walter Neutel and Clasina Ineke Neutel
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OC988133	06/10/2009	Notice of Lease	Hyde Park Residences Inc.	Ronald Norris Heinbuch and Joanne Frances Heinbuch
OC989892	06/15/2009	Notice of Lease	Hyde Park Residences Inc.	Colin MacKenzie and Judy MacKenzie
OC996648	06/30/2009	Notice of Lease	Hyde Park Residences Inc.	Barbara Joyce James
OC999989	07/08/2009	Notice of Lease	Hyde Park Residences Inc.	Andrew Hamilton Wilson
OC1003764	07/16/2009	Notice of Lease	Hyde Park Residences Inc.	William Donaldson
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OC1005310	07/20/2009	Notice of Lease	Hyde Park Residences Inc.	Margaret Louise Marlatt
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OC1008191	07/27/2009	Notice of Lease	Hyde Park Residences Inc.	Dorothy Ovens
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			Inc.	Raymond
OC1013372	08/06/2009	Notice of Lease	Hyde Park Residences Inc.	Francis James Gribben and Heather Gribben
OC1024204	08/31/2009	Notice of Lease	Hyde Park Residences Inc.	Donna Mae Gignac
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OC1211886	03/02/2011	Notice of Assignment of Lessee's Interest	Brian Goddard and Margaret Lodge	Victor Hosquet and Barbara Hosquet
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OC1281362	09/09/2011	Notice of Assignment of Lessee's Interest	Elsie Ruby Salter	Phyllis Grace Allum
OC1299092	10/27/2011	Application	Robert Lloyd Abbott	
OC1367068	05/31/2012	Notice of Assignment of Lessee's Interest	Donald Ralph Joyce	Donald Albert Lacroix and Norma Elizabeth Lacroix
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OC1561057	02/25/2014	Application for a Court Order	Ontario Superior Court of Justice	Deloitte Restructuring Inc.

DRA

PPSA Registrations

File Number :

Secured Party :

DRRA

Schedule D

Allocation of Purchase Price

Exhibit “H”

Conditions of Sale

CONDITIONS OF SALE

1. The vendor is Deloitte Restructuring Inc. in its capacity as Receiver and Manager of Hyde Park Residences Inc. (the "Vendor"), and not in its personal capacity, appointed pursuant to an Order of the Ontario Superior Court of Justice (the "Court") dated February 20, 2014 of all of the lands and premises legally described in Schedule "A" attached hereto (the "Lands") and all of Hyde Park Residences Inc.'s ("HPRI") interest in assets and undertakings of any kind or nature and located on or solely pertaining to the Lands or used in relation to the development of the Lands and construction of improvements thereon (with the Lands, collectively referred to as the "Property").
2. Pursuant to these Conditions of Sale, the Vendor is offering for sale the Vendor's and HPRI's right, title and interest, if any, in the Property as described in Confidential Information Memorandum (the "CIM") dated _____ and the Offeror acknowledges that the Property offered for sale by the Vendor includes only that property and those assets listed and identified in the CIM and that the Vendor is not offering for sale any other property or assets of HPRI.
3. A listing of the various items comprising the Property is contained in the CIM. All information contained in the CIM, including without limitation, the lists and descriptions of the Property (including, without limitation, the legal description of the Lands), has 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. Sealed offers marked "Offer – Hyde Park Residences Inc.-Richmond" shall be delivered or mailed postage prepaid to Deloitte Restructuring Inc., 100 Queen Street, Suite 800, Ottawa, Ontario, K1P 5T8, to the attention of John Saunders. All offers must be received by the Vendor by 12:00 p.m. Eastern Standard Time on _____ (the "Offer Date"). The Vendor reserves the right to extend the Offer Date at any time for any reason.
5. 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. No Offeror shall be entitled to be present for the opening of offers.

6. 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 decides 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.

7. 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 by certified cheque or bank draft drawn on or issued by a Schedule 1 Canadian chartered bank or trust company, 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, by certified cheque or bank draft drawn on or issued by a Schedule 1 Canadian chartered bank or trust company 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 and, if applicable, any matters specific to the Offer (the "Offeror Sale Agreement"), which shall be binding and irrevocable until _____.
 - c) a comparison of the template agreement of purchase and sale to the executed and amended Offeror Sale Agreement;
 - d) a representation of the Offeror that the Offeror has, 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 resolution of the Offeror's board of directors or similar document demonstrating the Offeror's 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.
8. Following the Offer Date, the Vendor specifically reserves its right to negotiate with any Offeror with respect to any provision of the offer 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 but the Vendor shall have no obligation to negotiate identical terms with, or extend identical terms to each Offeror. The Vendor reserves its right to request some, but not all, Offerors 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.
9. If the Vendor accepts an offer and the subject Offeror Sale Agreement, the Vendor shall seek Court approval of such Offeror Sale Agreement as soon as reasonably possible. Any Offeror Sale Agreement accepted by the Vendor and approved by the Court is referred to herein as an "Approved Sale Agreement".
10. 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, 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.

11. 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, approvals or third party consents which are necessary to purchase any of the Property, to develop or construct improvements upon the Lands or any other activity utilizing or in connection with any of the Property.
12. The Offeror acknowledges that it is purchasing the Purchased Assets on an "as is where is basis" and the Receiver cannot and will not provide any representations or warranties whatsoever, expressed or implied, in any manner with respect to the Purchased Assets and the Offeror will rely solely upon its own inspections and investigations and will not be entitled to submit requisitions on title or in regard to any outstanding work orders, deficiencies, or orders to comply issued by any government or quasi-government authority and the Offeror will accept title to the Property and the Purchased Assets subject to any and all existing life leases recognized and acknowledged by the Vendor, whether or not registered on title to the Lands, and all liens, encumbrances and agreements except as otherwise expressly provided for in the Approved Sale Agreement. The Offeror acknowledges that the Vendor shall have no responsibility whatsoever for curing any defaults, paying any arrears, or performing any obligations under or with respect to the Property or the Purchased Assets, save and except as otherwise expressly specified in the Approved Sale Agreement.
13. 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 eighteen (18) days following the opening of Offers unless otherwise arranged with the Offeror.

14. The closing of the Approved Sale Agreement shall take place at the office of the Vendor, 100 Queen Street, Suite 800, Ottawa, Ontario or at the option of the Vendor, at the offices of the Vendor's solicitors at 11:00 a.m. on the 31st 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.
15. 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, which shall be subject to the usual adjustments in a transaction of a similar nature, 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, representations, warranties or other similar agreements on the part of the Vendor. The Purchaser acknowledges that the Vendor shall have no obligation whatsoever to deliver physical possession of the Purchased Assets to the Purchaser.
16. The Purchaser shall pay on closing in addition to the Purchase Price all taxes, fees and its own costs in respect of the transfer of the Purchased Assets including, without limitation:
 - a) all applicable federal, provincial and municipal taxes;
 - b) all applicable registration fees and land transfer taxes;
 - c) costs, if any, of dismantling or removing the Purchased Assets from their present location and restoring such location to a neat and clean condition; and
 - d) the cost of repairing any damage caused by dismantling or removal of the Purchased Assets from their present location.
17. 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.
18. 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 and control and provided same shall be delivered to the Purchaser without any representation, warranty, covenant or other agreement on the part of the Vendor.

19. 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 the Deposit 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.
20. All adjustments of such taxes and other items as are specified herein or as are standard in a transaction of a similar nature will be made as of Closing under the Approved Sale Agreement. The Purchaser shall arrange its own insurance and there shall be no adjustment with respect to insurance.
21. 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.
22. 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 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.
23. 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 the transfer of the Purchased Assets 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.

24. Deloitte Restructuring Inc. acts solely in its capacity as Court appointed receiver and Manager of HPRI and shall have no personal or corporate liability in connection with the Vendor offering the Property for sale, pursuant to the Conditions of Sale, the CIM or under any offer, Offeror Sale Agreement or Approved Sale Agreement.
25. The highest or any offer will not necessarily be accepted.
26. 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 and that such approval shall not have been stayed, varied or vacated and that no order will have been issued and no action or proceeding will be pending to restrain or prohibit the completion of the transaction related to the transfer of the Property and the Purchased Assets.
27. No Offeror shall be at liberty to withdraw, vary or countermand an Offer once received by the Vendor. Each Offer shall be irrevocable until 12:00 O'clock noon Eastern Time on _____.
28. 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.
29. 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.
30. 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.

31. All stipulations as to time are strictly of the essence.
32. 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 certified cheque or bank draft drawn on or issued by a Schedule 1 Canadian chartered bank or trust company.
33. 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.
34. 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 and to withdraw any or all of the Property from the sale.
35. All information exchanged between the Vendor and the Purchaser shall be considered to be confidential information. Any publicity relating to the transaction and the manner of releasing any information regarding the transaction will be mutually agreed upon by the Vendor and the Purchaser, both parties acting reasonably.

FORM OF OFFER

To: Deloitte Restructuring Inc., solely in its capacity as receiver of all of the lands and premises legally described in Appendix "A" attached hereto (the "Lands") and all of Hyde Park Residences Inc.'s ("HPRI") interest in assets and undertakings of any kind or nature located on or solely pertaining to the Lands or used in relation to the development of the Lands and construction of improvements thereon(the "Property"), and without personal or corporate liability.

1. _____
(Name of Offeror)

2. _____
(Address of Offeror)

3. _____
(Telephone Number) (Facsimile Number) (email address)

4. I/We hereby submit this en bloc offer for the purchase of the Property for the purchase price of CAD\$_____, excluding applicable taxes. For the sole purposes of calculating HST, the offer price shall be allocated as follows:

a) CAD\$_____ for the portion of the property that has been improved with 92 townhome units and a pump-house located immediately north of the townhomes; and,

b) CAD\$_____ for the portion of the property comprised of two (2) partially completed buildings and vacant land located north of the existing townhome development.

5. We/I agree that in the event this offer is accepted, to be bound by the Conditions of Sale as approved by the Court, which shall form part of this offer.

6. This offer is irrevocable and shall remain open for the consideration of the Vendor until 12:00 o'clock Noon Eastern Time on the _____

7. Warranty- We/I represent and warrant to Deloitte Restructuring Inc. that I am/we are not a non-eligible person as defined by the Investment Canada Act.

8. Enclosed is our/my certified cheque payable to Deloitte Restructuring Inc., as a deposit in the amount of \$_____, representing 10% of the total amount of my/our offer submitted herein.

DATED at _____ this ____ day of _____, 2014.

By: _____

Name: •

Title: •

I/We have authority to bind the Corporation

By: _____

Name: •

Title: •

I/We have authority to bind the Corporation

Appendix "A"

LEGAL DESCRIPTION

PIN 04437 – 0016 LT

Description PCL 96-2, SEC 4D-22; PT UNIT 96, PL 4D-22, PART 1, 4R2141; S/T LT245432. GOULBOURN. SUBJECT TO AN EASEMENT IN FAVOUR OF CITY OF OTTAWA AS IN OC237114, SUBJECT TO AN EASEMENT IN FAVOUR OF CITY OF OTTAWA AS IN OC268744. TOGETHER WITH AN EASEMENT OVER PART OF UNIT 94 ON PLAN 4D-22, DESIGNATED AS PARTS 3, 4, 5, AND 6 ON PLAN 4R-21531 AS IN OC689066. SUBJECT TO AN EASEMENT IN FAVOUR OF PART OF UNIT 96 ON 4D-22, BEING PART 2 ON 4R-21530 OVER PART 4 ON 4R-21530 AS IN OC685443, SUBJECT TO EASEMENT IN GROSS AS IN OC846825. TOGETHER WITH EASEMENT OVER PART OF UNIT 94 PLAN 4D22 PART 8 PLAN 4R23098 IN FAVOUR OF PART OF UNIT 96 PLAN 4D22 PART 1 ON PLAN 4R2141 AS IN OC910959. SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 10 AND 11 ON PLAN 4R23098 AS IN OC911266. SUBJECT TO AN EASEMENT IN GROSS OVER PART 7 ON PLAN 4R23098 AS IN OC911267.

Address RICHMOND

PIN 04437 – 0259 LT

Description PART OF UNIT 94 ON PLAN 4D-22, DESIGNATED AS PARTS 1 AND 2 ON PLAN 4R-21531. OTTAWA. TOGETHER WITH AN EASEMENT OVER PART OF UNIT 94 ON PLAN 4D-22, DESIGNATED AS PARTS 3, 4, 5, AND 6 ON PLAN 4R-21531 AS IN OC689066. S/T EASEMENT IN GROSS AS IN OC846825. T/W EASEMENT OVER PART OF UNIT 94 PLAN 4D22 PART 8 PLAN 4R23098 IN FAVOUR OF PART OF UNIT 94 PLAN 4R22 PARTS 1 & 2 PLAN 4R21531 AS IN OC910959.; SUBJECT TO AN EASEMENT AS IN LT243953

Address RICHMOND

PIN 04437 – 0261 LT

Description PART OF UNIT 96 ON PLAN 4D-22, DESIGNATED AS PART 1 ON PLAN 4R-21530. OTTAWA. S/T EASEMENT IN GROSS AS IN OC846825.

Address RICHMOND

Schedule "A"

LEGAL DESCRIPTION

PIN 04437 – 0016 LT

Description PCL 96-2, SEC 4D-22; PT UNIT 96, PL 4D-22, PART 1, 4R2141; S/T LT245432. GOULBOURN. SUBJECT TO AN EASEMENT IN FAVOUR OF CITY OF OTTAWA AS IN OC237114, SUBJECT TO AN EASEMENT IN FAVOUR OF CITY OF OTTAWA AS IN OC268744. TOGETHER WITH AN EASEMENT OVER PART OF UNIT 94 ON PLAN 4D-22, DESIGNATED AS PARTS 3, 4, 5, AND 6 ON PLAN 4R-21531 AS IN OC689066. SUBJECT TO AN EASEMENT IN FAVOUR OF PART OF UNIT 96 ON 4D-22, BEING PART 2 ON 4R-21530 OVER PART 4 ON 4R-21530 AS IN OC685443, SUBJECT TO EASEMENT IN GROSS AS IN OC846825. TOGETHER WITH EASEMENT OVER PART OF UNIT 94 PLAN 4D22 PART 8 PLAN 4R23098 IN FAVOUR OF PART OF UNIT 96 PLAN 4D22 PART 1 ON PLAN 4R2141 AS IN OC910959. SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 10 AND 11 ON PLAN 4R23098 AS IN OC911266. SUBJECT TO AN EASEMENT IN GROSS OVER PART 7 ON PLAN 4R23098 AS IN OC911267.

Address RICHMOND

PIN 04437 – 0259 LT

Description PART OF UNIT 94 ON PLAN 4D-22, DESIGNATED AS PARTS 1 AND 2 ON PLAN 4R-21531. OTTAWA. TOGETHER WITH AN EASEMENT OVER PART OF UNIT 94 ON PLAN 4D-22, DESIGNATED AS PARTS 3, 4, 5, AND 6 ON PLAN 4R-21531 AS IN OC689066. S/T EASEMENT IN GROSS AS IN OC846825. T/W EASEMENT OVER PART OF UNIT 94 PLAN 4D22 PART 8 PLAN 4R23098 IN FAVOUR OF PART OF UNIT 94 PLAN 4R22 PARTS 1 & 2 PLAN 4R21531 AS IN OC910959.; SUBJECT TO AN EASEMENT AS IN LT243953

Address RICHMOND

PIN 04437 – 0261 LT

Description PART OF UNIT 96 ON PLAN 4D-22, DESIGNATED AS PART 1 ON PLAN 4R-21530. OTTAWA. S/T EASEMENT IN GROSS AS IN OC846825.

Address RICHMOND

Exhibit “I”

Receiver’s Interim Statements of Receipts and Disbursements

In the Matter of the Receivership of Hyde Park Residences Inc.
Of the Town of Dunrobin, in the City of Ottawa, in the Province of Ontario
Receiver and Manager's Interim Statement of Receipts and Disbursements

As at March 31, 2014

General Account

Receipts

Loan Advance: Frontenac Management Investment Corporation	\$ 250,000	<i>Note 1</i>
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	Total Receipts	\$ 250,000
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Disbursements

Change locks	\$ 275	
Security	402	
Insurance	11,368	<i>Note 2</i>
Propane (for heating)	2,018	
Wages and benefits of temporary employee	-	<i>Note 3</i>
Utilities	-	
Telephone	513	
Official Receiver fees	70	
	\$ 14,646	

Receiver's fees and expenses	106,654	
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HST paid on all disbursements	14,215	
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	Total Disbursements	\$ 135,515
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Net receipts over disbursements	\$ 114,485	
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Notes

- 1 Loan advances are from Frontenac and bear an interest rate of 9.5% per annum. The amounts advanced are in accordance with Appointment Order dated February 20, 2014 and shall be secured by the applicant's security. The Order permits the Receiver to obtain a loan to an amount not to exceed \$750,000 without court approval.
- 2 Insurance for the residences of Hyde Park Residences Inc. had to be prepaid for the 9 month period ended December 4, 2014. This premium was remitted from the Receiver's General Account to avoid a shortfall in the Receiver's Property Management Account. On a monthly basis, a transfer of \$1,420.96 (representing a monthly allocation of the premium) will be made from the Property Management Account to the General Account in order to reimburse the General Account for this cost as the insurance directly relates to the 92 townhouses.
- 3 This category will report the wages of the Project's current maintenance technician that relate directly to the maintenance and monitoring of Apartment A and Immanuel House. These wages were originally paid through the Property Management Account. The General Account will reimburse the Property Management Account for these costs in April 2014.

In the Matter of the Receivership of Hyde Park Residences Inc.
Of the Town of Dunrobin, in the City of Ottawa, in the Province of Ontario
Receiver and Manager's Interim Statement of Receipts and Disbursements

As at March 31, 2014

Property Management Account

Receipts

Monthly occupancy charges received from residents	\$	35,074	Note 1
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	Total Receipts	\$ 35,074	
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Disbursements

Insurance		4,355	
Cable		68	
Telephone		378	
Wages and benefits of temporary employees		5,641	Note 2
Snow removal		1,762	
Water system operator		1,097	
Utilities		44	
	\$	13,344	

HST paid on all disbursements		753	
	\$	14,097	

Transfer to Receiver's Reserve Account		1,769	Note 3
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	Total Disbursements	\$ 29,210	Note 4
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Net receipts over disbursements	\$	5,864	
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Notes

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

In the Matter of the Receivership of Hyde Park Residences Inc.
Of the Town of Dunrobin, in the City of Ottawa, in the Province of Ontario
Receiver and Manager's Interim Statement of Receipts and Disbursements

As at March 31, 2014

Reserve Account

Receipts

Advances from Receiver's Property Management Account	<u>\$ 1,769</u>	<i>Note 1</i>
Total Receipts	<u>\$ 1,769</u>	<i>Note 2</i>

Disbursements

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

Net receipts over disbursements \$ 1,769

Notes

- 1 This amount represents of 5% of monthly occupancy charges transferred to the Receiver's Reserve Account from the Receiver's Property Management Account in accordance with the life lease occupancy agreements.
- 2 These receipts do not include the following additional reserve funds:
 - i) \$30,968.35 (as at February 24, 2014) that is currently in Scotiabank account that was used by Hyde Park as a reserve account. These funds represent reserve funds for the maintenance of the common areas and exterior of the townhouses, pursuant to the life lease occupancy agreements. These funds have been requested by the Receiver, but not yet received as at the date of this statement.
 - ii) \$112,859.07 (as at February 28, 2014) that is currently being held in a trust account with BMO. The Trustee for these funds is BMO Trust Company pursuant to a Trust Agreement with Hyde Park dated July 10, 2003. This trust represents the capital reserve fund for the Water Plant as required by the City pursuant to the Water System Agreement. The Receiver requested BMO to freeze this account but is not able to have these funds transferred to the Receiver's trust account without approval from the Ontario Ministry of the Environment and/or the City