

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**THE EQUITABLE TRUST COMPANY**

Applicant

- and -

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

Respondents

**MOTION RECORD  
(Returnable December 30, 2010)**

December 17, 2010

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**Attention: Vic Gupta**

**AND TO: ASHIANA HOLDINGS LIMITED  
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Goderich, ON N7A 3Y1**

**Attention: Vic Gupta**

THE EQUITABLE TRUST COMPANY

and

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

Applicant(s)

Respondent(s)

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

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

Proceedings commenced at **Toronto**

**NOTICE OF MOTION**

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## MOTION RECORD INDEX

<b>TAB</b>	<b>DOCUMENT</b>
1.	Notice of Motion dated December 17, 2010
2.	Third Report of the Receiver dated December 17, 2010
A.	Exhibit "A" - Appointment Order dated May 26, 2010
B.	Exhibit "B" - Revised Marketing Process Order dated August 25, 2010
C.	Exhibit "C" - Elora Approval and Vesting Order dated August 25, 2010
D.	Exhibit "D" - Original Rice Agreement dated October 13, 2010
E.	Exhibit "E" - Amending Agreement dated November 30, 2010
F.	Exhibit "F" - Combined Statement of Receipts and Disbursements for the period May 26, 2010 to October 31, 2010
G.	Exhibit "G" - Affidavit of Paul Casey sworn December 13, 2010
H.	Exhibit "H" - Affidavit of Grant Moffat sworn December 9, 2010
I.	Exhibit "I" - Affidavit of Leonard Rodness sworn October 21, 2010
J.	Exhibit "J" - Affidavit of Leonard Rodness sworn December 9, 2010
K.	Exhibit "K" - Affidavit of Adam Vassos sworn December 6, 2010
3.	Draft Order
4.	Draft Approval and Vesting Order (Hidden Valley Resort)

# TAB 1



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**THE EQUITABLE TRUST COMPANY**

Applicant

- and -

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

Respondents

**NOTICE OF MOTION**

Deloitte & Touche Inc., in its capacity as the receiver and manager (the “**Receiver**”) of all of the assets, undertakings and properties of Tuesday Equities Ltd. and Prince Royal Limited Partnership (together, the “**Debtors**”) acquired for, or used in relation to the following businesses carried on by the Debtors, including all proceeds thereof: (i) The Benmiller Inn & Spa; (ii) The Elora Mill Inn; and (iii) the Hidden Valley Resort (collectively, the “**Property**”), will make a motion to a Judge presiding over the Commercial List on Thursday, December 30, 2010 at 10:00 a.m. at 330 University Avenue, in the City of Toronto.

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

**THE MOTION IS FOR:**

1. An order, if necessary, abridging the time for service of the Notice of Motion and Motion Record herein and dispensing with further service thereof.

2. An order approving the Receiver's activities as described in the Third Report of the Receiver dated December 17, 2010 (the "**Third Report**") including, without limitation, the steps taken by the Receiver pursuant to the Revised Marketing Process.
3. An order authorizing and directing the Receiver to enter into and carry out the terms of the Rice Sale Agreement, together with any amendments thereto deemed necessary by the Receiver in its sole opinion and vesting title to that part of the Property comprised by Hidden Valley Resort in and to Rice upon closing of the Rice Sale Agreement.
4. An order that if the Rice Sale Agreement is terminated in accordance with its terms the Receiver shall be authorized and directed to commence negotiations with any other party or parties identified by the Receiver through the Marketing Process, the Revised Marketing Process or otherwise whereby the Receiver shall sell Hidden Valley to such party or parties, subject to Court approval.
5. An order authorizing and directing the Receiver to continue to offer The Benmiller Inn & Spa for sale pursuant to the Revised Marketing Process.
6. An order approving the Receiver's Statement of Receipts and Disbursement for the period from May 26, 2010 to October 31, 2010.
7. An order approving the professional fees and disbursements of the Receiver for the period July 12, 2010 to November 12, 2010, and its independent legal counsel, ThorntonGroutFinnigan LLP, for the period from August 1, 2010 to October 31, 2010 and authorizing the Receiver to pay all such fees and disbursements.
8. An order approving the professional fees and disbursements of the Receiver's independent real estate counsel Torkin Manes LLP for the period August 3 to November 30, 2010.
9. An order approving the professional fees and disbursements of Adam Vassos, special counsel to the Receiver in connection with liquor licensing matters, for the period May 19, 2010 to November 30, 2010.

10. An order approving the Receiver's Statement of Receipts and Disbursements for the period from May 26, 2010 to October 31, 2010.
11. Such further and other relief as counsel may advise and this Honourable Court may permit.

**THE GROUNDS FOR THE MOTION ARE:**

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

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

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

December 17, 2010

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Lawyers for the Receiver

**TO: THIS HONOURABLE COURT**

**AND TO: THE SERVICE LIST**

THE EQUITABLE TRUST COMPANY

and

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

Applicant(s)

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

*ONTARIO*  
**SUPERIOR COURT OF JUSTICE  
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Proceedings commenced at **Toronto**

**NOTICE OF MOTION**

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Lawyers for the Receiver

# **TAB 2**

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

**BETWEEN:**

**THE EQUITABLE TRUST COMPANY**

Applicant

- and -

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

Respondent

**THIRD REPORT OF THE RECEIVER  
DATED DECEMBER 17, 2010**

**INTRODUCTION**

1. By Order of the Ontario Superior Court of Justice (the "Court") dated May 26, 2010 (the "Appointment Order"), Deloitte & Touche Inc. ("Deloitte") was appointed as the receiver and manager (the "Receiver") of all of the assets, undertakings and properties of Tuesday Equities Ltd. and Prince Royal Limited Partnership (together, the "Debtors") acquired for, or used in relation to the following businesses carried on by the Debtors, including all proceeds thereof: (i) The Benmiller Inn & Spa; (ii) The Elora Mill Inn; and (iii) the Hidden Valley Resort (collectively, the "Property"). A copy of the Appointment Order is attached hereto as Exhibit "A".
2. The Appointment Order authorized the Receiver to, among other things, take possession of, and exercise control over the Property and any and all proceeds, receipts and disbursements, arising out of, or from, the Property. In addition, the Receiver was authorized to sell, convey, transfer, lease or assign the Property or any part thereof out of the ordinary course:
  - (a) without the approval of the Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and

- (b) with the approval of the Court in respect of any transaction exceeding \$100,000 or exceeding \$250,000 in the aggregate.
3. On June 11, 2010, the Receiver issued its First Report to the Court (the “**First Report**”) for the purpose of, *inter alia*, seeking an order of the Court approving the marketing plan proposed by the Receiver for the sale of the Property. By order of the Court dated June 17, 2010 (the “**Marketing Order**”), the Receiver’s plan for marketing the Property as set out in the First Report (the “**Marketing Process**”) was approved.
  4. On August 19, 2010, the Receiver issued its Second Report to the Court (the “**Second Report**”) for the purpose of, *inter alia*, seeking an order of the Court approving an agreement of purchase and sale in connection with The Elora Mill Inn and seeking an order of the Court approving the revised marketing plan proposed by the Receiver for the sale of the remaining Property comprised of Hidden Valley Resort and The Benmiller Inn & Spa. By order of the Court dated August 25, 2010 (the “**Revised Marketing Process Order**”), the Receiver’s revised marketing plan as set out in the Second Report (the “**Revised Marketing Process**”) was approved. A copy of the Revised Marketing Process Order is attached hereto as Exhibit “**B**”.
  5. Pursuant to the Order of the Court dated August 25, 2010 (the “**Elora Approval and Vesting Order**”), the Court approved the Agreement of Purchase and Sale between the Receiver and Pearle Hospitality Inc. (“**Pearle**”) dated as of August 19, 2010 (the “**Pearle Sale Agreement**”) and vested in Pearle all of the Debtors’ and the Receiver’s right, title and interest, if any, in and to that part of the Property comprised by The Elora Mill Inn upon closing of that transaction. A copy of the Elora Approval and Vesting Order is attached hereto as Exhibit “**C**”.
  6. The Appointment Order, together with related Court documents and additional Orders, the previous reports of the Receiver (the “**Previous Reports**”) and the Notice to Creditors have been posted on the Receiver’s website at [http://www.deloitte.com/view/en\\_CA/ca/specialsections/insolvencyandrestructuringproceedings/TuesdayEquities-PrinceRoyal/index.htm](http://www.deloitte.com/view/en_CA/ca/specialsections/insolvencyandrestructuringproceedings/TuesdayEquities-PrinceRoyal/index.htm).
  7. The purpose of this third report of the Receiver (the “**Third Report**”) is to:
    - (a) report on the results of the operations of the Benmiller Inn & Spa, The Elora Mill Inn and Hidden Valley Resort (together, the “**Hotels**”) for the receivership period commencing on May 26, 2010 (the date of the appointment of the Receiver) to October 31, 2010;

- (b) provide an update to the Court regarding the status of the sale of The Elora Mill Inn to Pearle pursuant to the Pearle Sale Agreement;
- (c) provide a summary of the Revised Marketing Process undertaken by the Receiver with respect to the Property comprised by Hidden Valley Resort and The Benmiller Inn & Spa since the Second Report;
- (d) report to the Court on the independent legal opinion on the validity and enforceability of the security granted by the Debtors in favour of The Equitable Trust Company (“Equitable”);
- (e) provide the Court with the evidentiary basis to make an Order:
  - (i) authorizing and directing the Receiver to enter into and carry out the terms of the agreement of purchase and sale dated October 13, 2010 between the Receiver and Paul D. Rice, in trust for a corporation to be incorporated under the laws of the Province of Ontario (“Rice”), as amended by the amending agreement dated November 30, 2010 (together, the “Rice Sale Agreement”) together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to that part of the Property comprised by Hidden Valley Resort in and to Rice upon closing of the Rice Sale Agreement;
  - (ii) if the Rice Sale Agreement is terminated in accordance with its terms, authorizing and directing the Receiver to commence negotiations with any other party or parties identified by the Receiver through the Marketing Process, the Revised Marketing Process or otherwise whereby the Receiver shall sell the Hidden Valley Resort to such party or parties, subject to Court approval;
  - (iii) approving the activities of the Receiver as described in the Third Report including, without limitation, the steps taken by the Receiver pursuant to the Revised Marketing Process;
  - (iv) authorizing and directing the Receiver to continue to offer The Benmiller Inn & Spa for sale pursuant to the Revised Marketing Process;
  - (v) approving the professional fees and disbursements of the Receiver for the period July 12, 2010 to November 12, 2010, and its independent legal counsel, ThorntonGroutFinnigan LLP (“TGF”) for the period from August 1, 2010 to October 31, 2010;



- (vi) approving the professional fees and disbursements of the Receiver's independent real estate counsel Torkin Manes LLP for the period August 3 to November 30, 2010;
- (vii) approving the professional fees and disbursements of Adam Vassos, special counsel to the Receiver in connection with liquor licensing matters, for the period May 19, 2010 to November 30, 2010; and
- (viii) approving the Receiver's Statement of Receipts and Disbursements for the period from May 26, 2010 to October 31, 2010.

#### **TERMS OF REFERENCE**

8. In preparing the Third Report and making the comments contained herein, Deloitte has been provided with and has relied upon unaudited financial information, the Debtors' books and records, the financial information prepared by the Debtors and their advisors, including Crescent Hotels and Resorts Canada Company ("Crescent"), the independent property manager engaged by the Debtors, and discussions with management of the Debtors. Deloitte has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information and, accordingly, Deloitte expresses no opinion or other form of assurance on the information contained in the Third Report.
9. Unless otherwise stated, all dollar amounts contained in the Third Report are expressed in Canadian dollars.
10. Unless otherwise provided, capitalized terms not otherwise defined in this Third Report are as defined in the Previous Reports or the Appointment Order.

#### **BACKGROUND**

11. The Receiver has only been appointed over the Property, which is all located in the Province of Ontario. The Receiver understands that the Debtors may have additional property located outside of Ontario, but the Receiver has no additional information in this regard.

#### ***The Benmiller Inn & Spa***

12. The Benmiller Inn & Spa is an historic country inn located in Goderich, Ontario. The Inn consists of 6 main buildings, with 57 guest rooms, food and beverage services that include a 125

seat dining room, 80 seat seasonal patio and 33 seat lounge, 4 meeting rooms, a full service spa and various recreational amenities including an indoor pool, outdoor tennis courts and access to walking/cross-country skiing trails. The Inn also includes a decommissioned turbine generator that has not been operational for the past seven years. As at October 31, 2010, the Debtors employed approximately 50 employees at The Benmiller Inn & Spa.

#### *The Elora Mill Inn*

13. The Elora Mill Inn is located in the village of Elora, Ontario. The Elora Mill Inn is a designated historical building consisting of four main buildings with 32 guest rooms and suites, food and beverage service that includes a 70 seat restaurant, 60 seat lounge and a 16 seat enclosed patio overlooking the Elora Gorge, meeting space comprised of a 1,886 square foot main function room, 594 square foot smaller meeting room, a 583 square foot tea room as well as 528 square feet in the James Ross House. The Elora Mill Inn also includes a non-utility generator that provides electricity to the local power grid. The Debtors employed approximately 55 employees at The Elora Mill Inn until its temporary closure on October 31, 2010, described in more detail below.

#### *Hidden Valley Resort*

14. The Hidden Valley Resort is located in Huntsville, Ontario on approximately 6 acres of land with waterfront access to Peninsula Lake, directly across from the Hidden Valley Highlands Ski Hill. The resort consists of 94 guest rooms, 2 hospitality suites, a 220 seat restaurant with an adjacent lounge and licensed outdoor patio overlooking Peninsula Lake, meeting space comprised of 2,223 square foot and 2,108 square foot function rooms, as well as indoor and outdoor pools, fitness room, sauna and tennis courts. As at October 31, 2010, the Debtors employed approximately 47 employees at Hidden Valley Resort.
15. Prior to the appointment of the Receiver, the Hotels were managed by Crescent. Crescent is continuing as manager of The Benmiller Inn & Spa and the Hidden Valley Resort, but, as described below, has been terminated as manager of The Elora Mill Inn.

## UPDATE ON OPERATIONS

### *The Benmiller Inn & Spa*

16. Operations have been stabilized and maintained in the normal course at The Benmiller Inn & Spa since the date of the Appointment Order.
17. Sales efforts are underway to maximize occupancy during the upcoming holiday period. Consistent with previous years, certain buildings at The Benmiller Inn & Spa have been recently idled to reflect the reduced occupancy levels in the winter months. Additional units are reopened periodically to accommodate instances of increased demand. Crescent and local management (collectively, "**Benmiller Management**") are also implementing additional cost cutting initiatives to better manage cash flow during the upcoming winter period.
18. Upon consultation with Benmiller Management and review of the building condition report prepared by Trow & Associates Inc., an independent engineering and consulting firm, the Receiver has approved funding for the replacement of the roofing system, eaves troughs and downspouts with respect to the Gledhill House building. The Receiver has concluded that the risk of damage to the Gledhill House building which may occur if the roof is not repaired justifies incurring the repair expenditure at this time. The Receiver has reviewed independent quotes obtained by Benmiller Management and has since engaged a contractor with respect to the replacement of this roof, which is estimated to cost approximately \$70,000. Benmiller Management has informed the Receiver that materials have been ordered and the replacement is scheduled to begin shortly, subject to weather constraints. The Receiver will monitor the progress of this work with Benmiller Management.

### *The Elora Mill Inn*

19. Pearle advised the Receiver in October 2010 that it intended to temporarily shut down operations at The Elora Mill Inn following closing of the Pearle Sale Agreement to accommodate extensive capital improvements to the Hotel.
20. Given Pearle's plan to close The Elora Mill Inn and the continuing losses which the Receiver anticipated it would incur through to closing of the Pearle Sale Agreement, the Receiver determined that it was in the best interests of the estate to cease operations at The Elora Mill Inn as soon as possible. Accordingly, the Receiver discontinued operations at The Elora Mill Inn effective as at the close of business on October 31, 2010. The Receiver notified the employees of

the Debtors employed at The Elora Mill Inn that their employment by the Debtors would be terminated effective October 31, 2010. The Receiver has arranged for the issuance of their records of employment and funded the payment of their final payroll including any outstanding vacation pay. The Receiver has facilitated the preparation of T4 statements through the existing third party payroll service provider, which have been delivered to these employees and Canada Revenue Agency. The general manager has reported that several of the former employees of the Debtors that worked at The Elora Mill Inn have found alternate employment at certain other properties owned by Pearle or at another property also managed and operated by Crescent.

21. The Receiver has taken steps to ensure an orderly wind down of operations at The Elora Mill Inn. A small team, together with an outside security firm, consisting of the general manager, the maintenance manager and one supervisor were engaged for the month of November on a rotating schedule to secure and monitor The Elora Mill Inn until closing of the Pearle Sale Agreement. The Receiver also engaged a reputable third party security firm with respect to overnight security for this period.
22. Given the closure of The Elora Mill Inn, neither the Receiver or Pearle was in a position to conduct events scheduled to be held at The Elora Mill Inn after October 31, 2010. In order to minimize the disruption to those parties which had scheduled an event at The Elora Mill Inn after October 31, 2010 (each, a "**Patron**"), Pearle offered to hold each Patron's event at another property controlled by Pearle. Certain of the Patrons were able to reschedule their events with Pearle. For the remainder, the Receiver confirmed that each Patron had elected to terminate the contract for its event scheduled to be held at The Elora Mill Inn.
23. The Debtors did not hold in a segregated account the deposits paid to the Debtors by the various Patrons prior to the Receiver's appointment (each, an "**Advance Deposit**"). Accordingly, the Receiver has advised each Patron which has terminated its event contract that the Receiver is not in a position to return any such Advance Deposit to that Patron. However, the Receiver has advised those Patrons which paid a deposit to the Receiver following its appointment that it will return such deposit to that Patron.
24. The general manager has worked with the Receiver to arrange the collection of outstanding accounts receivable, returning equipment owned by third parties and other closing matters with respect to suppliers.

25. Pearle did not wish to take an assignment of the hotel management agreement with respect to The Elora Mill Inn with Crescent. Accordingly, the Receiver terminated Crescent's engagement as manager of The Elora Mill Inn effective as at the close of business on October 31, 2010.
26. As noted below, the closing of the Pearle Sale Agreement occurred on November 30, 2010. The Receiver has since terminated all remaining employees and contractual obligations with respect to The Elora Mill Inn.

#### *Hidden Valley Resort*

27. Operations have been stabilized and maintained in the normal course at Hidden Valley Resort since the date of the Appointment Order.
28. On the Receiver's instructions, immediately subsequent to the date of the Appointment Order, Crescent and local management (collectively, "**Hidden Valley Management**") took steps to proceed with capital expenditures necessary to remediate the fire code infractions identified by the Huntsville Fire Department. As noted in the Second Report, Hidden Valley Management rectified all fire code violations at Hidden Valley Resort as set out in the report of the Huntsville Fire Department. An updated inspection report dated September 30, 2010 was prepared by the Huntsville Fire Department which confirmed that there were no remaining fire code infractions at Hidden Valley Resort.
29. Hidden Valley Management is preparing for the holiday season and is working to capitalize on business opportunities and manage cash flow during the winter season.

#### **UPDATE ON THE SALE OF THE ELORA MILL INN**

30. Under the terms of the Pearle Sale Agreement, the closing there under was to take place no later than October 31, 2010. Pearle had originally planned to carry out renovations of The Elora Mill Inn while the Hotel remained open. However, as noted above, in October 2010 Pearle advised the Receiver that, given the extent of the renovations required, it intended to shut down The Elora Mill Inn immediately following closing of the Pearle Sale Agreement. In addition, Pearle advised the Receiver that it would require additional time to secure additional financing to close the Pearle Sale Agreement and undertake planned capital improvements.
31. Pursuant to an Amending Agreement dated October 25, 2010, the Receiver and Pearle agreed to extend the closing date until no later than November 30, 2010 and to amend certain of the terms

of the Pearle Sale Agreement to reflect that the Receiver would cease operations at The Elora Mill Inn after October 31, 2010. As part of that Amending Agreement, Pearle increased the amount of the deposit under the Pearle Sale Agreement from \$185,000 to \$435,000.

32. The transaction under the Pearle Sale Agreement closed on November 30, 2010. The Receiver has filed its Receiver's Certificate with the Court confirming closing of the transaction. In accordance with the terms of the Elora Approval & Vesting Order, the Receiver holds the proceeds under the Pearle Sale Agreement in place and stead of that part of the Property comprised by The Elora Mill Inn.

#### **UPDATE ON THE RECEIVER'S REVISED MARKETING ACTIVITIES**

33. In accordance with the Revised Marketing Process Order, the Receiver has carried out the Revised Marketing Process with respect to Hidden Valley Resort and The Benmiller Inn & Spa. The Receiver, with the assistance of CB Richard Ellis Canada ("CBRE"), has taken the following steps in accordance with the Revised Marketing Process, all with a view to generating further interest in the remaining Hotels:
  - (a) the Receiver has continued to offer the remaining Hotels for sale, subject to the Revised Conditions of Sale approved pursuant to the Revised Marketing Process Order, all as more particularly described in the Second Report. As authorized by the Revised Marketing Process Order, rather than pursuing a second formal tender process, the Receiver has reserved its right to negotiate with any party to purchase the remaining Hotels and to accept an offer or offers to purchase the remaining Hotels at any time. In support of this process, the Receiver has continued the MLS listing with respect to The Benmiller Inn & Spa and Hidden Valley Resort with reduced listing prices;
  - (b) in order to enhance the opportunity, the Receiver and CBRE developed with Equitable the terms of potential financing to be made available by Equitable to purchase the remaining Hotels, subject to its usual underwriting criteria;
  - (c) CBRE contacted those parties which had expressed the greatest interest during the Marketing Process in purchasing the remaining Hotels. CBRE advised these parties of the potential Equitable purchase financing and attempted to solicit offers to purchase one or more of the Hotels on terms acceptable to the Receiver;
  - (d) the Receiver and CBRE provided potential purchasers who signed a confidentiality agreement with access to the password protected electronic data room, additional

- requested information, tours of the Hotels and access to management of the Hotels, as required;
- (e) assisted in responding to inquiries from prospective purchasers throughout the Revised Marketing Process;
  - (f) liaised with and received reporting from CBRE with respect to the Revised Marketing Process; and
  - (g) provided periodic reporting to Equitable regarding the status of the Revised Marketing Process.

*Sale of Hidden Valley Resort*

34. Pursuant to the Revised Marketing Process, Rice submitted an offer to purchase the Hidden Valley Resort. Negotiations between the Receiver, Rice and Equitable, culminated in the agreement of purchase and sale dated October 13, 2010 (“**Original Rice Agreement**”), attached hereto as Exhibit “**D**”. In accordance with the Original Rice Agreement, a deposit of 10% of the purchase price was paid to the Receiver, and the transaction was scheduled to close on or before January 15, 2011, subject to Rice obtaining a new liquor license for Hidden Valley Resort.
35. While the Original Rice Agreement contains no material amendments to the form of template sale agreement prepared by the Receiver in respect of Hidden Valley Resort, it departs from the template sale agreement by providing Rice until the Title Diligence Date (originally 7 business days from execution) to review the terms of the Original Rice Agreement with counsel. The Title Diligence Date was extended a number of times to accommodate and respond to title requisitions from Rice’s counsel and to address other issues raised by Rice.
36. During this process, Rice expressed concerns to the Receiver regarding the provisions in the Original Rice Agreement requiring Rice to apply for a new liquor licence for Hidden Valley Resort as opposed to making an application for a transfer of the existing liquor licence. Rice also expressed concerns with respect to the cost of closing off an outstanding building permit relative to the canopy constructed at the entrance to Hidden Valley Resort.
37. Following negotiations between the Receiver and Rice, the parties entered into the amending agreement dated November 30, 2010 (“**Amending Agreement**”), attached hereto as Exhibit “**E**”. Pursuant to the terms of the Amending Agreement, the Receiver has agreed to fund the legal fees incurred by Rice in connection with the application for a new liquor licence and provide an

abatement to the purchase price to a maximum of \$10,000 for any construction or related costs which must be incurred by Rice for work on the Hotel canopy necessary to close off this open building permit.

38. In accordance with the terms of the Amending Agreement, the Title Diligence Date has not been extended further such that Rice is deemed to have accepted title to the Hotel and to be otherwise satisfied with the terms of the Original Rice Agreement. Although a closing date has not been established, the outside date for closing is January 29, 2011.
39. The Receiver recommends that the Court authorize and direct the Receiver to enter into and to carry out the terms of the Rice Sale Agreement for the following reasons:
  - (a) the Marketing Process and Revised Marketing Process conducted by the Receiver and CBRE resulted in both broad and thorough, as well as targeted, exposure of Hidden Valley Resort to the marketplace;
  - (b) as noted above, the Rice Sale Agreement contains no material amendments to the form of template sale agreement prepared by the Receiver;
  - (c) following consultation with CBRE, the Receiver has concluded that it is unlikely that it could obtain a superior offer for Hidden Valley Resort if the Court does not approve the Rice Sale Agreement and the Receiver continues to canvass the market. Accepting the Rice Sale Agreement will remove Hidden Valley Resort as an asset under administration within this receivership, thus reducing costs associated with ongoing administration of this asset and eliminating uncertainty for the stakeholders of Hidden Valley Resort; and
  - (d) Equitable supports the Receiver's recommendation that it be authorized and directed to enter into the Rice Sale Agreement.
40. The Receiver recommends that if the Rice Sale Agreement is terminated in accordance with its terms, the Receiver be authorized to commence negotiations with any other party or parties identified by the Receiver through the Marketing Process, the Revised Marketing Process or otherwise whereby the Receiver shall sell Hidden Valley Resort to such party or parties, subject to Court approval.



**INDEPENDENT LEGAL OPINION ON THE VALIDITY AND ENFORCEABILITY OF  
THE SECURITY GRANTED TO EQUITABLE**

41. The Receiver has retained TGF and Torkin Manes LLP as its independent legal counsel to, among other things, review the validity and enforceability of the security held by Equitable. The results of that security review are as follows:

- (a) subject to the qualifications and assumptions contained in the opinion from TGF to the Receiver, Tuesday Equities Ltd. (“Tuesday Equities”) on behalf of and in its capacity as the general partner of Prince Royal Limited Partnership (“PRLP”) and of PRLP itself has granted to Equitable a security interest which is enforceable against the Receiver in all of the present and after acquired personal property, including all proceeds thereof, of Tuesday Equities and PRLP relating exclusively to the assets located at and the business conducted on the premises of the Hotels. However, TGF does note that the general security agreement granted to Equitable with respect to The Benmiller Inn & Spa does not grant Equitable a security interest in the personal property located on the parcel of land at The Benmiller Inn & Spa legally described as Pin 41118-0090 (R). The Receiver is reviewing this issue with Benmiller Management to determine if there are any structures or collateral owned by the Debtors located on this parcel of land;
- (b) subject to the assumptions and qualifications contained in the opinion from Torkin Manes LLP to the Receiver, Torkin Manes LLP has opined that the mortgage security granted to Equitable and registered against each of the Hotels constitutes a first fixed and specific charge of that part of the Property comprised by each Hotel, subject to the qualifications, encumbrances, agreements and title defects, as well as the reservations, limitations, provisos and conditions, set out in the Torkin Manes LLP opinion; and
- (c) none of the qualifications, encumbrances, agreements and title defects set out in the schedule to the Torkin Manes LLP opinion are entitled to receipt of distributions of proceeds from the sale of any of the Property in priority to the mortgage security held by Equitable, save and except for a charge and assignment of rents registered against The Benmiller Inn & Spa in favour of Morrison Financial Mortgage Corporation. However, the Receiver understands that this charge and assignment of rents no longer secure any indebtedness of either of the Debtors to Morrison Financial Mortgage Corporation and counsel to the Receiver has taken steps to arrange for the discharge of these instruments.

#### STATEMENT OF RECEIPTS AND DISBURSEMENTS

42. Attached as Exhibit "F" is the Combined Statement of Receipts and Disbursements for the period May 26, 2010 to October 31, 2010 (the "Receivership Period"). As at October 31, 2010, the closing cash balance was approximately \$1,100,000.
43. As noted above, the Hotels generated positive net operating cash flow before professional fees of approximately \$1,200,000 during the Receivership Period. After the payment of certain professional fees, net cash flow for the period was \$723,000. Including the initial cash on hand at the commencement of the receivership, and deposits received with respect to the Original Rice Agreement and sale of The Elora Mill Inn, the Receiver currently has a surplus of receipts over disbursements of \$1,100,000 as at October 31, 2010. The balance of the proceeds of sale of The Elora Mill Inn was collected on December 1, 2010.
44. Also included in the cumulative surplus as at October 31, 2010 is \$34,000 representing deposits received by the Receiver and held in trust pending the delivery of contracted future events at the Hotels.
45. The total operating cash disbursements of approximately \$3,800,000 were primarily composed of payroll costs (\$1,700,000), food and beverage costs (\$673,000), GST/PST/HST remittances (\$448,000), utility costs (\$185,000), property taxes (\$160,000) and property management fees (\$108,000). Included in these total operating cash disbursements are payments of pre-receivership liabilities with respect to payroll totalling \$165,000 for the period May 9, 2010 to May 25, 2010 paid as scheduled on May 28, 2010 and June 11, 2010. Also, approximately \$37,000 was paid to Crescent with respect to out-of-pocket costs incurred prior to the date of the Appointment Order. Deposits made by patrons prior to the date of the Appointment Order with respect to events delivered during the Receivership Period have been honoured, which has reduced cash profit from these services.
46. As operations continue into the seasonally slow period of the year, it is forecast that there will be a negative operating cash flow for the remaining Hotels.

#### OTHER ACTIVITIES OF THE RECEIVER

47. In addition to the Receiver's marketing activities with respect to the Hotels and other activities as described above, the Receiver has also carried out the following activities subsequent to the issuance of the Revised Marketing Process Order:
  - (a) continued supervision and funding of the Hotels under the management of Crescent;

- (b) continued collections of pre and post-receivership accounts receivable owing to the Hotels;
- (c) negotiated the terms and supervised the delivery of events, banquets and other functions at the Hotels;
- (d) engaged employees for and in the name of the Debtors as required for the continued operation of the Hotels;
- (e) commissioned building condition reports and environmental site assessments and made these reports available to prospective purchasers via access to the password-protected data room established by the Receiver;
- (f) authorized and funded necessary repairs and maintenance to the Hotels;
- (g) arranged with Crescent to renew appropriate insurance coverage in respect of the Property; and
- (h) facilitated provision of access and information requests from prospective purchasers.

#### **PROFESSIONAL FEES**

48. The Receiver, TGF, Torkin Manes LLP and Mr. Adam Vassos (retained by the Receiver as specialist legal counsel in liquor licensing matters) have maintained detailed records of their professional time and costs since the issuance of the Appointment Order. Pursuant to paragraph 18 of the Appointment Order, the Receiver and its legal counsel were directed to pass their accounts from time to time before this Honourable Court. Pursuant to the Revised Marketing Process Order, the fees and disbursements of the Receiver to July 11, 2010 and TGF to July 31, 2010 were authorized and approved.
49. The total fees of the Receiver during the period from July 12, 2010 to November 12, 2010 amount to \$399,193.00, together with expenses and disbursements in the sum of \$767.16 and GST and/or harmonized sales tax (“GST/HST”) in the amount of \$51,994.82, totalling \$451,954.98 (the “Receiver’s Fees”). The time spent by the Receiver is more particularly described in the Affidavit of Paul Casey of Deloitte & Touche Inc., sworn December 13, 2010 (the “Casey Affidavit”) in support hereof and attached hereto as Exhibit “G”.
50. The total legal fees incurred by the Receiver during the period August 1, 2010 to October 31, 2010 for services provided by TGF as the Receiver’s independent legal counsel amount to \$102,510.00, together with disbursements in the sum of \$1,420.42 and GST/HST in the amount

of \$13,490.55, totalling \$117,420.97. The time spent by TGF personnel is more particularly described in the Affidavit of Grant Moffat, a partner of TGF, sworn December 9, 2010 (the “**Moffat Affidavit**”) in support hereof and attached hereto as Exhibit “**H**”.

51. The total legal fees incurred by the Receiver during the period August 3, 2010 to September 17, 2010 for services provided by Torkin Manes LLP as the Receiver’s independent legal counsel amount to \$7,772.50, together with disbursements in the sum of \$2,661.60 and GST/HST in the amount of \$1,281.03, totalling \$11,715.13. The time spent by Torkin Manes LLP personnel is more particularly described in the Affidavit of Leonard Rodness, a partner of Torkin Manes LLP, sworn October 21, 2010 (the “**October Rodness Affidavit**”) in support hereof and attached hereto as Exhibit “**T**”. The total legal fees incurred by the Receiver during the period September 18, 2010 to November 30, 2010 for services provided by Torkin Manes LLP as the Receiver’s independent legal counsel amount to \$23,197.50, together with disbursements in the sum of \$1,963.77 and GST/HST in the amount of \$3,211.98, totalling \$28,373.25. The time spent by Torkin Manes LLP personnel is more particularly described in the Affidavit of Leonard Rodness, a partner of Torkin Manes LLP, sworn December 9, 2010 (the “**December Rodness Affidavit**”) in support hereof and attached hereto as Exhibit “**J**”.
52. The total legal fees incurred by the Receiver during the period May 19, 2010 to November 30, 2010 for services provided by Mr. Vassos as the Receiver’s independent legal counsel amount to \$12,900, together with GST/HST in the amount of \$957, totalling \$13,857. The time spent by Mr. Vassos is more particularly described in the Affidavit of Adam Vassos, sworn December 6, 2010 (the “**Vassos Affidavit**”) in support hereof and attached hereto as Exhibit “**K**”.
53. In accordance with paragraph 19 of the Appointment Order, the Receiver has periodically paid fees and disbursements incurred by the Receiver, TGF, Torkin Manes LLP and Mr. Vassos subject to approval of such accounts by the Court.

#### **RECEIVER’S RECOMMENDATION**

54. For the reasons set out above, the Receiver recommends that the Court make an Order:
  - (a) approving the activities of the Receiver as described in the Third Report including, without limitation, the steps taken by the Receiver pursuant to the Revised Marketing Process;
  - (b) authorizing and directing the Receiver to enter into and carry out the terms of the Rice Sale Agreement, together with any amendments thereto deemed necessary by the

Receiver in its sole opinion and vesting title to that part of the Property comprised by Hidden Valley Resort in and to Rice upon closing of the Rice Sale Agreement;

- (c) if the Rice Sale Agreement is terminated in accordance with its terms, authorizing and directing the Receiver to commence negotiations with any other party or parties identified by the Receiver through the Marketing Process, the Revised Marketing Process or otherwise whereby the Receiver shall sell Hidden Valley to such party or parties, subject to Court approval;
- (d) authorizing and directing the Receiver to continue to offer The Benmiller Inn & Spa for sale pursuant to the Revised Marketing Process;
- (e) approving the Receiver's Statement of Receipts and Disbursements for the period from May 26, 2010 to October 31, 2010; and
- (f) approving the professional fees and disbursements of the Receiver and its independent legal counsel set out herein and authorizing the Receiver to pay all such fees and disbursements.

All of which is respectfully submitted at Toronto, Ontario this 17th day of December, 2010.

**Deloitte & Touche Inc.**

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

Per:



Paul Casey, CA-CIRP  
Senior Vice-President

# **EXHIBIT “A”**

# EXHIBIT <sup>"A"</sup>

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

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE MR.

)

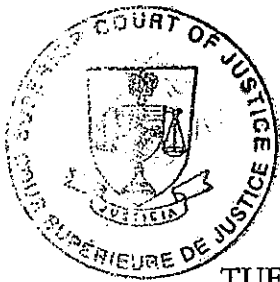
WEDNESDAY, THE 26<sup>TH</sup> DAY

)

JUSTICE CUMMING

)

OF MAY, 2010



THE EQUITABLE TRUST COMPANY

Applicant

- and -

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

Respondent

## ORDER

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

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

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

### **SERVICE**

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

### **APPOINTMENT**

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

### **RECEIVER'S POWERS**

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

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



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

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

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

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

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

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

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

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

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

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

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

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

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

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

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

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

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

#### **NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY**

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

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

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

#### **NO INTERFERENCE WITH THE RECEIVER**

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

#### **CONTINUATION OF SERVICES**

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

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

#### RECEIVER TO HOLD FUNDS

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

#### EMPLOYEES

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



#### PIPEDA

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

#### LIMITATION ON ENVIRONMENTAL LIABILITIES

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

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

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

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

#### **RECEIVER'S ACCOUNTS**

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

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

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

#### FUNDING OF THE RECEIVERSHIP

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

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

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

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

#### GENERAL

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

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

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

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

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

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

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

May 26, 2010 Peter A. Cumming J.

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

MAY 26 2010

PER / PAR:

JS

Joanne Nicoara  
Registrar, Superior Court of Justice.

SCHEDULE "A"  
RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

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

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

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

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

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

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

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

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

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

Per: \_\_\_\_\_

Name:

Title:

SCHEDULE "B"

LEGAL DESCRIPTION

THE BENMILLER INN & SPA

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

as lastly described as FIRSTLY in instrument No. 340929.

**THE ELORA MILL INN**

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

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

**HIDDEN VALLEY RESORT**

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

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

The Equitable Trust Company  
Applicant

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

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

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER

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

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

Lawyers for the Applicant

# **EXHIBIT “B”**

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



ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR.

)

WEDNESDAY, THE 25<sup>th</sup>

)

JUSTICE NEWBOULD

)

DAY OF AUGUST, 2010

THE EQUITABLE TRUST COMPANY

Applicant

- and -

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

Respondents

**ORDER**  
**(Revised Marketing Process)**

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

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

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

8. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to:
- (a) proceed to market and offer for sale the Receiver's right, title and interest in the Remaining Property in the manner more particularly described in the Second Report and in accordance with and on the terms of the Revised Marketing Process and the Revised Conditions of Sale;
  - (b) enter into discussions with any and all parties in respect of the Remaining Property;
  - (c) disclose to and review with the Applicant, any of its advisors and CB Richard Ellis Canada any and all potential or actual offers received by the Receiver to purchase some or all of the Remaining Property;
  - (d) accept an offer to purchase some or all of the Remaining Property, the terms of which, in the Receiver's sole opinion, are in the best interests of the estate herein, subject to approval of this Court if required in accordance with the Appointment Order; and
  - (e) enter into agreements of purchase and sale in respect of some or all of the Remaining Property on the terms of the Template Agreement (as defined in the Revised Conditions of Sale), together with any amendments or additions thereto deemed necessary by the Receiver in its sole opinion, subject to approval of this Court if required in accordance with the Appointment Order.
9. **THIS COURT ORDERS** that, in accordance with the Revised Conditions of Sale, the Receiver is not obligated to accept any offer or offers to purchase some or all of the Remaining Property.
10. **THIS COURT FURTHER ORDERS** that the Receiver shall have no personal or corporate liability in connection with offering the Receiver's right, title and interest in the Remaining Property for sale, including, without limitation:
- (a) by advertising the Remaining Property and/or the Revised Marketing Process;
  - (b) by exposing the Remaining Property to any and all parties, including, but not limited to, those who have made their interest known to the Receiver;

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

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

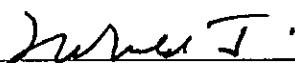
12. **THIS COURT ORDERS** that Confidential Exhibit "C" to the Second Report filed with the Court be sealed from the public record until further Order of this Honourable Court.

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

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

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

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

  
\_\_\_\_\_

AUG 25 2010

PER / PAR:





THE EQUITABLE TRUST COMPANY

Applicant(s)

and

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

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

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER  
(Revised Marketing Process)

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

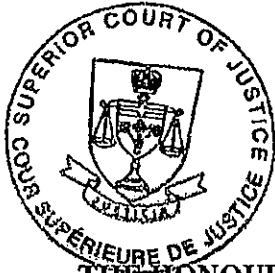
Grant B. Moffat (LSUC#32380L)  
Tel: 416-304-0599  
Fax: 416-304-1313

Lawyers for the Receiver.

# **EXHIBIT “C”**

# EXHIBIT <sup>u</sup> C <sup>u</sup>

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



## ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

THE HONOURABLE MR.

)

WEDNESDAY, THE 25<sup>TH</sup> DAY

)

JUSTICE NEWBOULD

)

OF AUGUST, 2010

BETWEEN:

**THE EQUITABLE TRUST COMPANY**

Applicant

- and -

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

Respondents

### APPROVAL AND VESTING ORDER

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

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

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

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

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

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

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

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

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

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

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

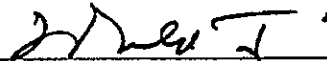
- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made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

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

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

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

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

  
\_\_\_\_\_

AUG 25 2010

NB

**Schedule A – Form of Receiver’s Certificate**

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**THE EQUITABLE TRUST COMPANY**

Applicant

- and -

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

Respondents

**RECEIVER’S CERTIFICATE**

**RECITALS**

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

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

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

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

THE RECEIVER CERTIFIES the following:

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

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

Per: \_\_\_\_\_  
Name:  
Title:



### **Schedule B – Purchased Assets**

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

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

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

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

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

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

**PIN 71410-0083 (LT)**

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

**PIN 71410-0072 (R)**

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

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

**(unaffected by the Vesting Order)**

Permitted Encumbrances with respect to the Property means:

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

Without limiting the foregoing Permitted Encumbrances include the following:

**PIN 71410-0083 (LT)**

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

**PIN 71410-0072 (R)**

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

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

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

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

THE EQUITABLE TRUST COMPANY

Applicant

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

Respondent(s)

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

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

Proceedings commenced at Toronto

**APPROVAL AND VESTING ORDER**

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

**Grant B. Moffat (LSUC# 323801 1D)**  
Tel: 416-304-0599  
Fax: 416-304-1313

Lawyers for the Receiver.

# **EXHIBIT “D”**



# EXHIBIT "D"

## AGREEMENT OF PURCHASE AND SALE

### (HIDDEN VALLEY RESORT)

THIS AGREEMENT MADE THIS 13<sup>th</sup> DAY OF OCTOBER, 2010

BETWEEN:

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

(hereinafter referred to as the "**Vendor**")

#### OF THE FIRST PART

- and -

**Paul D. Rice, in trust** for a corporation to be incorporated under the laws of the Province of Ontario

(hereinafter referred to as the "**Purchaser**")

#### OF THE SECOND PART

WHEREAS:

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

Agreement are subject to the terms and conditions contained herein and the approval of the Court of such actions.

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

**ARTICLE I**  
**INTERPRETATION**

**1.01 Definitions**

In this Agreement:

**“Account Closing Date”** means the 5<sup>th</sup> Business Day following the Closing Date.

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

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

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

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

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

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

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

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

**“Books and Records”** means all personnel records in respect of Assumed Employees, sales and purchase records, customer and supplier lists, lists of potential customers, referral sources,

research and development reports and records, production reports and records, accounting records, equipment logs, operating guides and manuals, business reports and all other documents, files, correspondence and other information (whether in written, printed, electronic or computer printout form) relating solely to the Hotel or the Business, but excluding any of the foregoing as applicable to any Excluded Assets.

**“Business”** means the business conducted by the Vendor or the Companies exclusively at the Hotel.

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

**“Closing”** means the closing of the transaction contemplated by this Agreement.

**“Closing Date”** means the 45<sup>th</sup> day after the granting of the Approval & Vesting Order or such other date as agreed by the Vendor and the Purchaser, provided such date is not later than January 15, 2011.

**“Closing Time”** means 11:00 o’clock a.m., Toronto time, on the Closing Date or such later time on the Closing Date as Closing takes place.

**“Companies”** means Tuesday Equities Ltd. and Prince Royal Limited Partnership. :

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

**“Conditions of Sale”** means the conditions of sale approved pursuant to the Marketing Order.

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

**“Confidentiality Agreement”** means the confidentiality agreement between the Receiver and the Purchaser dated as of July 27, 2010 with respect to the Hotel.

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

**“Court”** means the Ontario Superior Court of Justice (Commercial List).

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

**“Deposit”** means the deposit of \$250,000 (equal to approximately 10% of the Purchase Price) paid to the Vendor by the Purchaser by way of certified cheque or bank draft drawn upon a Schedule 1 Canadian chartered bank pursuant to the Conditions of Sale.

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

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

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

**“Equitable”** means The Equitable Trust Company.

**“Equitable Commitment Letter”** means an offer of financing issued by Equitable to the Purchaser pursuant to which Equitable shall provide certain financing to fund part of the Purchase Price hereunder substantially on the terms described in Section 3.11.

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

**“Event Deposit”** means a deposit paid to the Vendor under an Event Contract.

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

**“Excluded Assets”** has the meaning ascribed thereto in Section 2.02.

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

**“Excluded Liabilities”** has the meaning ascribed thereto in Section 2.09.

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

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

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

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

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

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

**“Hotel”** means the Hidden Valley Resort, consisting of the real property located at 1755 Valley Road, Town of Huntsville, Province of Ontario, all as more particularly described in Schedule “A” attached hereto together with the buildings situate thereon containing 94 guest rooms, 2 hospitality suites, a lobby, restaurants, lounge/bar, meeting rooms, function rooms, administrative offices, parking, swimming pools, recreational facilities, retail components and certain other amenities and related facilities.

**“Hotel Guest”** means any Person who is a guest of the Hotel.

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

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

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

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

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

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

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

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

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

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

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

**"Manager"** means Crescent Hotels and Resorts Canada Company.

**“Marketing Orders”** means the Orders of the Court dated June 17, 2010 and August 25, 2010 authorizing the Receiver to market and sell the Property.

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

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

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

**“Permitted Encumbrances”** means those encumbrances specified in Schedule **“B”**.

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

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

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

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

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

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

**“Public Statement”** has the meaning ascribed thereto in Section 15.20.

**“Purchased Assets”** has the meaning ascribed thereto in Section 2.01.

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

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

**“Room Deposit”** means a deposit paid to the Vendor by any Person under a Room Contract.

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

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

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

## **1.02 Currency**

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

## **1.03 Entire Agreement**

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



Vendor as set forth herein and on acceptance by the Purchaser, is intended to create binding obligations on the part of the Purchaser, as set out herein.

**1.04 Governing Law**

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

**1.05 Singular, Plural and Gender**

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

**1.06 Certain Words**

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

**1.07 Headings and Table of Contents**

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

**1.08 Statutory References**

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

**1.09 Actions to be Performed on a Business Day**

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

**1.10 Schedules**

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

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

## ARTICLE II

### **PURCHASE AND SALE OF PURCHASED ASSETS AND ASSUMPTION OF LIABILITIES**

#### **2.01 Purchased Assets**

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

- (a) the Hotel (subject to the Permitted Encumbrances);
- (b) the chattels, furniture, furnishings, equipment and machinery owned by the Companies, if any, located on or at the Hotel and used solely in connection with the Business;
- (c) the Inventory;
- (d) all Assigned Contracts, to the extent such are assignable by the Vendor in accordance with this Agreement;
- (e) the Event Contracts and any corresponding Event Deposits;
- (f) copies of any Books and Records in the Vendor's possession that relate to the Purchased Assets;
- (g) the Room Contracts and any corresponding Room Deposits;
- (h) the Prepaid Expenses relating to the Purchased Assets;

- (i) all warranties, operating manuals, plans and specifications in respect of the Purchased Assets in the Vendor's possession;
- (j) all Authorizations or Licences owned, held or used by the Companies or the Vendor in connection with the Business to the extent transferable;
- (k) the Goodwill, including the exclusive right of the Purchaser to represent itself as carrying on the Business in continuation of and in succession to the Companies; and
- (l) the Intellectual Property.

## **2.02 Excluded Assets**

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

- (a) The Elora Mill Inn and The Benmiller Inn & Spa;
- (b) all cash, bank balances (including balances in the Bank Accounts), funds on deposit with banks or other depositories and other similar items owned or held by or for the account of the Vendor, the Companies, the Hotel or the Business as at the Closing Date, including the Purchase Price;
- (c) the Excluded Accounts Receivable;
- (d) the Liquor Licence;
- (e) the Liquor Inventory;
- (f) all amounts owing to the Companies by any and all federal, provincial, municipal and other governmental authorities whatsoever;
- (g) all revenues accrued from the Hotel and the Business for the period ending on the day before the Closing Date;
- (h) all Authorizations, extra-provincial sales, excise or other Licences or registrations issued to or held by the Companies, other than exclusively in respect of the Purchased Assets;
- (i) any refunds in respect of reassessments for any Taxes (including, without limitation, realty taxes) paid or payable by the Companies or the Vendor on or prior to the Closing Date with respect to the Hotel or the Business;
- (j) refundable Taxes;
- (k) all amounts owing from any director, officer, former director or officer, shareholder, employee or any affiliate of the Companies;

- (l) insurance policies of the Companies or the Vendor relating to the Purchased Assets and all rights in connection therewith including any rights to payments thereunder upon the occurrence of an insured event or refunds of insurance payments except for insured events in respect of the Purchased Assets for which proceeds of insurance shall be paid to the Purchaser; and
- (m) all Excluded Contracts.

### **2.03 Assigned Contracts**

- (a) The Purchaser acknowledges and agrees that certain of the Purchased Assets may be subject to or consist of one or more Contracts. Not later than 10 Business Days before the Closing Date, the Purchaser shall notify the Vendor in writing of all Contracts which the Purchaser wishes the Vendor to assign to it at Closing all of the Vendor's right, title and interest therein (collectively the "Assigned Contracts"). It shall be the Purchaser's sole responsibility to obtain, at its own expense, any consents, approvals or any further documentation or assurances which may be required to carry out the terms of the sale of the Purchased Assets, including, without limitation, any approvals with respect to assignment of any of the Assigned Contracts or any of the Purchased Assets not assignable without the consent or action of a third party or parties. The Purchaser shall indemnify and hold harmless the Vendor from and against any claims or liabilities arising under or in connection with any of the Assigned Contracts for matters occurring on or after, and which relate to the period on or after the Closing Date. The Vendor shall use commercially reasonable efforts to assist the Purchaser in obtaining any necessary consents of third parties to the assignment of the Assigned Contracts. Notwithstanding the foregoing, the Vendor shall have no liability to the Purchaser (and there shall be no adjustment to the Purchase Price) whatsoever with respect to any Assigned Contract, including, without limitation, if the purported assignment by the Vendor of its right, title and interest in any such Assigned Contract is not acknowledged by any Person, if any such Assigned Contract is not assignable by the Vendor, if any such Assigned Contract has been terminated by any party thereto, or the collateral or subject matter of the Assigned Contract is no longer in the Vendor's possession or control. The Vendor does not make any representation or warranty that any such Assigned Contract may be effectively assigned to the Purchaser. The Vendor shall only assign to the Purchaser by way of an assignment in form and content satisfactory to the Vendor and its solicitors all Assigned Contracts, but only to the extent that such Assigned Contracts are assignable by the Vendor, which the Purchaser wishes to have assigned to it at Closing. The form of assignment shall not provide for or require an acknowledgement or agreement to the assignment by any other Person.
- (b) Notwithstanding the provisions of Section 2.03(a), the Event Contracts and the corresponding Event Deposits and the Room Contracts and the corresponding Room Deposits shall be assigned to the Purchaser at Closing, following which the Purchaser shall be solely responsible for fulfilling the terms of each such Event Contract or Room Contract. The Purchaser shall be responsible for accounting to:

(i) each Patron for both the Event Deposits and any Pre-Receivership Deposits paid to the Companies in respect of any of the Event Contracts; and (ii) the parties to the Room Contracts for both Room Deposits and Pre-Receivership Deposits paid to the Companies in respect of the Room Contracts. The Purchaser shall indemnify and hold harmless the Vendor from and against any claims or liabilities arising under or in connection with any of the Event Contracts or Room Contracts assigned to the Purchaser for matters occurring on or after, and which relate to the period on or after, the Closing Date. The Vendor shall have no liability to the Purchaser and there shall be no adjustment to the Purchase Price whatsoever with respect to any of the Event Contracts or Room Contracts assigned to the Purchaser including, without limitation, on account of the Pre-Receivership Deposits, if the assignment by the Vendor of its right, title and interest in any such Event Contract or Room Contract is not acknowledged by any party thereto, if the Event Contract or Room Contract is not assignable by the Vendor or if any such Event Contract or Room Contract is terminated by any party thereto. The Vendor does not make any representation or warranty that any of the Event Contracts or Room Contracts may be effectively assigned to the Purchaser or that the Patron or Hotel guest(s) will perform its or their obligations under the subject Event Contract or Room Contract. The Vendor shall only assign to the Purchaser by way of an assignment in form and content satisfactory to the Vendor and its solicitors its interest in all such Event Contracts and Room Contracts. The foregoing assignment shall not provide for or require an acknowledgement or agreement to the assignment by any other Person.

#### **2.04 Purchase Price**

The aggregate consideration payable by the Purchaser to the Vendor in consideration of the sale and transfer of the Purchased Assets shall be the aggregate of (i) cash consideration in the amount of Two Million Five Hundred Thousand Dollars (\$2,500,000); and (ii) the assumption by the Purchaser of the Assumed Liabilities (collectively, the "**Purchase Price**"). The Purchase Price shall be exclusive of all Taxes, including all Transfer Taxes. The Purchase Price, as adjusted in accordance with Section 2.09, shall be paid and satisfied by the Purchaser on Closing as follows:

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

#### **2.05 Allocation of Purchase Price**

On or before 5 Business Days before the Closing Date, the Purchaser and the Vendor shall agree upon the allocation of the Purchase Price among the Purchased Assets, which

allocation shall be set out in Schedule "D". The Purchaser and the Vendor agree to file all necessary information returns, income tax returns and other similar documents with the applicable taxing authorities in a manner which is consistent with the allocation set forth on Schedule "D".

## **2.06 Transfer Taxes**

The Parties agree that:

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

## **2.07 HST Election**

With respect to HST:

- (a) each Party represents and warrants to the other Party that it is a registrant for GST/HST purposes and will continue to be a registrant at the Closing Date in accordance with the provisions of the GST/HST Legislation and that such Party's respective HST registration number is: in the case of the Vendor is 852508670 RT0004, and in the case of the Purchaser, will be provided forthwith following incorporation of the Purchaser but prior to the Closing Date;
- (b) the Vendor and the Purchaser acknowledge that, by the acquisition of the Purchased Assets under this Agreement, the Purchaser is acquiring the ownership, possession or use under this Agreement of all or substantially all of the property that can reasonably be regarded as being necessary for the Purchaser to be capable of carrying on the Companies' business at the Hotel or such part of the Companies' business as a business within the meaning of Section 167 of the GST/HST Legislation;
- (c) the Vendor and the Purchaser shall jointly prepare and execute the election prescribed by subsection 167(1) of the GST/HST Legislation at Closing, and the Purchaser shall file such election in the manner and within the time prescribed by the GST/HST Legislation and shall provide the Vendor with supporting documentation to confirm that such elections have been properly filed;
- (d) pursuant to Section 2.07(c) of this Agreement, and subsection 167(1.1) of the GST/HST Legislation, the Parties acknowledge that no HST is payable by the Purchaser to the Vendor in respect of the transfer of the Purchased Assets described herein; and
- (e) notwithstanding the foregoing, the Purchaser hereby agrees to indemnify the Vendor for any assessment of HST made against the Vendor in connection with the transaction described in this Agreement, whether as a result of the election under subsection 167(1) of the GST/HST Legislation by the Parties with respect to the acquisition of the Purchased Assets by the Purchaser (including, without limitation, if CRA does not accept such election) or otherwise and the Purchaser further agrees to pay all such amounts including interest and penalties and any other related costs of the Vendor, if any, upon written request by the Vendor.

## **2.08 Assumed Liabilities**

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

- (a) all Employee Liabilities payable to or related to any Assumed Employees;
- (b) the Vendor's liabilities and obligations under any Assigned Contracts;
- (c) the Companies' or the Vendor's liabilities and obligations under the Event Contracts, including, without limitation, the obligation to account to any Patron for any Event Deposit or Pre-Receivership Deposit under an Event Contract;

- (d) the Companies' or the Vendor's liabilities under the Room Contracts, including, without limitation, the obligation to account to any Person for any Room Deposit or Pre-Receivership Deposit under a Room Contract; and
- (e) all Liabilities arising or accruing from the use of the Purchased Assets from and after the Closing Date.

## **2.09 Excluded Liabilities**

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

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

## **2.10 Adjustments to the Purchase Price**

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

- (a) the Prepaid Expenses which shall be added to the Purchase Price;
- (b) interest on the Deposit which shall be credited towards the Purchase Price upon Closing;



- (c) all applicable Taxes, including Transfer Taxes, which shall be added to the Purchase Price;
- (d) the cost, if any, of dismantling or removing the Purchased Assets from their present location and restoring such location to a neat and clean condition which shall be added to the Purchase Price;
- (e) the cost of repairing any damage caused by dismantling or removal of the Purchased Assets from their present location which shall be added to the Purchase Price;
- (f) the cost of any additional Inventory received or paid for by the Vendor after the date of this Agreement but prior to the Closing Date, which shall be added to the Purchase Price. Notwithstanding the foregoing, there shall not be any adjustment to the Purchase Price for any non-material changes in the quantity of the Inventory between the date of this Agreement and the Closing Date;
- (g) realty taxes, local improvement rates and charges, water and assessment rates; and
- (h) operating costs, utilities, fuel and all other items normally adjusted between a vendor and a purchaser in respect of the sale of property similar to the Hotel.

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

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

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

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

(vi) **Prior Years Realty Tax Refunds or Re-Assessments.** With respect to any realty tax refunds or re-assessments for the period prior to the Closing Date, the Vendor and the Purchaser shall jointly direct any consultant currently engaged in connection with such refunds or re-assessments to continue its work on the same fee basis previously arranged (for which fees the Purchaser shall not be responsible). The Vendor and the Purchaser shall jointly direct the municipality to pay any refund or re-assessment of realty taxes for calendar years prior to 2010 to the Vendor.

#### **2.11 Conduct of the Business to Closing**

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

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

#### **2.12 Termination of Manager**

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

#### **2.13 Operation of Bank Accounts Post-Closing**

The Vendor and the Purchaser shall instruct the general manager of the Hotel to cease issuing cheques and other debit items drawn upon or otherwise payable from the General

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

### **ARTICLE III**

#### **DUE DILIGENCE**

#### **3.01 Title Due Diligence**

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

#### **3.02 Legal review and Approval**

The Purchaser shall be allowed until the Title Diligence Date to review this Agreement with legal counsel. If, within such time, the Purchaser raises any objection to a term of this Agreement which the Vendor is unable or unwilling to remove or correct on or before the Closing Date, and which the Purchaser will not waive, this Agreement shall be terminated in accordance with Section 11.

#### **3.03 Acceptance of Title**

If the Purchaser does not terminate this Agreement pursuant to Sections 3.01, 3.02 or 3.11 or if this Agreement is not terminated pursuant to Section 3.04, the Purchaser shall be deemed to have waived any and all rights that it has under Sections 3.01, 3.02, 3.04 and Section 3.11 and shall be deemed to have accepted title to the Hotel and to be satisfied in all respects with the Purchased Assets and shall be obligated to complete the transaction contemplated by this Agreement, subject to satisfaction of the Conditions Precedent specified in this Agreement.

**3.04 Planning Act**

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

**3.05 Approval & Vesting Order**

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

**3.06 Hotel Free and Clear**

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

**3.07 Passing of Title**

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

**3.08 Access to Hotel**

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

### **3.09 Confidentiality**

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

### **3.10 Application for New Liquor Licence**

The Purchaser shall apply to the Alcohol and Gaming Commission of Ontario for the New Liquor Licence within five (5) Business Days of the issuance of the Approval & Vesting Order. If the New Liquor Licence is not issued to the Purchaser on or before the date which is 3 Business Days prior to the Closing Date, then the Vendor may by notice in writing to the Purchaser at least 3 Business Days prior to the Closing Date elect to extend the Closing Date until the earlier of the date of issuance of the New Liquor Licence to the Purchaser and January 15, 2011. If the New Liquor Licence is not received by the Purchaser by January 15, 2011, then this Agreement shall automatically terminate in accordance with Section 11 unless otherwise agreed by the Vendor and the Purchaser, each in its sole discretion.

### **3.11 Financing Condition**

It shall be a condition of the Purchaser's obligation to complete the transaction contemplated by this Agreement that the Equitable Commitment Letter shall be issued to the Purchaser on or before the Title Diligence Date. The Equitable Commitment Letter shall contain the following terms and conditions:

<b>Borrower:</b>	The Purchaser
<b>Amount of Financing:</b>	Not less than \$1,700,000
<b>Term:</b>	5 years
<b>Amortization:</b>	20 years, with no payments during months 1 – 11, payments of interest only during months 12 – 23 and payments of principal and interest thereafter.
<b>Interest Rate:</b>	Year 1 – 0%; Year 2 – 3.5%; Year 3 – 5.5%; Year 4 – 6.5%; and Year 5 – 7.5%.
<b>Prepayment:</b>	The loan shall be fully open for prepayment in whole or in part, at any time.
<b>Guarantor:</b>	The repayment obligations of the Purchaser shall be guaranteed by Paul D. Rice pursuant to personal guarantee on Equitable's standard form in the limited amount of \$300,000.00. The amount of the personal guarantee will be reduced by \$60,000 on the anniversary of each year of the 5-year term

provided that the loan is not in default. The personal guarantee will be terminated upon the earlier of (a) investment of a minimum of \$500,000 in capital improvements to Hidden Valley Resort; and (b) the full repayment of the loan.

**Other Terms and Conditions:** The Equitable Commitment Letter shall be subject to Equitable's usual terms and conditions and underwriting criteria for this type of transaction.

If the Purchaser does not accept the Equitable Commitment Letter and agree to be bound by the terms thereof on or before the Title Diligence Date, this Agreement may be terminated by the Purchaser in accordance with Section 11.

#### ARTICLE IV

#### "AS IS" CONDITION OF PURCHASED ASSETS

##### 4.01 "As Is, Where Is"

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

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

- (a) the Purchaser shall not require the deletion of nor compliance with any registered agreement with any municipality, governmental authority, public or private utility or conservation authority;

- (b) the Purchaser is purchasing the Purchased Assets on a “as is, where is” basis subject to any and all zoning and/or other by-laws and regulations and easements affecting the Hotel, restrictions and covenants which run with the Hotel, defects and deficiencies, encroachments, work orders, deficiency notices, compliance requests, impost charges, lot levies, sewer charges, development charges and any requirements which may have been, now are or may in the future be imposed by any federal, provincial, municipal or other governmental authority having jurisdiction over the Purchased Assets including, but not limited to, the Permitted Encumbrances;
- (c) the Vendor shall not be required to provide any letters of compliance, releases or acknowledgements whatsoever including any confirmations in respect of any registered agreements, restrictions and/or easements. The Purchaser further acknowledges that, pursuant to the Purchaser’s further review of title to the Hotel, the Purchaser will be deemed to have received notice of all provisions and obligations contained in any site plan, development or other registered agreement whether registered by any provincial, regional, municipal, public or private utility or governmental authority or any owner or occupant of adjoining lands;
- (d) the Vendor is not providing and has made no representations, warranties, covenants, agreements, statements, acknowledgements, inducements or promises whatsoever, save and except as expressly contained in Section 6.01, with respect to the Hotel, whether express or implied, by statute, at law or in equity, to or in favour of the Purchaser, oral or written, legal, equitable, collateral, or otherwise, including without limitation, with respect to:
  - (i) title, including, without limitation, the existence, validity, registration, enforceability or priority of any mortgages, charges, liens, encumbrances, security interests, claims or demands of whatsoever nature or kind affecting or in any way relating to the Hotel;
  - (ii) the fitness for any particular purpose or use, zoning, suitability, description, marketability, access, condition, quality, extent of the Hotel, availability of services, permitted use or state of repair of any buildings situate on or comprising the Hotel, compliance or accord of any improvements with municipal building by-laws and/or Ontario building code requirements and/or Ontario or municipal fire code requirements;
  - (iii) the presence, absence, nature and/or extent of Hazardous Substances on, in, under, about or migrating from the Hotel; the discharge of such Hazardous Substances from, on, or in relation to the Hotel; the existence, state, nature, identity, extent or effect of any administrative orders, control orders, stop orders, compliance orders or any other orders, proceedings or actions under the Environmental Protection Act (Ontario), the Ontario Water Resources Act (Ontario) or any other applicable law in relation to the Hotel; nor, the existence, state, nature, kind, identity, extent or effect of any liability on the Purchaser to fulfil any obligations with respect to

the environmental condition or quality of the Hotel. The Purchaser acknowledges that it accepts the Hotel subject to the environmental condition and any Hazardous Substances, whether or not such environmental condition or Hazardous Substance is known by the Vendor prior to the completion date, and acknowledges that the Purchaser will have no recourse against the Vendor for any such pre-existing environmental conditions or Hazardous Substances. "Hazardous Substances" means (i) any substance or material that is prohibited, controlled or regulated by any governmental authority pursuant to the Environmental Laws, including contaminants, pollutants, dangerous goods, liquid wastes, industrial wastes, hauled liquid wastes, radioactive wastes, toxic substances, hazardous wastes, hazardous materials or hazardous substances as defined in any Environmental Laws, (ii) asbestos and urea formaldehyde, and (iii) petroleum products. "Environmental Laws" means all applicable laws, by-laws, rules, regulations, orders, judgments, decrees, decisions or other requirements having the force of law concerning Hazardous Substances or protection of the environment or otherwise relating to the environment (including the air within any structure or underground space) or to environmental aspects of occupational health and safety, including applicable laws pertaining to (i) reporting, licensing, permitting, investigating, removing, treating or otherwise remediating the presence of Hazardous Substances, and (ii) the storage, generation, use, handling, manufacture, processing, transportation, treatment, release and disposal of Hazardous Substances. "Release" means, in addition to the meaning given to it under any applicable Environmental Laws, any release, spill, leak, pumping, pouring, emission, emptying, discharge, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage or placement; and

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

#### **4.03 Independent Investigation**

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



**ARTICLE V**  
**EMPLOYEES**

**5.01 Assumed Employees**

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

**5.02 Assumption of Employee Liabilities**

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

**5.03 Payment of Pre-Closing Payroll**

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

**5.04 Post-Closing Payroll**

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

**ARTICLE VI**

**REPRESENTATIONS AND WARRANTIES OF THE VENDOR**

**6.01 Vendor's Representations and Warranties**

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

- (a) the Vendor was appointed as the Receiver pursuant to the Appointment Order;
- (b) subject to the Vendor obtaining the Approval & Vesting Order, the Vendor has the right, power and authority to enter in to and perform its obligations under this Agreement and, subject to the Vendor obtaining the Approval & Vesting Order, to convey the Purchased Assets to the Purchaser;
- (c) subject to any charges created by the Appointment Order, the Vendor has done no act itself to encumber, sell or dispose of any of the Purchased Assets;
- (d) the Vendor is not aware of any action or proceeding pending or threatened against it which may affect its right to convey any of the Purchased Assets as contemplated hereby;
- (e) the Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada); and
- (f) the Vendor's HST number is 852508670 RT0004.

**ARTICLE VII**

**REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

**7.01 Purchaser's Representations and Warranties**

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

- (a) the Purchaser is or will be as at the Closing Date a corporation duly and validly incorporated under the laws of the Province of Ontario and is a valid and subsisting corporation;
- (b) the Purchaser has the requisite right, power and authority to enter into this Agreement and to complete the transactions contemplated hereby;
- (c) all necessary actions and approvals have been taken or obtained by the Purchaser to authorize the creation, execution, delivery and performance of this Agreement;

- (d) this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms;
- (e) other than the Approval & Vesting Order and the application for the New Liquor Licence, the execution, delivery and performance of this Agreement by the Purchaser does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Entity, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent, affect or delay the consummation by the Purchaser of the transaction contemplated hereby;
- (f) there are no proceedings for or pending before any Governmental Entity, or threatened to be brought by or before any Governmental Entity by or against the Purchaser affecting the legality, validity or enforceability of this Agreement or the consummation of the transaction contemplated hereby by the Purchaser;
- (g) the Purchaser is not subject to any order of any Governmental Entity, nor are there any such orders threatened to be imposed by any Governmental Entity, which could affect the legality, validity or enforceability of this Agreement or the consummation of the transaction contemplated hereby by the Purchaser;
- (h) the Purchaser has made adequate arrangements to have sufficient funds available to satisfy its obligations to pay the Purchase Price to the Vendor on the Closing Date;
- (i) the Purchaser acknowledges and agrees that, notwithstanding anything else contained herein, the Purchased Assets and the Assumed Liabilities are sold on an "as is" and "where is" basis at the Purchaser's risk and peril without any representations or warranties, express or implied, in fact or by law with respect to the Purchased Assets or the Assumed Liabilities, other than as set out in Section 6.01;
- (j) the Purchaser has provided to the Vendor a true copy of all of the documents relating to the financing commitments necessary for the Purchaser to complete the acquisition of the Purchased Assets and such documents are in effect on the date hereof and there have been no amendments to, alterations of or variations in or to such documents;
- (k) the Purchaser will be responsible for and will remit to or reimburse, as applicable, Taxes, Transfer Taxes, levies or the like that arise from the sale of the Purchased Assets unless otherwise specified in this Agreement;
- (l) the Purchaser's HST number will be provided to the Purchaser forthwith following incorporation of the Purchaser, but prior to the Closing Date;
- (m) neither this Agreement nor closing of the transaction contemplated by this Agreement contravenes the Purchaser's constating documents, any law, statute,

by-law, rule, regulation, order, ordinance, protocol, decree or judicial, administrative, ministerial or departmental judgment, award or requirements of any Government Entity; and

- (n) the Purchaser is Canadian or a “WTO Investor” pursuant to the terms of the *Investment Canada Act* and/or has made application pursuant to the requirements of the *Investment Canada Act* and said application will not extend the Closing Date.

### ARTICLE VIII

#### CONDITIONS IN FAVOUR OF THE PURCHASER

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

- (a) on or before the Title Diligence Date, the Purchaser shall have waived, or shall have been deemed to have waived, its rights to terminate this Agreement under Sections 3.01, 3.02 and 3.11;
- (b) on or before the Closing Date (subject to any extension thereof in accordance with Section 3.10), the New Liquor Licence shall have been issued to the Purchaser;
- (c) the representations and warranties of the Vendor shall be true and correct as at the Closing Date with the same force and effect as if made at and as of such time and the Vendor shall deliver to the Purchaser a certificate signed by a representative of the Vendor to that effect (provided that acceptance of such evidence and the completion of the transaction contemplated hereunder shall not be a waiver of such representations and warranties);
- (d) the Vendor shall have complied with and performed all of its covenants and obligations contained in this Agreement to be performed by it before or by the Closing Date; and
- (e) on or before the Closing Date, the Purchaser shall have obtained any approvals required pursuant to the *Investment Canada Act*.

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

**ARTICLE IX**  
**CONDITIONS IN FAVOUR OF THE VENDOR**

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

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

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

**ARTICLE X**  
**CONDITIONS IN FAVOUR OF THE VENDOR AND THE PURCHASER**

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

- (a) on or before the Closing Date, the Approval & Vesting Order shall have been obtained, the terms of the Approval & Vesting Order shall not differ materially from the form of Order at Schedule "C", and such Order shall not have been stayed, reversed or dismissed. The Purchaser acknowledges that the Vendor shall not seek the Approval & Vesting Order unless and until the Purchaser has waived or be deemed to have waived its right to terminate this Agreement pursuant to Sections 3.01, 3.02 and 3.11;

- (b) as of the Closing Date, no order shall have been made and no motion, action or proceeding shall be pending, threatened or commenced by any person, government, Government Entity, regulatory body or agency in any jurisdiction which seeks to restrain or prevent the sale of the Purchased Assets under this Agreement or seeks to restrict, prohibit or direct the Vendor not to complete the transaction contemplated by this Agreement;
- (c) as at the Closing Date, the Purchased Assets shall not have been removed from the control of the Vendor by any means or process; and
- (d) as at the Closing Date, no person shall have taken any action to redeem any of the Purchased Assets.

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

## **ARTICLE XI**

### **TERMINATION**

#### **11.01 Termination by the Parties**

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

- (a) upon the mutual written agreement of the Vendor and the Purchaser;
- (b) by the Purchaser pursuant to Section 3.01, 3.02, 3.11, 8.01, 10.01 or 12.03;
- (c) by the Vendor pursuant to Section 9.01 or 10.01; and
- (d) by either of the Parties following January 15, 2011, unless the Closing has taken place.

#### **11.02 Remedies for Breach of Agreement**

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

#### **11.03 Vendor's Right to Retain Deposit**

Subject to the provisions of this Agreement, if the Purchaser is in default hereunder and fails to proceed with the completion of the transaction contemplated by this Agreement for reasons within its control within five (5) Business Days of having received a written notice from the Vendor requiring that such default be remedied, unless such default or failure is attributable, directly or indirectly, to any action or inaction by the Vendor, then the Vendor may terminate this Agreement by notice in writing to the Purchaser and the Vendor shall be released from all

obligations hereunder and shall be entitled to retain the Deposit. The parties acknowledge and agree that the Deposit represents satisfaction of the full amount of any and all damages that the Vendor would suffer under such circumstances.

**11.04 Termination If No Breach of Agreement**

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

- (a) all obligations of each of the Vendor and the Purchaser hereunder shall be at an end;
- (b) the Vendor shall return the Deposit to the Purchaser, together with any accrued interest thereon;
- (c) the Purchaser shall destroy or return to the Vendor any Confidential Information in its possession;
- (d) the Purchaser's obligations with respect to the Confidential Information shall continue in accordance with Section 3.09; and
- (e) neither party shall have any right to specific performance, to recover damages or expenses or to any other remedy or relief other than as provided herein.

**ARTICLE XII**

**DAMAGE TO PURCHASED ASSETS**

**12.01 Risk of Loss**

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

**12.02 Removal of Purchased Assets from Vendor's Control**

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

**12.03 Purchaser's Right to Close or Terminate**

If, prior to the Closing Date, the Purchased Assets are substantially damaged or destroyed by fire, flood, the elements or other casualty, then by written notice to the Vendor within seven (7) days after notification to the Purchaser by the Vendor of the occurrence of such loss or damage, the Purchaser may exercise an option to complete the transaction contemplated in this

Agreement. In such event, the Purchaser shall be entitled to an assignment of the Vendor's and the Companies' right, title and interest in, and the proceeds payable under, the existing insurance policies of the Vendor or the Companies for the Purchased Assets in full settlement of any obligation of the Vendor. If the Purchaser does not exercise such option within such 7 day period, then this Agreement shall be automatically terminated in accordance with Section 11.

**12.04 Abatement if No Insurance**

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

**ARTICLE XIII**

**NOTICE**

**13.01 Addresses for Notice**

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

to the Vendor:

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

Attention: Paul Casey / Ira Gerstein

Email: [paucasey@deloitte.ca](mailto:paucasey@deloitte.ca) / [iragerstein@deloitte.ca](mailto:iragerstein@deloitte.ca)

with a copy to:

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

Attention: Grant Moffat

Email: [gmoffat@tgf.ca](mailto:gmoffat@tgf.ca)



to the Purchaser:

Paul D. Rice  
73 Taunton Road  
Toronto, ON M4S 2P2

Attention: Paul D. Rice

Email: paul.rice036@sympatico.ca

with a copy to:

**[Counsel Name and Address]**

Attention: ►

Email: ►

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

**ARTICLE XIV**  
**CLOSING DELIVERIES**

**14.01 Vendor's Deliveries**

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

- (a) Application for Vesting Order in registrable form and a certified copy of the issued Approval & Vesting Order. The Purchaser shall be responsible for all costs and expenses (including land transfer tax) relating to the registration of such Application for Vesting Order and the Vendor shall be responsible for the cost of obtaining and registering the Approval & Vesting Order;
- (b) an assignment of the Assigned Contracts;
- (c) an assignment of the Event Contracts and the Room Contracts;
- (d) such notice or notices as the Purchaser may reasonably require to be given to other parties under the Assigned Contracts of the assignment of such Assigned

Contracts to the Purchaser, together with directions relating to the performance of obligations under such Assigned Contracts all in such form as the Purchaser may reasonably require;

- (e) a statement of adjustments, as contemplated by Section 2.09;
- (f) an undertaking by the Vendor to readjust any errors, omissions or changes in the statement of adjustments;
- (g) an assignment of the Intellectual Property;
- (h) a General Conveyance, in the form attached hereto as Schedule "F", in respect of the Purchased Assets being conveyed to the Purchaser;
- (i) if possible, an election regarding HST as described in Section 2.07;
- (j) the certificate of the Vendor referenced in Section 8.01 (c);
- (k) the originals and, if the originals are not available, copies of the Books and Records; and
- (l) such other documents as may be reasonably requested by the Purchaser's solicitors to give effect to this Agreement.

#### **14.02 Purchaser's Deliveries**

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

- (a) the Purchase Price adjusted in accordance with Section 2.09, by way of certified cheque or bank draft drawn on a Schedule 1 Canadian chartered bank;
- (b) the amount of all Taxes (including Transfer Taxes) payable in respect of the transaction contemplated by this Agreement by way of certified cheque or bank draft drawn on a Schedule 1 Canadian chartered bank;
- (c) evidence of HST registration;
- (d) an indemnity in form satisfactory to the Vendor indemnifying and holding the Vendor harmless from and against any Assumed Liabilities and any claims under the Assigned Contracts, the Event Contracts and the Room Contracts for matters occurring on or after, and which relate to the period on or after, the Closing Date;
- (e) any specific assignment and/or assumption agreement that may be required for any assigned contract;
- (f) an undertaking by the Purchaser to readjust any errors, omissions or changes in the statement of adjustments;

- (g) a certified copy of a resolution of the board of directors of the Purchaser authorizing the execution of this Agreement and performance of each of the Purchaser's obligations hereunder;
- (h) a certificate of status and certified copy of the Articles of Incorporation of the Purchaser;
- (i) if possible, an election regarding HST and a GST/HST indemnity as described in Section 2.07;
- (j) the certificate by the Purchaser referred to in Section 9.01 (a); and
- (k) such other documents as may be reasonably requested by the Vendor's solicitors to give effect to this Agreement.

## ARTICLE XV

### GENERAL PROVISIONS

#### **15.01 Further Assurances**

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

#### **15.02 Time of Essence**

Time shall be of the essence of this Agreement.

#### **15.03 Obligations to Survive**

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

#### **15.04 Fees and Expenses**

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

#### **15.05 Waiver**

No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such party from any other or further

exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose of which it was given, and shall not constitute a continuing waiver or consent.

#### **15.06 No Third Party Beneficiaries**

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

#### **15.07 Assignment**

This Agreement, and any rights hereunder, may not be assigned by the Vendor or the Purchaser, provided, however, that this provision shall not prohibit the assignment by Paul D. Rice of his rights and obligations under this Agreement to a corporation to be incorporated for the purpose of carrying out the Purchaser's obligations hereunder.

#### **15.08 Books and Records**

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

**15.09 Post-Closing Receipts**

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

**15.10 Injunctive Relief**

Each of the parties hereto acknowledges and agrees that the rights acquired by each party hereunder are unique and that irreparable damage would occur in the event that any of the provisions of this Agreement to be performed by the other party were not performed in accordance with their specific terms or were otherwise breached. Accordingly, in addition to any other remedy to which the parties hereto are entitled at law or in equity, each party hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by the other party and to enforce specifically the terms and provisions hereof in any court to which the parties have agreed hereunder submit to jurisdiction.

**15.11 Severability**

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

**15.12 Strict Construction**

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

**15.13 Public Statement**

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

**15.14 Counterparts**

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

**15.15 Capacity of Receiver**

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

**15.16 Schedules**

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

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

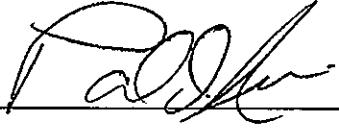
IN WITNESS WHEREOF the parties have duly executed this Agreement this 13<sup>th</sup> day of October, 2010.

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

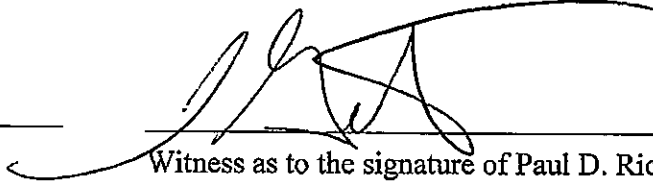
Per: 

Name: Paul M. Casey  
Title: Senior Vice-President

**PAUL D. RICE, in trust for a  
corporation to be incorporated**



Paul D. Rice



Witness as to the signature of Paul D. Rice

## SCHEDULE "A"

### LEGAL DESCRIPTION

#### HIDDEN VALLEY RESORT

PIN 48082-0346 9 (LT) – PT LT 32 CON 1 CHAFFEY; PT LT 32 CON 2 CHAFFEY PT 3 35R8715, PT 1 TO 5, 24 TO 26 35R14094 S/T DM251182, DM 251183; S/T DM182153, DM250232, DM251180, DM251181, DM251590, DM251591; S/T EXECUTION 02-00078, IF ENFORCEABLE; HUNTSVILLE; THE DISTRICT MUNICIPALITY OF MUSKOKA

PIN 48082-0049 (LT) – CL 32961 SEC MUSKOKA; FIRSTLY: PT LT 1 PL M419 CHAFFEY; PT LT 2 PL M419 CHAFFEY PT 10 35R8715; SECONDLY: PT LT 33 CON 2 CHAFFEY PT 6-8 & 10 35R14094 S/T PT 6, 8, 10 35R14094 AS IN LT162591, S/T PT 8 & 10 35R14094 AS IN LT163267, S/T PT 10 35R14094 AS IN LT163268, S/T PT 8 & 10 35R14094 AS IN LT163512 & LT 163513; THIRDLY: PT 1 FT RESERVE AROUND WLY END OF VALLEY RD PL M419 CHAFFEY PT 14 35R14094 S/T PT 14 35R14094 AS IN LT23495; FOURTHLY: PT LT 33 CON 2 CHAFFEY PT 9 35R8715; FIFTHLY: PT 1 FT RESERVE ADJOINING VALLEY RD PL M419 CHAFFEY PT 12 35R8715 S/T PT 3 35R8712 AS IN LT118308; SIXTHLY: PT VALLEY RD PL M419 CHAFFEY CLOSED BY LT168265 PT 13 35R8715 S/T PT 2 35R8712 AS IN LT163270, T/W PT 23 35R14094 AS IN LT163270 & T/W PT 11, 20 & 22 35R14094 AS IN LT163270 (S/T LT103237, LT 103983, LT122177, LT143636, LT147767, LT148784, LT153713, LT153718, LT147766 & LT153717); HUNTSVILLE; THE DISTRICT MUNICIPALITY OF MUSKOKA



## **SCHEDULE "B"**

### **PERMITTED ENCUMBRANCES**

Permitted Encumbrances with respect to the Hotel means:

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

Without limiting the foregoing Permitted Encumbrances include the following:

PIN 48082-0346 (LT)

1. Execution No. 02-00078;
2. Agreement registered as Instrument No. DM66578 on October 17, 1968;
3. Agreement registered as Instrument No. DM66788 on October 30, 1968;
4. Order registered as Instrument No. DM70304 on June 9, 1969;
5. Agreement registered as Instrument No. DM76599 on May 25, 1970;
6. Agreement registered as Instrument No. DM79918 on November 4, 1970;
7. Agreement registered as Instrument No. DM89474 on April 7, 1972;
8. Agreement registered as Instrument No. DM89629 on April 19, 1972;
9. Agreement with The District Municipality of Muskoka (the "District") registered as Instrument No. DM157761 on February 4, 1981;
10. Agreement with the District registered as Instrument No. DM158978 on April 13, 1981;
11. Agreement registered as Instrument No. DM160116 on June 3, 1981;
12. Agreement registered as Instrument No. DM160121 on June 3, 1981;
13. Transfer of Easement to and in favour of the District registered as Instrument No. DM182153 on June 18, 1984;
14. Agreement with the District registered as Instrument No. DM187680 on March 8, 1985;
15. Agreement with The Corporation of the Town of Huntsville (the "Town") registered as Instrument No. DM187682 on March 8, 1985;
16. Site Plan Agreement with the Town registered as Instrument No. DM187683 on March 8, 1985;
17. Site Plan Agreement with the Town registered as Instrument No. DM228867 on May 2, 1985;
18. Site Plan Agreement with the Town registered as Instrument No. DM237960 on January 26, 1990;
19. Transfer of Easement to and in favour of the District of Muskoka registered as Instrument No. DM250232 on April 26, 1991;

20. Transfer of Easement to and in favour of the Town of Huntsville registered as Instrument No. DM251180 on May 31, 1991;
21. Transfer of Easement to and in favour of Maclean Hunter Cable TV Limited registered as Instrument No. DM251181 on May 31, 1991;
22. Transfer of Easement to and in favour of Maclean Hunter Cable TV Limited registered as Instrument No. DM251590 on June 14, 1991;
23. Transfer of Easement to and in favour of Bell Canada registered as Instrument No. DM251591 on June 14, 1991;
24. Agreement registered as Instrument No. DM254476 on September 27, 1991;
25. Assignment General registered as Instrument No. DM322642 on June 19, 2000; and
26. Application to Register Court Order re Order of the Ontario Superior Court of Justice dated May 26, 2010 appointing Deloitte & Touche Inc. as the Receiver registered as Instrument No. MT83111 on June 3, 2010.

**PIN 48082-0049 (LT)**

1. Rights-of-way over Part 14 on Plan 35R-14094 as more particularly described in Instrument No. LT23495 registered on May 19, 1955;
2. Application to Annex Restrictive Covenants registered as Instrument No. LT40622Z on March 30, 1965;
3. Notice registered as Instrument No. LT51597 on October 30, 1968;
4. Application to Annex Restrictive Covenants registered as Instrument No. LT64649Z on February 18, 1972;
5. Notice in favour of the District registered as Instrument No. LT103237 on February 4, 1981;
6. Notice in favour of the District registered as Instrument No. LT103983 on April 13, 1981;
7. Right-of-way over Part 3 on Plan 35R-8712 as more particularly described in Instrument No. LT118308 registered on June 18, 1984;
8. Notice in favour of the District registered as Instrument No. LT122177 on March 8, 1985;

9. Notice of Agreement with the Town registered as Instrument No. LT122179 on March 8, 1985;
10. Notice of Agreement with the Town registered as Instrument No. LT122180 on March 8, 1985;
11. Notice in favour of the Town registered as Instrument No. LT147766 on May 2, 1989;
12. Document General re Amendment to Site Plan Agreement with the Town registered as Instrument No. LT147767 on May 2, 1989;
13. Document General re Servicing Agreement with the District registered as Instrument No. LT148784 on June 19, 1989;
14. Document General re Site Plan Agreement with the Town registered as Instrument No. LT143636 ON September 22, 1989;
15. Notice in favour of the Town registered as Instrument No. LT153712 on January 26, 1990;
16. Document General re Site Plan Agreement with the Town registered as Instrument No. LT153713 on January 26, 1990;
17. Document General re Agreement with the Town registered as Instrument No. LT153717 on January 26, 1990;
18. Document General re Agreement with the Town registered as Instrument No. LT153718 on January 26, 1990;
19. Transfer of Easement to and in favour of the District registered as Instrument No. LT162591 on April 26, 1991;
20. Transfer of Easement to and in favour of 933704 Ontario Ltd. registered as Instrument No. LT163267 on May 31, 1991;
21. Transfer of Easement to and in favour of Hidden Valley Resort Development Corporation registered as Instrument No. LT163268 on May 31, 1991;
22. Transfer of Easement to and in favour of Hidden Valley Resort Hotel Limited registered as Instrument No. LT163270 on May 31, 1991;
23. Transfer of Easement to and in favour of Maclean Hunter Cable TV Limited registered as Instrument No. LT163512 on June 14, 1991;
24. Transfer of Easement to and in favour of Bell Canada registered as Instrument No. LT163513 on June 14, 1991;

25. Notice registered as Instrument No. LT165456 on September 27, 1991;
26. Notice registered as Instrument No. LT214610 on June 19, 2000; and
27. Application to Register Court Order re Order of the Ontario Superior Court of Justice dated May 26, 2010 appointing Deloitte & Touche Inc. as the Receiver registered as Instrument No. MT83111 on June 3, 2010.



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

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

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

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

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

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

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

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

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

- (a) the pendency of these proceedings;



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

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

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

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

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**Schedule A – Form of Receiver’s Certificate**

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**THE EQUITABLE TRUST COMPANY**

Applicant

- and -

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

Respondents

**RECEIVER’S CERTIFICATE**

**RECITALS**

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

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

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

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

THE RECEIVER CERTIFIES the following:

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

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

Per: \_\_\_\_\_  
Name: ►  
Title: ►

**Schedule B – Purchased Assets**

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

•  
:

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

**(unaffected by the Vesting Order)**

**THE EQUITABLE TRUST COMPANY**

and

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

Applicant

Respondent(s)

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

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

Proceedings commenced at Toronto

**APPROVAL AND VESTING ORDER**

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

Grant B. Moffat (LSUC# 323801 1D)  
Tel: 416-304-0599  
Fax: 416-304-1313

Lawyers for the **Receiver.**

**SCHEDULE "D"**  
**ALLOCATION OF PURCHASE PRICE**

•  
:



**SCHEDULE 'E'**  
**STATEMENT OF ADJUSTMENTS**

•  
:

**SCHEDULE "F"**  
**GENERAL CONVEYANCE**

**THIS AGREEMENT** made the            day of            , 2010

**B E T W E E N:**

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

(hereinafter referred to as the "Purchaser")

OF THE FIRST PART

- and -

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

(hereinafter referred to as the "Vendor")

OF THE SECOND PART

**WHEREAS:**

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

- D. Unless otherwise indicated herein, capitalized terms have the meanings ascribed thereto in the Sale Agreement.

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

**1. Sale of Assets**

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

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

**2. Warranties**

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

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

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

**3. Miscellaneous**

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

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

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



# **EXHIBIT “E”**

# EXHIBIT "E"

## AMENDING AGREEMENT

### (HIDDEN VALLEY RESORT)

THIS AGREEMENT MADE THIS 30th DAY OF NOVEMBER, 2010

BETWEEN:

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

(hereinafter referred to as the "Vendor")

OF THE FIRST PART

- and -

**Paul D. Rice in trust** for a corporation to be incorporated under the laws of the Province of Ontario

(hereinafter referred to as the "Purchaser")

OF THE SECOND PART

WHEREAS:

- A. Pursuant to the Appointment Order, Deloitte & Touche Inc. was appointed by the Court as receiver and manager, without security, of all of the assets, undertakings and properties of Tuesday Equities Ltd. and Prince Royal Limited Partnership (together, the "Companies") acquired for, or used in relation to the following businesses carried on by the Companies, including all proceeds thereof: (i) The Benmiller Inn & Spa; (ii) The Elora Mill Inn; and (iii) Hidden Valley Resort (collectively, the "Property");
- B. Pursuant to the Agreement of Purchase and Sale between the Vendor and the Purchaser dated October 13, 2010 (the "Sale Agreement"), subject to the Court issuing the Approval & Vesting Order, the Purchaser has offered to purchase all of the Vendor's and the Companies' right, title and interest in and to the Purchased Assets on the terms and conditions contained herein. The Purchaser acknowledges that the Vendor's acceptance of such offer and execution of this Agreement are subject to the terms and conditions contained herein and the approval of the Court of such actions;

- C. The Vendor and the Purchaser have agreed to amend certain of the terms of the Sale Agreement in accordance with the terms of this Agreement. Unless otherwise specified, capitalized terms used herein have the meanings ascribed thereto in the Sale Agreement.
- D. The provisions of Article 15 of the Sale Agreement shall apply *mutatis mutandis* to the terms of this Agreement including, without limitation, the provisions of section 15.15 of the Sale Agreement which the Purchaser specifically acknowledges and agrees apply to the terms of this Agreement.

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the mutual premises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties agree to amend the Sale Agreement as follows. For ease of reference, section headings and numbering conforms to that in the Sale Agreement.

### **AMENDMENTS TO THE SALE AGREEMENT**

#### **1.01 DEFINITIONS**

The definition of "Closing Date" in section 1.01 of the Sale Agreement shall be deleted and replaced with the following:

"Closing Date" means the 45<sup>th</sup> day after the granting of the Approval & Vesting Order or such other date as agreed by the Vendor and the Purchaser, provided such date is not later than January 29, 2011

The following definitions shall be added to section 1.01 of the Sale Agreement:

"AGCO" means the Ontario Alcohol and Gaming Commission.

"Open Canopy Permit" means the open building permit number 357-00 issued by the Town of Huntsville with respect to the canopy constructed at the entrance to the Hotel.

#### **2.10 Adjustments to the Purchase Price**

The following shall be added in section 2.10(i) titled, "Adjustment Date" as a new Section 2.10(i)(i):

"the lesser of (a) \$10,000; and (b) the construction, architectural and/or engineering costs, if any, incurred by the Purchaser in connection with any work on the canopy located at the entrance to the Hotel which is necessary to have the Town of Huntsville sign off and close the Open Canopy Permit, which shall be credited against the Purchase Price. The Purchaser agrees that any plan by the Purchaser to carry out any work on the Hotel canopy, including the costs thereof, must first be approved in writing by the Vendor. Any dispute between the parties

regarding the Purchaser's construction plan or the proposed cost thereof will be adjudicated by the Court."

### **3.03 Acceptance of Title**

The Purchaser acknowledges and agrees that it has waived any and all rights that it has under sections 3.01, 3.02, 3.03 and 8.01(a) to terminate the Sale Agreement. The Purchaser acknowledges that it does not object to any term of the Sale Agreement, as amended by this Agreement, has accepted title to the Hotel, is satisfied in all respects with the Purchased Assets and is obligated to complete the transaction contemplated by the Sale Agreement, as amended by this Agreement, subject to satisfaction of the Conditions Precedent.

### **3.10 Application for New Liquor Licence**

Section 3.10 shall be deleted and replaced with the following:

- (a) The Purchaser shall apply to the AGCO for the New Liquor Licence immediately following execution of this Agreement, which, for greater certainty, shall be an application for a new liquor licence by the Purchaser as opposed to an application to transfer the existing Liquor Licence for the Hotel. Notwithstanding the foregoing, the Vendor may at any time require the Purchaser to withdraw the application for the New Liquor Licence and instead file an application to transfer the Liquor Licence to the Purchaser.
- (b) The Purchaser will retain Adam Vassos to act for it in connection with the application for the New Liquor Licence or any transfer of the Liquor Licence. The Purchaser will authorize Mr. Vassos to provide verbal and written updates to the Vendor regarding the status of the application for the New Liquor Licence or the transfer of the Liquor Licence as applicable and any discussions with AGCO. The Vendor will provide a waiver of conflict to Mr. Vassos.
- (c) The Vendor will fund the legal fees incurred by Mr. Vassos in connection with the application for the New Liquor Licence and any transfer of the Liquor Licence as well as the cost of any fire, health, safety or other inspections required by AGCO as a condition of issuing the New Liquor Licence.
- (d) The Purchaser will fund any usual disbursements incurred by the Purchaser or Mr. Vassos in connection with the application for the New Liquor Licence as well as any transfer of the Liquor Licence to the Purchaser.
- (e) If the AGCO attaches any conditions to the issuance of the New Liquor Licence or the transfer of the Liquor Licence to the Purchaser which the Purchaser, acting reasonably, is unwilling or unable to satisfy, then the Purchaser shall be entitled to terminate the Sale Agreement, whereupon the provisions of Section 11.04 of the Sale Agreement shall apply. Notwithstanding the foregoing, the Vendor shall have the right exercisable at any time to and including January 29, 2011, but not



be obligated, to satisfy on behalf of the Purchaser or otherwise eliminate any of the conditions imposed by AGCO in connection with issuance of the New Liquor Licence or transfer of the Liquor Licence to the Purchaser.

- (f) If the New Liquor Licence is not issued or the Liquor Licence is not transferred to the Purchaser on or before the date which is 3 Business Days prior to the Closing Date, then either the Vendor or the Purchaser may by notice in writing to the other at least 3 Business Days prior to the Closing Date elect to extend the Closing Date until the earlier of the date of issuance of the New Liquor Licence or transfer of the Liquor Licence to the Purchaser and January 29, 2011. If the New Liquor Licence or the transfer of the Liquor Licence is not received by the Purchaser by January 29, 2011, then this Agreement shall automatically terminate in accordance with Section 11 unless otherwise agreed by the Vendor and the Purchaser, each in its sole discretion.

### **3.11 Financing Condition**

The first sentence in section 3.11 shall be deleted and replaced with the following: "The Equitable Commitment Letter has been issued by Equitable to the Purchaser. It shall be a condition of the Purchaser's obligation to complete the transaction contemplated by this Agreement that the Equitable Commitment Letter shall be amended by Equitable on or before December 3, 2010 to increase the amount of financing thereunder from \$1,700,00 to \$1,750,000, in which case the Purchaser shall be obligated to accept and execute the Equitable Commitment Letter as amended. If Equitable does not amend the Equitable Commitment Letter as described above on or before December 3, 2010, then this Agreement may be terminated by the Purchaser by no later than 5:00 p.m. on December 3, 2010 in accordance with section 11".

The reference in section 3.11 to "Amount of Financing: Not less than \$1,700,000" shall be deleted and replaced with "Amount of Financing: Not less than \$1,750,000".

### **7.01 Purchaser's Representations and Warranties**

In Section 7.01(e), the phrase, "or the transfer of the Liquor Licence" shall be added after the phrase, "the application for the New Liquor Licence".

### **8.01 Conditions in Favour of the Purchaser**

In Section 8.01(b), the phrase, "or the Liquor Licence shall have been transferred to the Purchaser" shall be added after the phrase, "the New Liquor Licence shall have been issued to the Purchaser"

### **11.01 Termination by the Parties**

The reference in Section 11.01(b) to, "3.01, 3.02" shall be deleted, and the phrase, "save and except section 8.01(a)" shall be added, such that Section 11.01(b) shall read, "by the Purchaser pursuant to Section 3.11, 8.01 (save and except section 8.01(a)), 10.01 or 12.03".

The reference in Section 11.01(d) to "January 15, 2011" shall be deleted and replaced with, "January 29, 2011".

**13.01 Addresses for Notice**

The following shall be included following the phrase, "with a copy to:" immediately after the address details for Paul D. Rice:

Goldman Sloan Nash & Haber LLP  
Barristers and Solicitors  
480 University Avenue, Suite 1600  
Toronto, ON M5G 1V2

**Attention: Kenneth S. Laimon**  
Tel: (416) 597-9922  
Fax: (416) 597-3370  
Email: laimon@gsnh.com

Except as amended by this Agreement, the Sale Agreement shall remain in effect, unamended.

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

IN WITNESS WHEREOF the parties have duly executed this Agreement this 30<sup>th</sup> day of November, 2010.

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

Per: P. Casey

Name: PAUL M. CASEY  
Title: SENIOR VICE-PRESIDENT

PAUL D. RICE, in trust for a corporation to be incorporated

Paul D. Rice  
Paul D. Rice

Witness  
Witness as to the signature of Paul D. Rice

# **EXHIBIT “F”**

# EXHIBIT " F "

**In the Matter of the Receivership of Tuesday Equities Ltd. and Prince Royal L.P.  
 Combined Statement of Receipts and Disbursements For The Elora Mill Inn,  
 Hidden Valley Resort and The Benmiller Inn & Spa  
 For the period May 26, 2010 to October 31, 2010  
 (Unaudited)  
 (In SCAD)**

	Total	Note
<b>Cash Receipts</b>	<b>5,014,267</b>	<b>1</b>
<b>Cash Disbursements</b>		
Food & Beverage Costs	(673,160)	2
Room and Hotel Supplies	(88,426)	
Employee related Costs and Benefits	(1,739,900)	3
Utility Costs	(184,760)	
Repairs and Maintenance	(72,001)	
Capital Expenditures	(25,065)	
Sales and Marketing	(36,219)	
Insurance	(47,748)	
Property Taxes	(159,709)	
Bank, Merchant and Payroll Services Fees	(90,750)	
Administrative and General Costs	(84,737)	
GST, PST and HST Paid	(448,118)	
Management Fees	(107,818)	4
Other Disbursements	(54,951)	
<b>Total Operating Cash Disbursements</b>	<b>(3,813,362)</b>	
<b>Cash Flow before Professional Fees</b>	<b>1,200,905</b>	
Receiver's Fees - Deloitte & Touche Inc.	(291,159)	5
Legal Fees - Adam M. Vassos	(9,750)	
Legal Fees - ThorntonGroutFinnigan LLP	(138,033)	5
Legal Fees - Torkin Manes LLP	(10,758)	
Other Professional Fees / Consultant Fees	(27,790)	6
<b>Net Cash Flow</b>	<b>723,415</b>	
Opening Cash Balance	342,820	
<b>Closing Cash Balance</b>	<b>1,066,235</b>	<b>7</b>

**Notes:**

- 1 Includes deposits of \$685,000 received with respect to sales transactions of The Elora Mill Inn and Hidden Valley Resort and collection of pre-receivership accounts receivable.
- 2 Includes weekly funding of the General Managers' operating accounts.
- 3 Pre-receivership liabilities disbursed since May 26, 2010 include approximately \$124,000 with respect to bi-weekly payroll due on May 28, 2010 and \$41,000 for bi-weekly payroll due on June 11, 2010 that covered the period May 23 to 25, 2010.
- 4 Pre-receivership liabilities disbursed since May 26, 2010 include \$37,000 with respect to out-of-pocket costs paid to the property management company, Crescent Hotels and Resorts.
- 5 The Receiver's fees have been paid to August 11, 2010. Legal fees of TGF have been paid to August 31, 2010.
- 6 Payment with respect to the three properties was made related to invoices for the Phase I Environmental Site Assessments and Building Condition Surveys performed by Trow & Associates.
- 7 The closing bank balance includes deposits of approximately \$34,000 received since May 26, 2010 relating to future events, which are held in a separate trust account until the events are delivered.

# **EXHIBIT “G”**

# EXHIBIT "G"

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

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

BETWEEN:

THE EQUITABLE TRUST COMPANY

Applicant

- and -

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

Respondent

AFFIDAVIT OF PAUL CASEY  
*(Sworn December 13, 2010)*

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

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

2. Attached hereto as Exhibit "A" are true copies of the invoices for fees and disbursements incurred by Deloitte in the course of the receivership administration of the Company between July 12, 2010 and November 12, 2010.

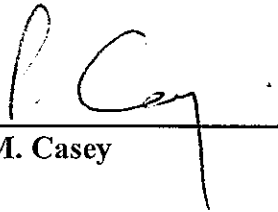
3. The hourly billing rates outlined in Exhibit "A" to this affidavit are comparable to the hourly rates charged by Deloitte for services rendered in relation to similar proceedings.

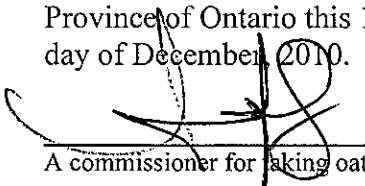
4. Attached hereto as Exhibit "B" is a schedule summarizing each invoice in Exhibit "A", the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice.

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

**SWORN BEFORE ME**  
at the City of Toronto, in the  
Province of Ontario this 13<sup>th</sup>  
day of December, 2010.

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\_\_\_\_\_  
**Paul M. Casey**

  
\_\_\_\_\_  
A commissioner for taking oaths, etc.

Anna Koroneos, a Commissioner, etc.,  
Province of Ontario,  
for Deloitte & Touche Inc.,  
Trustee in Bankruptcy.  
Expires June 5, 2011.

# Deloitte

This is Exhibit " A " referred to  
 in the Affidavit of Paul Casey  
 Sworn before me this 13th day of  
December 20 10  
 A Commissioner, etc.

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

Anna Koroneos, a Commissioner, etc.,  
 Province of Ontario,  
 for Deloitte & Touche Inc.,  
 Trustee in Bankruptcy.  
 Expires June 5, 2011.

Tel: 416-601-6150  
 Fax: 416-601-6690  
 www.deloitte.ca

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

Date: September 8, 2010  
 Invoice No: 2697158  
 Client/Mandate No: 908331.1000000  
 Partner: Paul Casey

HST Registration No: 133245290

## Invoice

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

Date	Professional	Description
7/12/2010	Damiani, Stefano	Review of the daily cash reporting analysis as at June 9, 2010; review of e-mails from Heather Howkins (GM, Elora) regarding event sales contracts, credit card transactions and hires; review of e-mail from Ira Gerstein regarding marketing process update and the attached CBRE reports; telephone discussion with Heather Howkins regarding contracts to be signed by the Receiver; review of e-mail from C. Jeffries (Controller, Hidden Valley Resort) regarding cash audits; review of e-mails from K. Pereira (GE Capital), Ira Gerstein and Nick Ribeiro (GM, Hidden Valley Resort) regarding release of interest in financed tractor; weekly conference call with representatives of Crescent and the general managers; e-mails with W. Heineke (Crescent Property Management ("Crescent") and Ira Gerstein regarding training costs; review of Elora event sales contracts and e-mails to Ira Gerstein on same.
7/12/2010	Gerstein, Ira	Review and execute Confidentiality Agreements and return to CBRE; review weekly marketing report of CBRE and e-mail to Paul Casey regarding same; e-mail to Kim Kukluwicz and Kim Graham enclosing a copy of the CBRE weekly report; review ownership certificates for the Chevrolet S10 and Astro and fill out forms and draft cover letter to Martie Simon of Astro Corp. regarding same.
7/12/2010	Gerstein, Ira	Review Crescent reports and extract financial information to send to Alnoor Kassam of Tuesday Equities Limited ("Tuesday Equities) and ensure appropriate disclaimers and e-mail to Mr. Kassam enclosing same, review letter drafted by Stefano Damiani to GE regarding the release of tractor and amend, discuss with Stefano and send to Kirstin Pereira of GE, e-mail from Francine Perreault of Bell requesting status of payment of invoices and follow up with Stefano Damiani and Rose Brown and respond to Francine by e-mail, telephone conference call with the GMs and Crescent to discuss various operational matters, review draft letter to patrons and forward a copy of same to Ed Puodziunas and Wendy Heineke, forward copy of software contract with Enablez to Ed and Wendy.



Date	Professional	Description
7/12/2010	Brown, Rose M	Sign on RBC Express -- Print previous day banking reports; input TD Merchant/Amex Deposits for each location; reconcile Receiver's A/C to Bank balances; update Merchant Visa Spreadsheet and input GL codes; update previous deposits made by each location; reply to various email and look after general banking needs; reconciling TD Merchant deposit to spreadsheet & contract.
7/13/2010	Litvack, Bryan N	Follow-up with Rose Brown on the status of updating actual receipts and disbursements for all the hotels; reviewing Benmiller actual results spreadsheet.
7/13/2010	Damiani, Stefano	E-mails with W. Heineke (Crescent) and Ira Gerstein regarding notification of sales event patrons, training costs, other; review of the weekly budget for Elora; review of e-mail from GE Capital regarding removal of tractor at Hidden Valley Resort; e-mails with K. Reid (GM, Benmiller) with respect to capital expenditure request; e-mails with Nick Ribeiro (GM, Hidden Valley Resort) regarding G8 billings and collections; review of the daily cash reporting analysis as at July 12, 2010; e-mails with Rose Brown regarding trust accounts; review of the weekly budget for the Hidden Valley Resort GM account.
7/13/2010	Gerstein, Ira	E-mail from W. Heineke regarding GM Training and respond by e-mail, e-mail from W. Heineke regarding comments on the patron/contract letter respond by e-mail and forward e-mail to Grant Moffat of Thornton Grout Finnigan ("TGF"), legal counsel to the Receiver with respect to amendments, edit and forward to W. Heineke, review and sign event contract and return to Heather Howkins, telephone discussion with Stefano Damiani regarding event contract and other issues, e-mail from K. Reid regarding contact info for CBRE, telephone call with Kiruban regarding various matters and arrange meeting with Equitable to discuss status.
7/13/2010	Brown, Rose M	Sign on RBC Express - print previous day banking reports; input TD Merchant/Amex Deposits for each location; reconcile Receiver's A/C to Bank balances; update Merchant Visa Spreadsheet and input GL codes; update deposit information into Ascend by each location; reply to various email and attending to general banking needs; reconciling TD Merchant deposit to spreadsheet.
7/14/2010	Damiani, Stefano	Review of e-mail from N. Ribeiro regarding collections; review of the daily cash reporting analysis as at July 13, 2010; call with R. Brown and I. Gerstein regarding cash flow, reporting and banking matters; review of the weekly budget for the Benmiller; telephone calls with Ira Gerstein; e-mails with K. Reid and L. Harvey regarding proposed disbursements; updated the agenda regarding conference call with secured creditor and discussion with Ira Gerstein on same; e-mail to the GMs regarding sales contract listings; review of questions of potential purchasers of the Elora Mill; review of e-mail from M. Santaliz of Shaner Solutions ("Shaners") and the attached payment requests; attended the weekly cash calls with representatives of Crescent, Shaners and the three properties; e-mails to R. Brown regarding the required weekly wire transfers to replenish the GM accounts; review of sales contract listings for Elora and Hidden Valley Resort.
7/14/2010	Gerstein, Ira	Review daily cash balances and discuss with R, Brown and S. Damiani including a discussion regarding the status of the receipts and disbursements ("R&D") and cashflows; e-mail from D. Borotsik of CBRE enclosing due diligence questions from a potential purchaser and a subsequent telephone call with Deborah regarding same; e-mail from Wendy Heineke of Crescent requesting approval to conduct employee surveys and respond by e-mail; e-mail from Kiruban of Crescent approving Thornton Grout fees; sign approval of transfer of funds; discussion with Stefano Damiani regarding agenda for Equitable conference call and prepare agenda; review Altus agreement and discuss with Stefano Damiani; e-mail from Sarah Segal of CBRE requesting approval to accept a Confidentiality Agreement

Date	Professional	Description
		("CA") and respond by e-mail; receipt of signed ownership transfer certificates and voicemail for Kevin Reid regarding same.
7/14/2010	Gerstein, Ira	Finalize agenda for meeting, prepare attachments and discuss with Stefano Damiani and send to Equitable.
7/14/2010	Brown, Rose M	Sign on RBC Express -- print previous day banking reports; input TD Merchant/Amex Deposits for each location; reconcile Receiver's A/C to Bank balances; update Merchant Visa Spreadsheet and input GL codes; update deposit information made by location; reply to various email and attend to general banking needs; reconciling TD Merchant deposit to spreadsheet.
7/15/2010	Damiani, Stefano	E-mails with C. Jeffries and Rose Brown regarding disbursements; e-mails with L. Winters of Shaners regarding utilities; review of the updated CBRE reports regarding the marketing and sales process; conference call with representatives of Equitable; e-mails with E. Puodziunas regarding the Accounting and Human Resources functions at Hidden Valley Resort; review of the daily cash reporting analysis as at July 14, 2010.
7/15/2010	Gerstein, Ira	Receipt and review confidentiality agreement, execute and return to CBRE; receipt and review copy of CBRE report and forward to Equitable; review e-mail response from E. Puodziunas in respect of responses to potential purchaser questions and respond by e-mail; discussion with Rose Brown regarding sending bank statements to Shaner; preparation for and attend on a conference call with Equitable and provide updates.
7/15/2010	Brown, Rose M	Sign on RBC Express - print previous day banking reports; input TD Merchant/Amex Deposits for each location; reconcile Receiver's A/C to Bank balances; update Merchant Visa Spreadsheet and input GL codes; prepare wires to General Manager accounts; PDF to RBC and confirm received; input wire into Ascend and file back up.
7/16/2010	Litvack, Bryan N	Send copy of invoice to Hidden Valley Resort; send follow-up e-mail to Cheryl Jeffries at Hidden Valley Resort to get an update on the actuals spreadsheet.
7/16/2010	Damiani, Stefano	E-mails with C. Jeffries regarding wire transfers, reporting of cash receipts and disbursements, other; review of the daily cash reporting analysis as at July 15, 2010; e-mails with Rose Brown regarding banking; e-mails with C. Martin of Shaners and review of accounts payable listings for the three properties.
7/16/2010	Brown, Rose M	Sign on RBC Express; print previous day banking reports; input TD Merchant/Amex Deposits for each location; reconcile Receiver's A/C to Bank balances; update Merchant Visa Spreadsheet and input GL codes.
7/18/2010	Brown, Rose M	Worked on reconciling TD Merchant deposit to actual provided by each location and inputting deposits regarding Hidden Valley Resort estate.
7/19/2010	Litvack, Bryan N	Return calls from collection agencies and creditors to advise them of the receivership.
7/19/2010	Damiani, Stefano	Review e-mail from M. Santaliz regarding Crescent management fee payments; review daily cash reporting analysis as at July 16, 2010; review weekly operations update for Benmiller dated July 16, 2010; e-mail to Ira Gerstein regarding compensation to key staff; review of e-mail from Heather Howkins regarding employment contracts, reporting of credit card transactions, elevators, other; e-mail correspondence with unsecured creditor and supplier (i.e. Unifocus); e-mails with Rose Brown regarding reporting by Shaners; review of weekly operations update for Elora dated July 16, 2010; review of e-mail from Nick Ribeiro regarding compensation of staff; weekly operations conference call with representatives of Crescent and the GMs; e-mail correspondence with E. Puodziunas (VP, Crescent)

Date	Professional	Description
		regarding staffing; correspondence with Ira Gerstein.
7/19/2010	Gerstein, Ira	Discussions with Paul Casey regarding update on status; discussions with Rose Brown regarding status of R&D and review Benmiller R&D; send original vehicle ownership certificates to Elora and Benmiller; review and sign numerous confidentiality agreements and return to CBRE.
7/19/2010	Gerstein, Ira	E-mail from Deborah Borotsik regarding posting roof report for Elora e-data room and respond; e-mail from Deborah Borotsik enclosing confidentiality agreement for DTZ Barnicke and execute same and return to Deborah; e-mail from Deborah enclosing questions from potential purchaser regarding Hidden Valley Resort and forward to Ed Podjumas requesting a written response; e-mail from S. Damiani regarding bonus for C. Jeffries and discuss same.
7/19/2010	Casey, Paul M	Review emails; CBRE Reports; meeting with Gerstein for update on operating and other receivership issues; review Altus contract and telephone call Santoro; other instructions to Gerstein.
7/19/2010	Brown, Rose M	Sign on RBC Express - print previous day banking reports; input TD Merchant/Amex Deposits for each location; reconcile Receiver's A/C to Bank balances for daily cash report; update Merchant Visa Spreadsheet and input GL codes.
7/20/2010	Litvack, Bryan N	Speak to Ira Gerstein and Rose Brown progress updating actuals for cash flow; conference call with Controllers on status of cash flow reporting; updating cash flow actuals for Benmiller.
7/20/2010	Damiani, Stefano	Review of e-mail from Heather Howkins and the attached sales contract listing for Elora; e-mails and telephone call with Anna Zailer regarding letter to patrons; e-mails with L. Harvey regarding sales contracts; e-mails with Nick Ribeiro regarding telephone system, sales contracts, other; telephone discussion with Ira Gerstein; e-mails with the controllers and Bryan Litvack with respect to the cash flow forecasts and statements of R&D; review of the draft cash flow forecast and statement of R&D for Benmiller; conference call with L. Harvey and other representatives of the Receiver; e-mails with E. Puodziunas on capital expenditure at Elora, staffing, telephone system at Hidden Valley Resort, other; review of the daily cash reporting analysis as at July 19, 2010; e-mails from K. Reid and Ira Gerstein regarding gift certificates; review of two sales contracts for Elora and e-mailed same to Heather Howkins and representatives of Crescent; e-mail to M. Santaliz regarding wire transfers and funding requirements for the upcoming cash call; review of payroll register for Benmiller; e-mails with Nick Ribeiro regarding payroll at Hidden Valley Resort.
7/20/2010	Gerstein, Ira	Review and sign confidentiality agreements, discussions with Stefano Damiani, Bryan Litvack and Rose Brown on cash flow and R&D reporting; discuss same with Paul Casey; review and sign MLS templates and forward to Deborah Borotsik; telephone call with Deborah with respect to employee severance issues; e-mail from Kevin Reid regarding gift certificates and respond; review template letter to patrons; e-mail from Kiruban requesting copies of Trow reports and respond; review Building Condition Audits ("BCA's") and commence drafting letter to Equitable with respect to recommendations on capital repairs; telephone call with M. Caschera of Trow with respect to the reports.
7/20/2010	Casey, Paul M	Review and execute listing agreement; Meeting with Ira Gerstein and Bryan Litvack regarding cash flow reporting; account correspondence and emails; telephone call Moffat, RGF.

Date	Professional	Description
7/21/2010	Litvack, Bryan N	Review cashflow actuals spreadsheet; contact Rose Brown and discuss work completed on the spreadsheet; modify Benmiller spreadsheet and forward to Lisa Harvey to reconcile the daily balances to the bank.
7/21/2010	Damiani, Stefano	E-mailed instructions to the GMs regarding sales contracts; review of the daily cash reporting analysis as at July 20, 2010; e-mails with Heather Howkins and representatives of Crescent regarding staffing requests; e-mails with C. Jeffries and Nick Ribeiro regarding payroll; e-mails with L. Harvey regarding utilities; e-mails with H. Howkins regarding sales contracts, patron notification and trust account balance; instructions to controllers regarding required weekly funding; e-mail to Nick Ribeiro regarding sales contracts and cashflow forecast; discussions with Ira Gerstein regarding various matters (e.g. employment contracts, cash flow, etc.); telephone discussion with E. Puodziunas and Ira Gerstein; review of payroll registers and e-mails with controllers; review of budgets; review of cash call schedules per e-mail from M. Subido; attended the weekly cash call with the controllers, representatives of Crescent and Shaners; conference call with Phil Wolf, B. Mooney and E. Puodziunas regarding statements of R&D and cash flow forecast, and sent e-mail to Ira Gerstein and Bryan Litvack on same.
7/21/2010	Gerstein, Ira	Review due diligence questions and responses from Crescent and draft further response and e-mail to D. Borotsik and telephone discussion with Deborah regarding same; discussion with S. Damiani regarding various operational issues; e-mail exchanges with D. Borotsik, N. Ribeiro and Anne Laracade of Sequel Hotels regarding the location of a fire audit report; review confidentiality agreement, execute and return to CBRE; e-mail copies of the BCA's to Kiruban, review responses from Crescent with respect to due diligence request.
7/21/2010	Gerstein, Ira	Telephone conference call with E. Puodjumas and S. Damiani with respect to new employee hires, e-mail to H. Howkins with respect to Riparian rights discussion with Paul Casey regarding same; e-mail to D. Borotsik in respect of the response to the potential purchasers; discussion with Paul Casey regarding the advance deposits and assignment of same to potential purchasers; subsequent telephone call with D. Borotsik regarding clarification of the assignment of deposits to purchaser and revise memo for purposes of the data room; e-mail to H. Howkins enclosing the final version of employment contract for the Chef
7/21/2010	Casey, Paul M	Meeting with Ira Gerstein regarding Crescent Reporting, Q&A from purchasers and other matters; e-mails.
7/22/2010	Litvack, Bryan N	Call Hydro One to request close and reopen two accounts for Benmiller; prepared and sent letter; cashflow call with Crescent and the hotel Controllers; discuss using pivot table with Phil Wolf from Crescent and Rose Brown.
7/22/2010	Damiani, Stefano	E-mail to E. Puodziunas and B. Mooney regarding additional bookkeeping resources at Hidden Valley Resort and the requirements for statements of R&D; review of e-mail from Bryan Litvack regarding utilities; e-mails with Rose Brown regarding banking; telephone discussions with Ira Gerstein regarding new Controller at Elora, management fees, bookkeeper at Hidden Valley Resort, other; e-mail from L. Harvey regarding sales contracts; e-mails from C. Jeffries and B. Litvack on R&D; review of the daily cash reporting analysis as at July 21, 2010; e-mail to C. Martin regarding accounts payable; e-mail to Nick Ribeiro (GM, Hidden Valley Resort) regarding department head meeting and status of G8 related billings/collections; review of e-mails from Phil Wolf and B. Mooney regarding incremental property management costs.

Date	Professional	Description
7/22/2010	Gerstein, Ira	Receipt and review weekly CBRE marketing report and e-mail to Equitable enclosing same; telephone call with Phil Wolf of Crescent with respect to requirement for pre-approval of Receiver for non-recurring disbursements and general discussion regarding cash flows and the Controller for Elora.
7/22/2010	Gerstein, Ira	Telephone call with Stefano Damiani with respect to the cash flows and his discussions on the cash call regarding C. Jeffries requiring bookkeeping assistance; e-mail to Beth Mooney consenting to the hiring of the Controller for Elora.
7/22/2010	Gerstein, Ira	Conference call with P. Wolf and B. Litvack with respect to setting up the schedule of R&D; e-mails to and from Crescent regarding PST and GST issues and discuss with Rose Brown; review and sign confidentiality agreements and return to CBRE; e-mail from P. Casey enclosing revised question response and discuss same with P. Casey and review memo to Equitable in regards to the advanced deposits; review BCA's.
7/22/2010	Casey, Paul M	Review CBRE Report and Weekly GM Reports; instructions to Gerstein; dictate Q&A responses for Data Room and telephone call with Ira Gerstein.
7/23/2010	Litvack, Bryan N	E-mail Phil Wolf with my comments on using the pivot table; conference call with P. Wolf and Controllers to discuss plan going forward to get data up-to-date; meeting with Rose Brown with respect to the process for updating the cash flow based on the call with Crescent.
7/23/2010	Damiani, Stefano	E-mails with Nick Ribeiro and E. Puodziunas regarding staffing for accounting; e-mail from C. Martin regarding accounts payable; e-mails with representatives of Crescent (M. Faust, E. Puodziunas) and Ira Gerstein regarding travel costs and a proposed staffing requirement at Benmiller; review of the daily cash reporting analysis as at July 22, 2010; e-mail from Phil Wolf regarding additional Crescent fees; review of the July 22, 2010 department head meeting minutes for Hidden Valley Resort and 14 day forecast and e-mails with Nick Ribeiro on same; review of sales contracts for Elora and e-mails to H. Howkins on same.
7/23/2010	Casey, Paul M	Telephone call with Bill Stone of CBRE; meeting with Ira Gerstein; other instructions.
7/23/2010	Gerstein, Ira	Conference call with Paul Casey and Bill Stone regarding the sale process; subsequent discussion with Paul Casey regarding capital expenditures and process and cash flow; e-mail to Ed enclosing the BCAs and request Crescent's input regarding required expenditures; conference call with Phil Wolf, B. Litvack and other property personnel with respect to the cash flow forecast and statement of R&D; preparation of a statement of cash position for P. Casey.
7/26/2010	Damiani, Stefano	Review of the weekly operations report for Hidden Valley Resort; review of e-mail from H. Howkins and the attached event deposit listing for Elora; review of the weekly operations update for Elora; review of the daily cash reporting analysis as at July 23, 2010; attendance on the weekly operations conference call with GMs and representatives of Crescent; review of e-mail from Crescent regarding status of outstanding financial information; review of sales contracts for Elora and e-mails to H. Howkins on same; telephone discussion with Ira Gerstein.
7/26/2010	Casey, Paul M	Telephone calls with Graham, Kukulowicz; review and email Ira Gerstein regarding cash position and Crescent instructions; telephone call with Gerstein.
7/26/2010	Gerstein, Ira	E-mail from Kiruban enclosing e-mail from Tony Cohen of Crescent with respect to the status of financials, cashflows and other matters; telephone conference call with GMs to discuss weekly updates; discussion with P. Casey with respect to the cash R&D; discussion with R. Brown regarding status of R&D's.

Date	Professional	Description
7/27/2010	Damiani, Stefano	Review of sales contract for Elora and e-mail to H. Howkins on same; review of e-mail from H. Howkins.
7/27/2010	Gerstein, Ira	Numerous e-mails from GMs; review weekly GM report, review various event contracts.
7/28/2010	Casey, Paul M	Telephone call with Moffat regarding draft agreement of APS; emails CBRE regarding status call; review and distribute weekly report; email Gerstein; correspondence; telephone call from Peter Barr regarding prospect for Elora and emails CBRE.
7/28/2010	Damiani, Stefano	Review of e-mail by Gerstein regarding G8 contract collections and status of Controllers at Elora and Hidden Valley Resort; review of the daily cash reporting analysis as at July 27, 2010; review of e-mail from H. Howkins and the attached weekly cash budget for the manager's account; review of e-mail from E. Gavita of SunLife Financial ("SunLife") and the attached payment notice regarding employee benefits; review of e-mail from K. Reid and the attached weekly budget for the manager's account; e-mails and attachments from M. Subido; review of wire transfer e-mails by Gerstein; review of e-mail from J. McGovern of Hidden Valley Resort regarding sales contract.
7/29/2010	Gerstein, Ira	Review event contract for Elora and respond to H. Howkins' e-mail; e-mails to/from D. Borotsik regarding outstanding issues; sign confidentiality agreement for Paul Rice and return to Mark Sparrow of CBRE.
7/30/2010	Casey, Paul M	Attend conference call with CBRE and counsel regarding bid process.
7/30/2010	Gerstein, Ira	Receipt and review weekly CBRE report and conference call with representatives of CBRE to discuss status update.
8/3/2010	Casey, Paul M	Review draft Agreement of Purchase and Sale ("APS") and telephone calls with Moffat; review GM weekly operating reports; prepare list of open issues and e-mails to Gerstein; return calls to media regarding Elora sales process; telephone call with Craig Robertson and e-mail Maria Mavroyannis of Deloitte & Touche LLP- tax department regarding HST and APS requirements.
8/3/2010	Damiani, Stefano	Review of e-mail from H. Howkins and the attached weekly operations update report as at July 30, 2010; review of the daily cash reporting analysis as at August 2, 2010; review of e-mail from C. Jeffries regarding request for medical leave; review of payroll register and summary for Benmiller; review of e-mails from CBRE regarding updates to the data site; review of weekly operations update report for Hidden Valley Resort as at July 30, 2010; review of e-mails with Ribeiro and C. Jeffries regarding the finance computer, payroll information, etc.; review of e-mail from L. Harvey and the attached payroll register and summary for Hidden Valley Resort; e-mail from H. Howkins regarding patron letters; review of the payroll register and summary for Elora.
8/3/2010	Gerstein, Ira	Review e-mails from GMs enclosing payroll figures and forward to B. Mooney for approval and forward to R. Brown for payment; voicemail from D. Schmuck of Simpson Wigle, counsel to Muskoka Minerals, requesting a copy of the appointment order and forward same; telephone call with Craig Robertson of Deloitte tax department to discuss HST issues on sale of hotel.
8/3/2010	Gerstein, Ira	Telephone discussion with C. Robertson for APS comments regarding GST/HST and forward for his review; e-mail and voicemail exchanges with D. Schmuck regarding his client's request for a lien placement and forward correspondence to Moffat.
8/3/2010	Gerstein, Ira	E-mails from Casey regarding status of various issues and respond by e-mail.

Date	Professional	Description
8/4/2010	Casey, Paul M	Review draft APS; telephone calls with commodity tax specialists; telephone calls with Moffat regarding revision; telephone calls with Gerstein regarding open points.
8/4/2010	Damiani, Stefano	E-mail to the Controllors regarding requests for wire transfers for payroll and operations; review of e-mail from H. Howkins regarding utilities; review of the weekly cash budget for Hidden Valley Resort; review of e-mail from E. Gavita regarding employee benefits; e-mail from B. Mooney regarding status of bookkeeping resources for Elora and Hidden Valley Resort; review of the daily cash reporting analysis as at August 3, 2010; review of the weekly cash budget for Benmiller and detailed e-mail from L. Harvey regarding funding requests; e-mail from C. Jeffries regarding cash box at Hidden Valley Resort; review of e-mails from Gerstein and Nick Ribeiro regarding status of G8 amounts receivable; e-mail from M. Subido regarding the cash summaries; review of e-mails from Gerstein regarding wire transfers for each property.
8/4/2010	Gerstein, Ira	Review Crescent's recommendation with respect to the Trow BCAs and e-mail to Casey setting out next steps; e-mails from H. Howkins enclosing contracts for approval and respond by e-mail; sign bank transfers for payroll, review R&D's and discuss with R. Brown.
8/4/2010	Gerstein, Ira	Telephone call with Gerard Powers of Treamici, creditor of Hidden Valley Resort and Elora with respect to the status of the receivership.
8/4/2010	Gerstein, Ira	Attendance on cash call, e-mails from N. Ribeiro regarding status of G8 collections, e-mail from Ribeiro regarding request for increase in hourly wage for Controllors assistant and e-mail to B. Mooney requesting Crescent's recommendations.
8/4/2010	Rishi, Gautam	Reviewing APS; amend for HST implications.
8/4/2010	Mavroyannis, Maria	Review of two voicemails, review of contract, discussion with C. Robertson, amendments.
8/4/2010	Robertson, Craig	Review commentary on APA, discussion with P. Casey.
8/5/2010	Casey, Paul M	Telephone calls with Moffat and amendments to draft APS; e-mails CBRE; meeting with Gerstein to review open issues list and instructions.
8/5/2010	Gerstein, Ira	Review P. Casey's memo of outstanding items and review May 25, 2010 Crescent report and telephone call with Mindy Ruthorford of Shaner regarding same; e-mail to B. Mooney with respect to the status of HST, vacation pay and other financial matters; telephone call with N. Ribeiro regarding outstanding G8/G20 issues; e-mails to and from E. Puodziunas and B. Mooney regarding requested pay raise for the assistant to the Controller; receipt and review letter from WSIB requesting various information; telephone call with B. Mooney with respect to Crescent's May 25, 2010 report and various outstanding financial matters; meet with Casey to review outstanding memo.
8/6/2010	Damiani, Stefano	E-mail correspondence with B. Mooney regarding payroll matters at Hidden Valley Resort; review of the weekly operations update for Hidden Valley Resort as at August 5, 2010; review of e-mail from CBRE; review of the daily cash reporting analysis as at August 4, 2010.
8/6/2010	Casey, Paul M	Review and distribute CBRE Report; attend conference call with B. Stone and team for update; meeting with R. Brown to review R&D draft and instructions; emails counsel.
8/6/2010	Gerstein, Ira	E-mail from N. Ribeiro advising of the status of receipt of G8 accounts receivable from the RCMP; review confidentiality agreement from Steve Gupta and e-mail to S. Segal of CBRE regarding same; telephone call with Bruce Morga of the Altus Group with respect to an agreement to appeal the property taxes.
8/6/2010	Gerstein, Ira	Receipt and review confidentiality agreements and return to M. Sparrow of CBRE.

Date	Professional	Description
8/6/2010	Gerstein, Ira	Review APS for tax adjustment clauses and e-mail to B. Morgan requesting a revised agreement in respect of the tax appeals.
8/6/2010	Gerstein, Ira	Conference call with CBRE regarding status of marketing, receipt and review sales contracts and amend and return to H. Howkins; receipt and review further confidentiality agreements and return to CBRE.
8/9/2010	Casey, Paul M	Meetings with R. Brown, S. Damiani regarding R&D results, variance analysis and follow-up; other emails, telephone call to counsel.
8/9/2010	Damiani, Stefano	Review of the weekly operations update report for Elora; review of the daily cash reporting analysis as at August 5, 2010; voicemail and telephone correspondence with creditor (Imperial Coffee) regarding status of account balance; review of e-mail correspondence with Gerstein and L. Harvey regarding reconciling items for cash receipts; e-mail correspondence with B. Mooney (Controller, Crescent) regarding bookkeeper at Elora; review of the vacation accrual schedules for Benmiller, Hidden Valley Resort and Elora; review of the reporting pivot table provided by Crescent; discussions with Gerstein; review of e-mail correspondence with Crescent regarding building condition audits; discussion with P. Casey regarding statements of R&D; e-mail to L. Harvey with respect to accounts receivable.
8/9/2010	Gerstein, Ira	Sign confidentiality agreements, discussion with Casey in connection with Benmiller R&D and e-mail to L. Harvey requesting reconciliation.
8/9/2010	Gerstein, Ira	E-mail to Equitable with respect to the Receiver's advice on commencing with Priority One repairs and the repair of kitchen floor.
8/9/2010	Gerstein, Ira	E-mail from B. Mooney requesting authority to proceed with hiring a bookkeeper at Elora and respond by e-mail.
8/9/2010	Gerstein, Ira	E-mail response from Kurban supporting the Receiver's recommendation with Cap ex repairs and e-mail to Ed of Crescent advising Crescent to proceed with all Priority One repairs and the repair of the kitchen floor.
8/9/2010	Gerstein, Ira	Review Altus Group proposal and edit; receipt and review confidentiality agreements; e-mail from Kiruban with respect to the status of Shaner's fees.
8/9/2010	Gerstein, Ira	Review and sign confidentiality agreements, e-mail from Kurban with respect to payment of property taxes on vacant land and respond; e-mail to Casey with respect to vacant land issues, discussions with R. Brown with respect to R&D issues, discussions with S. Damiani with respect to the status in general.
8/10/2010	Casey, Paul M	Telephone call with Moffat regarding additional land at Hidden Valley Resort; telephone call with B. Stone; telephone call with S. Damiani regarding R&D reporting.
8/10/2010	Damiani, Stefano	Review of the daily cash reporting analysis as at August 9, 2010; e-mail correspondence with employee regarding payroll queries; e-mail correspondence from K. Reid and M. regarding sales contracts; e-mail from Nick Ribeiro regarding payroll matter; e-mail correspondence between the Receiver and B. Mooney with respect to vacation accruals for each property; review of e-mail from L. Harvey and the attached accounts receivable subledgers; e-mail correspondence with E. Poudziunas regarding Human Resources matters; review of e-mail from L. Harvey regarding variances between cash receipts and revenue per the weekly operating reports; discussions with Gerstein regarding accounts receivable, vacation accruals, property management fees, other; updated the statement of R&D and reporting model for the Benmiller; review of weekly operating update for the period-ended August 5, 2010 regarding the Benmiller; review of e-mail correspondence from CBRE and potential purchaser; e-mail to B. Litvack regarding the cashflow forecasts; e-mail correspondence with Gerstein regarding payment of invoices and



Date	Professional	Description
8/10/2010	Gerstein, Ira	payroll matters. Proof edit update and finalize draft of Altus proposal and forward to B. Morgan for review, review and execute various confidentiality agreements, e-mail from Kiruban regarding status of Hydro Wellington's transfer of pre-receivership invoices to the township and respond by e-mail and subsequent telephone discussion; receipt of e-mail from L. Harvey in response to request for reconciliation of Benmiller cash and discuss with S. Damiani; e-mail from Kiruban with respect to Shaner's fees and respond by e-mail and subsequent telephone discussion; receipt and review e-mail from C. Jeffries to N. Ribeiro regarding status of her pay etc. and forward to G. Moffat and P. Casey; receipt and review e-mail from B. Mooney enclosing outstanding vacation pay and e-mail to P. Casey regarding same.

Summary of Fees

Professional	Position	Hours	Rate	Fees
Paul Casey	Partner	23.0	550	\$12,650.00
Robertson, Craig	Associate Partner	0.5	500	250.00
Ira Gerstein	Senior Manager	76.1	400	30,440.00
Mavroyannis, Maria	Senior Manager	1.0	400	400.00
Stefano Damiani	Senior Consultant	48.5	250	12,125.00
Rishi, Gautam	Senior Consultant	2.0	250	500.00
Bryan Litvack	Senior Consultant	8.6	250	2,150.00
Rose Brown	Administration	<u>36.8</u>	100	<u>3,680.00</u>
Total Hours and professional fees		<u>196.5</u>		\$62,195.00
HST @ 13%				<u>8,085.35</u>
<b>Total Amount Due:</b>				<b>\$70,280.35</b>

Payable upon receipt to: Deloitte & Touche Inc.



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HST Registration No:

October 12, 2010  
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Paul Casey  
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## Invoice

Professional services rendered in our capacity as the Court appointed Receiver and Manager ("Receiver") of certain properties of Tuesday Equities Ltd. and Prince Royal L.P. including Hidden Valley Resort, Benmiller Inn & Spa and The Elora Inn for the period from August 12, 2010 to September 11, 2010 and also includes time not reflected on our previous invoice dated September 8, 2010

Date	Professional	Description
7/20/2010	Brown, Rose M	Sign on RBC Express -- Print previous day banking reports. Input TD Merchant/Amex Deposits & manual deposits for each location. Reconcile Receiver's A/C to Bank balances. Update Merchant Visa Spreadsheet and input GL codings. Update daily Cash balance spreadsheet and email to Gerstein and Damiani. Reply to various emails.
7/21/2010	Brown, Rose M	Sign on RBC Express -- Print previous day banking reports. Input TD Merchant/Amex Deposits & manual deposits for each location. Reconcile Receiver's A/C to Bank balances. Update Merchant Visa Spreadsheet and input GL codings. Update daily Cash balance spreadsheet and email to Gerstein and Damiani. Reply to various emails. Prepare Payroll Wires, confirm process online and input into Ascend GL and file backup.
7/22/2010	Brown, Rose M	Sign on RBC Express -- Print previous day banking reports. Input TD Merchant/Amex Deposits & manual deposits for each location. Reconcile Receiver's A/C to Bank balances. Update Merchant Visa Spreadsheet and input GL codings. Update daily Cash balance spreadsheet and email to Gerstein and Damiani. Reply to various emails. Prepare weekly Disbursement funding to each location managers account.
7/23/2010	Brown, Rose M	Sign on RBC Express -- Print previous day banking reports. Input TD Merchant/Amex Deposits & manual deposits for each location. Reconcile Receiver's A/C to Bank balances. Update Merchant Visa Spreadsheet and input GL codings. Update daily Cash balance spreadsheet and email to Gerstein and Damiani. Reply to various emails. Review PST & GST numbers for remittances.
7/25/2010	Brown, Rose M	Sign on RBC Express -- Print previous day banking reports. Input TD Merchant/Amex Deposits & manual deposits for each location. Reconcile

Date	Professional	Description
		Receiver's A/C to Bank balances. Update Merchant Visa Spreadsheet and input GL codings. Update daily Cash balance spreadsheet and email to Gerstein and Damiani. Reply to various emails. Reconciling Credit Card deposit to spreadsheet and update GL codings in Ascend for Elora. Input various deposits for Hidden Valley as accrual deposits pending receipt of originals
7/26/2010	Brown, Rose M	Sign on RBC Express -- Print previous day banking reports. Input TD Merchant/Amex Deposits & manual deposits for each location. Reconcile Receiver's A/C to Bank balances. Update Merchant Visa Spreadsheet and input GL codings. Update daily Cash balance spreadsheet and email to Gerstein and Damiani. Reply to various emails. Upload Elora GL's for GL coding spreadsheet & Pivot Table.
7/27/2010	Brown, Rose M	Sign on RBC Express -- Print previous day banking reports. Input TD Merchant/Amex Deposits & manual deposits for each location. Reconcile Receiver's A/C to Bank balances. Update Merchant Visa Spreadsheet and input GL codings. Update daily Cash balance spreadsheet and email to Gerstein and Damiani. Reply to various emails. Inputting Hidden Valley Merchant number into spreadsheet and start to reconcile to bank.
7/28/2010	Brown, Rose M	Sign on RBC Express -- Print previous day banking reports. Input TD Merchant/Amex Deposits & manual deposits for each location. Reconcile Receiver's A/C to Bank balances. Update Merchant Visa Spreadsheet and input GL codings. Update daily Cash balance spreadsheet and email to Gerstein and Damiani. Reply to various emails. Reviewing and tried to reconciled revenue to Shaner report for PST/GST for 2 locations. Input and print disbursement cheques; prepare cheques for Couriering and file back up. Prepare remittance to go with Cheques.
7/30/2010	Brown, Rose M	Prepare Hidden Valley PST/GST returns and cheques. Photocopy cheques and returns. Send all cheques for three locations by courier.
7/29/2010	Brown, Rose M	Sign on RBC Express -- Print previous day banking reports. Input TD Merchant/Amex Deposits & manual deposits for each location. Reconcile Receiver's A/C to Bank balances. Update Merchant Visa Spreadsheet and input GL codings. Update daily Cash balance spreadsheet and email to Gerstein and Damiani. Reply to various emails.
8/2/2010	Brown, Rose M	Sign on RBC Express -- Print previous day banking reports. Input TD Merchant/Amex Deposits & manual deposits for each location. Reconcile Receiver's A/C to Bank balances. Update Merchant Visa Spreadsheet and input GL codings. Update daily Cash balance spreadsheet and email to Gerstein and Damiani. Reply to various emails. Update TD Merchant spreadsheet and reconcile to bank -- input GL coding into Ascend to unallocated inputted deposits.
8/3/2010	Brown, Rose M	Filing of deposit slip processing from Aug 2/10. Sign on RBC Express -- Print previous day banking reports. Input TD Merchant/Amex Deposits & manual deposits for each location. Reconcile Receiver's A/C to Bank balances. Update Merchant Visa Spreadsheet and input GL codings. Update daily Cash balance spreadsheet and email to Gerstein and Damiani. Reply to various emails.
8/4/2010	Brown, Rose M	Sign on RBC Express -- Print previous day banking reports. Input TD Merchant/Amex Deposits & manual deposits for each location. Reconcile Receiver's A/C to Bank balances. Update Merchant Visa Spreadsheet and input GL codings. Update daily Cash balance spreadsheet and email to Gerstein and Damiani. Reply to various emails. Prepare Disbursement cheques for Sun Life Financial, have signed and mail.

Date	Professional	Description
8/5/2010	Brown, Rose M	Prepare Wire transfer to funds disbursement to the Managers Account. Sign on RBC Express -- Print previous day banking reports. Input TD Merchant/Amex Deposits & manual deposits for each location. Reconcile Receiver's A/C to Bank balances. Update Merchant Visa Spreadsheet and input GL codings. Update daily Cash balance spreadsheet and email to Gerstein and Damiani. Reply to various emails.
8/6/2010	Brown, Rose M	Sign on RBC Express -- Print previous day banking reports. Input TD Merchant/Amex Deposits & manual deposits for each location. Reconcile Receiver's A/C to Bank balances. Update Merchant Visa Spreadsheet and input GL codings. Update daily Cash balance spreadsheet and email to Gerstein and Damiani. Reply to various emails.
8/8/2010	Brown, Rose M	Input Receipts and Disbursement into Benmiller Actual Cash/R&D Spreadsheet up to July 31/10 for Receiver's and Manager's account and reconcile to bank.
8/9/2010	Brown, Rose M	Sign on RBC Express -- Print previous day banking reports. Input TD Merchant/Amex Deposits & manual deposits for each location. Reconcile Receiver's A/C to Bank balances. Update Merchant Visa Spreadsheet and input GL codings. Update daily Cash balance spreadsheet and email to Gerstein and Damiani. Reply to various emails. Reconciling Merchant deposit to spreadsheet and input GL coding for Elora.
8/10/2010	Brown, Rose M	Sign on RBC Express -- Print previous day banking reports. Input TD Merchant/Amex Deposits & manual deposits for each location. Reconcile Receiver's A/C to Bank balances. Update Merchant Visa Spreadsheet and input GL codings. Update daily Cash balance spreadsheet and email to Gerstein and Damiani. Reply to various emails.
8/11/2010	Brown, Rose M	Sign on RBC Express -- Print previous day banking reports. Input TD Merchant/Amex Deposits & manual deposits for each location. Reconcile Receiver's A/C to Bank balances. Update Merchant Visa Spreadsheet and input GL codings. Update daily Cash balance spreadsheet and email to Gerstein and Damiani. Reply to various emails. Reconciling Events spreadsheet to GL and discuss with Heather differences.
8/12/2010	Casey, Paul M	Attendance at a meeting with Gerstein, Damiani and Litvack to review open points, R&D results and variance analyses; attend tender opening at Deloitte offices; follow-up discussion with Damiani; draft Receiver's recommendation letter to Equitable Trust Company ("Equitable"); confirmation of receipts and deposit cheque.
8/12/2010	Litvack, Bryan N	Discuss Benmiller Inn & Spa ("Benmiller") cashflow actual vs. forecast with Damiani. Attend meeting with Casey, Damiani and Gerstein to discuss R&D's for each hotel.
8/12/2010	Damiani, Stefano	Review of e-mail from Lisa Harvey, Controller, Benmiller regarding reconciliation of cash receipts; e-mail from P. Conkle, Corporate Controller, Crescent Hotels and Resorts ("Crescent") regarding Shaner Solutions ("Shaners") fees; meeting with Casey and Gerstein; attendance at opening and review of offers for properties for sale; review of the daily cash reporting analysis as at August 11, 2010; e-mail to Beth Mooney, Controller for Crescent regarding bookkeepers for Hidden Valley Resort ("HVR") and the Elora Mill Inn ("Elora"); e-mails from Nick Ribeiro, General Manager ("GM"), HVR, regarding utility invoices and the partial collection of G8 parking amounts; review of e-mail from Heather Howkins, GM, Elora, regarding chimney inspection.
8/12/2010	Gerstein, Ira	Preparation for and meet with Casey, Damiani and Litvack to review the status of various issues; preparation for an meet with Kiruban Kana of Equitable, Bill Stone and Mark Sparrow of CB Richard Ellis Group Inc. ("CBRE") and Grant Moffat of

Date	Professional	Description
		Thornton Grout Finnigan ("TGF"), to open and review offers.
8/12/2010	Brown, Rose M	Sign on RBC Express -- Print previous day banking reports; input TD Merchant/Amex Deposits & manual deposits for each location; reconcile Receiver's A/C to Bank balances; update Merchant Visa Spreadsheet and input GL codings; update daily Cash balance spreadsheet and e-mail to Gerstein & Damiani; reply to various e-mails; reconcile R&D/Actual spreadsheet to GL and Manager pivot table and to bank accounts; start to input entries for HVR; prepare Wire transfer to Manager account for funding of disbursements.
8/13/2010	Damiani, Stefano	Review sales contract and e-mails to M. Coulson, Catering Planner, HVR and Gerstein regarding same; review of the daily cash reporting analysis as at August 12, 2010; review of sales contracts for Elora and e-mailed same to Howkins; e-mail from Howkins regarding event cancellation; e-mail correspondence and telephone discussion with Ribeiro regarding bookkeeper; review of e-mail and letter from Casey regarding sales offers; prepared sales offer packages for distribution to secured creditor, legal counsel and CBRE; update the financial reporting model, variance analysis and statement of receipts and disbursements for Elora; review of reporting letter from CBRE; review of e-mail from Howkins regarding food supplier and drafted e-mail on same; telephone discussion with Mooney regarding bookkeeper.
8/13/2010	Gerstein, Ira	Conference call with Mooney, Ribeiro and potential bookkeeper to discuss bookkeeping requirements subsequent discussion with Damiani regarding same, review GM's weekly reports.
8/13/2010	Casey, Paul M	Amend and issue letter to Equitable following comments from counsel; telephone conversation with Moffat regarding various issues; review CBRE memo and comments.
8/13/2010	Brown, Rose M	Sign on RBC Express -- Print previous day banking reports; input TD Merchant/Amex Deposits & manual deposits for each location; reconcile Receiver's A/C to Bank balances; update Merchant Visa Spreadsheet and input GL codings; update daily Cash balance spreadsheet and e-mail to Gerstein & Damiani; reply to various e-mails; post HVR entries and process deposit slips.
8/15/2010	Brown, Rose M	Inputting and reconciling HVR Deposit and Merchant deposit; sign on RBC Express -- Print previous day banking reports; input TD Merchant/Amex Deposits & manual deposits for each location; reconcile Receiver's A/C to Bank balances; update Merchant Visa Spreadsheet and input GL codings; update daily Cash balance spreadsheet and e-mail to Gerstein and Damiani.
8/16/2010	Litvack, Bryan N	Review Elora cash flow actual spreadsheet and update the tabs.
8/16/2010	Damiani, Stefano	E-mail to Ribeiro regarding sales contracts; update cash receipts and disbursements schedules for Elora and e-mail to Litvack on same; telephone and voice mail correspondence with various patrons of HVR and Benmiller regarding upcoming events and status of deposits; review of updated marketing letter from CBRE; review of the weekly operations update for Elora; telephone discussion with WSIB representative regarding claim submitted by HVR employee; e-mail to M. Wilson of TimePlus regarding payroll remittance information; review of the weekly operations report for HVR; e-mail and telephone correspondence with Harvey regarding WSIB; e-mail to Mooney regarding WSIB accounts; updated the cash receipts and disbursements schedule for HVR; review of a sales contract for HVR and e-mailed same to J. McGovern, Director of Sales.
8/16/2010	Gerstein, Ira	Receipt and review copy of TGF's third bill of costs, discussion with Moffat with respect to same and e-mail to Kim Kukluwicz of Equitable enclosing a copy of same; receipt and review copy of revised Altus Group ("Altus") contract and discuss

Date	Professional	Description
		with Moffat and forward copy for review; receipt and review revised marketing letter from CBRE and discuss with Damiani; Preparation for and attendance on a conference call with representatives of Equitable, Moffat, representatives of CBRE to discuss offers received; Voicemail from Kana requesting R&D for Elora and preparation of a draft of same; and, discussions with Casey regarding subsequent discussion with Kana.
8/16/2010	Casey, Paul M	Review CBRE sale memorandum and distribute information to Equitable; Attend conference call to discuss results of call for offers and obtain instructions; telephone conversations and e-mail correspondence with Gerstein regarding cash position at Elora and e-mail to Equitable; follow up telephone conversation with Moffat;
8/16/2010	Brown, Rose M	Complete updating of Actual/R&D spreadsheets and reconcile. Sign on RBC Express -- Print previous day banking reports. Input TD Merchant/Amex Deposits & manual deposits for each location. Reconcile Receiver's A/C to Bank balances. Update Merchant Visa Spreadsheet and input GL codings. Update daily Cash balance spreadsheet and e-mail to Gerstein & Damiani. Reply to various e-mails.
8/17/2010	Litvack, Bryan N	Review HVR cash flow actual spreadsheet and update the tabs.
8/17/2010	Damiani, Stefano	E-mail correspondence with an unsecured creditor of the Elora Inn; e-mail correspondence with Ribeiro and Ed Puodziunas, VP of Crescent regarding sales contracts; review of the CV for potential bookkeeper for HVR and e-mail correspondence with Mooney on same; e-mail to Rose Brown regarding cash receipts and disbursements; e-mail correspondence with Howkins regarding status of motor vehicle; e-mail from M. Rutherford regarding sales tax calculation; telephone discussions with Benmiller patrons regarding upcoming wedding; review of the sales contract listing for HVR and e-mail to Ribeiro on same; e-mail to Ribeiro regarding WSIB account number and required remittance; review of e-mails from Casey and Moffat and the draft second report to the Court; e-mail to Casey regarding supporting information for the Receiver's second report to Court; prepare affidavit of fees;
8/17/2010	Gerstein, Ira	Telephone conversation with Bruce Morgan of Altus with respect to the status of the agreement; forward same to Moffat for review; Voicemail from interested party; receipt and review copy of draft second receiver's report; review Casey's comments; update the report with further comments and forward same to Moffat.
8/17/2010	Casey, Paul M	E-mail correspondence regarding Court scheduling; review and comment on Court Report to approve Offer and amended Sale Process; E-mail correspondence with CBRE regarding other offers.
8/17/2010	Brown, Rose M	Sign on RBC Express -- Print previous day banking reports. Input TD Merchant/Amex Deposits & manual deposits for each location. Reconcile Receiver's A/C to Bank balances. Update Merchant Visa Spreadsheet and input GL codings. Update daily Cash balance spreadsheet and e-mail to Gerstein & Damiani. Reply to various e-mails. PDF copy of Jul/10 statements to Laura at Shaners.
8/18/2010	Litvack, Bryan N	Follow-up with Crescent to get information for closing the accounts with the barter network and use up all the current points.
8/18/2010	Damiani, Stefano	E-mail correspondence with Moffat, Casey and Gerstein with respect to the second report to the Court; review of the updated draft of the Court report; e-mail correspondence with Ribeiro regarding sales contracts and related variances of net cash flow; e-mail to Gerstein regarding financed tractor; e-mail correspondence with Mooney regarding bookkeeper for HVR; review of sales contract and e-mail to Gerstein for execution; review of the Benmiller payroll register and summary; telephone discussions with Harvey regarding payroll and WSIB calculation; review of the HVR payroll register and e-mail correspondence with Ribeiro; review of the

Date	Professional	Description
		Elora payroll register and summary; telephone discussion with a patron of Elora regarding upcoming event and patron letter sent by the Receiver; review of the weekly cash budget for Elora and e-mailed questions to Howkins; e-mail correspondence with Puodziunas regarding payroll, barter network and outstanding information for HVR; review of the weekly budget for Benmiller and e-mail to Harvey on same; review of the daily cash reporting analysis as at August 17, 2010; attended on the cash call with the GMs and representatives of Crescent and Shaners; e-mail to Brown regarding reporting spreadsheet; e-mails to Brown regarding wire transfers to the GM accounts; telephone discussion with Gerstein regarding the status of the draft second report to court and payroll.
8/18/2010	Gerstein, Ira	Discussion with Damiani with respect to the draft second report; telephone discussion with Moffat with respect to the draft second court report; voicemail from a patron in respect of his event at Elora and voicemail; proof, edit and update the report to court; proof, edit and update Affidavit of fees and finalize; discussion with Daniel Weisz with respect to the quality review; e-mail copy of report with changes to Moffat; forward PDF of Affidavit of fees to TGF; discussions with Damiani with respect to payroll; sign wire transfers; telephone discussion with Wolf with respect to the status of the sale process;
8/18/2010	Weisz, Daniel	Quality review of the second report, affidavit of fees and discuss comments with Gerstein;
8/18/2010	Casey, Paul M	E-mails regarding fee affidavit and other Court motion materials; e-mail to CBRE regarding communication with Offerors; instructions regarding acceptance of an offer and rejection of other offers;
8/18/2010	Brown, Rose M	Sign on RBC Express -- Print previous day banking reports. Input TD Merchant/Amex Deposits & manual deposits for each location. Reconcile Receiver's A/C to Bank balances. Update Merchant Visa Spreadsheet and input GL codings. Update daily Cash balance spreadsheet and e-mail to Gerstein & Damiani. Prepare wire for payroll funds.
8/19/2010	Litvack, Bryan N	Review government returns sent by Elora and send e-mail to Howkins and Mooney summarizing the returns and the actions required.
8/19/2010	Damiani, Stefano	Telephone discussion with a patron of HVR regarding wedding deposit; e-mails to Brown regarding wire transfers; review of sales contracts for Elora and e-mail to Howkins; e-mails from Howkins regarding specific weekly disbursements for Elora; review of mail; conference call with Puodziunas regarding issues at HVR; discussions with Gerstein regarding the Receiver's Court Report and sales process; review of faxed statements from Elora; e-mail correspondence with Howkins regarding supplier for Elora; e-mail to unsecured creditor and supplier of Elora.
8/19/2010	Gerstein, Ira	Receipt and review e-mail response from Moffat to Casey's e-mail regarding accepting and rejecting offers; cover letter to TGF enclosing affidavit of fees; telephone discussion with a potential patron at Elora with respect to the status of her event; review of the purchase and sale agreement; proof drafts of receiver's second report, telephone discussions with Moffat regarding same, execute copies of purchase and sale agreement, e-mails and voicemails with Casey regarding return of deposits, letters to all offerors rejecting offers, review draft revised conditions of sale.
8/19/2010	Casey, Paul M	Telephone conversation with Moffat regarding acceptance and rejection of offers; instructions to Gerstein;
8/20/2010	Litvack, Bryan N	Reviewing Elora actual cash flow spreadsheet and balancing.
8/20/2010	Damiani, Stefano	E-mail to Mooney regarding WSIB remittances; e-mail correspondence with Harvey regarding WSIB calculations; discussions with Gerstein regarding sales contracts,



Date	Professional	Description
		employees and other operational matters; drafted letter to purchaser; e-mail correspondence between Puodziunas and employee on medical leave; drafted cover letter to WSIB and provided same to Gerstein; e-mails from Howkins and Puodziunas regarding power generator; e-mails with Ribeiro regarding cash collections; work on cash flow forecast for Benmiller; e-mail to Mooney regarding bookkeeper at HVR; e-mails with Ribeiro regarding deposit refund;
8/20/2010	Brown, Alison Jessica	Updating the Insolvency website;
8/20/2010	Casey, Paul M	E-mails to Gerstein and Damiani regarding R&D reporting; and, other instructions.
8/22/2010	Brown, Rose M	Aug 19-10 & Aug 20/10 - Banking Administration for Benmiller, Elora & HVR location - Prepare report, input deposits, reconciling and input GL coding, preparing Payroll & Manager account wires, updating various spreadsheets for month end.
8/23/2010	Litvack, Bryan N	Updating hotel cash flow spreadsheets for GST/PST and HST line items to be entered separately; review Bell statement and send e-mail confirming the amount owing to bring the balance to zero; Review July GST returns filed by Shaners and follow up with Shaners on how it was calculated; Prepared e-mail to Crescent, Controllers and GM.
8/23/2010	Damiani, Stefano	Review of the weekly operations update from HVR and detailed e-mail correspondence with Ribeiro regarding action plan and follow up items; review of e-mail correspondence between Ribeiro and Karen Archer, Senior Project Manager, Leasing - Public Works and Government Services Canada regarding outstanding information required for collection of accounts receivable for G8 food and beverage; review of the weekly operations update for Benmiller; e-mails to the GM's regarding the sales contract listing and reconciliation to the Receiver's trust account; review of the weekly operations update for Elora; e-mail correspondence with Howkins regarding accounts receivable and taxes; e-mail to Gerstein regarding professional fees, insurance and property taxes; updated the cash flow forecast for Benmiller and HVR; weekly conference call with representatives of Crescent, HVR and Elora; review of property tax bill for Benmiller; review of insurance premiums and Shaners fees by property; follow up e-mail to Ribeiro regarding website, accounts receivable, sales contract listing and bookkeeper.
8/23/2010	Gerstein, Ira	Telephone call with Mitz, legal counsel to Peter Egger with respect to the status of his client's offer. Voicemail from Michael Tibollo of Tibollo & Associates Professional Corporation with respect to the status of his client's, Hockley Valley Resort offer and Voicemail for Tibollo, e-mail from Archer to Ribeiro with respect to issue from incomplete information provided and e-mail to Puodziunas and Mooney; telephone discussion with Tibollo with respect to the status of his client's offer, further e-mails from Ribeiro and from Archer and forward to Mooney and Puodziunas; execute originals of Purchase and Sale Agreement and return to Thornton Grout & Finnigan; review billing for the period July 12, 2010 to August 11, 2010, review e-mail from Damiani requesting costs for Trow Associates Inc. ("Trow"), Shaners, insurance and property taxes for cash flow purposes, telephone discussion with a representative of Trow regarding the status of Trow's unpaid accounts; discussions with Damiani regarding his meeting with the GMs as well as discussions with Litvack regarding HST issues.
8/23/2010	Brown, Rose M	PDF Merchant request for copy of authorization and e-mail to HVR. GST/HST remittance - discuss with Litvack, Banking Administration for Benmiller, Elora & HVR location - Prepare report, input deposits, reconciling and input GL coding, updating various spreadsheets for month end.

Date	Professional	Description
8/24/2010	Litvack, Bryan N	Draft letter to Barter network to terminate account; correspondence with Shaners regarding GST returns; follow-up with HVR for information to prepare condo cheques to.
8/24/2010	Damiani, Stefano	E-mail correspondence with Ribeiro regarding website, sales contracts, other; cash flow forecasting; review of e-mail from Litvack regarding GST/HST reporting; file administration with Zailer; telephone discussion with a Benmiller supplier; banking instructions to Brown; telephone discussion with patron of HVR regarding upcoming event; review of cancellation letter regarding the barter network; e-mail correspondence with Litvack regarding condo statements; e-mail correspondence with Puodziunas regarding plan of action for barter points; e-mail correspondence with Howkins regarding request for refund; review of the accounts receivable sub ledger for HVR and e-mail to Ribeiro regarding same; review of the daily cash reporting analysis as at August 23, 2010; e-mails with Phil Wolf of Crescent and review of invoices for commercial property insurance;
8/24/2010	Gerstein, Ira	Voicemail from David Crawford of Trow regarding status of Trow's outstanding invoices and discuss payment with Damiani; proof, edit, update and finalize draft of Receiver's Third Invoice and forward to Casey for comments, discussion with Damiani with respect to various operational issues;
8/24/2010	Brown, Rose M	Banking Administration for Benmiller, Elora & HVR location - Prepare report, input deposits, reconciling and input GL coding, updating various spreadsheets for month end. Discuss with Ribeiro from Crescent the Manager Account/Pivot Table. Request deposit copies from HVR.
8/25/2010	Casey, Paul M	Prepare and attend Court for Elora Sale Approval Motion and follow-up e-mails.
8/25/2010	Litvack, Bryan N	Telephone call to Bell Canada regarding statements; update letters to condo owners and following up with Ribeiro.
8/25/2010	Damiani, Stefano	E-mail correspondence to Harvey regarding WSIB and GST/HST; e-mail correspondence with Mooney regarding the status of the bookkeeper at HVR; review of e-mail from Wolf regarding insurance policies and payments; e-mails with Ribeiro regarding financial reporting resources, collections of accounts receivable, wedding convention; review of the weekly budget for Elora and e-mails with Howkins on same; voicemail and e-mail correspondence with an Elora patron regarding an upcoming event and the Receiver's letter; e-mail correspondence with Harvey regarding event deposit refund, sales contracts, WSIB and GST; review of the weekly budget for HVR and e-mail correspondence with Ribeiro on same; updated the cash flow forecast for Benmiller and HVR; banking matters with Brown; review of e-mail by May Subido of Shaners and the attached payable listings; review of the weekly budget and supplier invoice for Benmiller and e-mail correspondence with Harvey on same; e-mail correspondence with Puodziunas regarding monthly forecast; e-mail correspondence with Kevin Reid, GM of Benmiller regarding marketing program and sales; e-mails with Brown regarding payroll direct deposit matter; attended the weekly cash calls with representatives of Crescent, Shaners and the GMs;
8/25/2010	Gerstein, Ira	E-mail from Casey, Damiani on various issues, telephone discussion with a patron requesting cancellation of her wedding contract, numerous e-mails regarding cash calls, telephone discussion with Lauren Furniss, a patron, regarding the status of her event at Elora, file organization.
8/25/2010	English, Jennifer	Preparation of schedules detailing the priority 1 items from the building reports for each individual hotel.

Date	Professional	Description
8/25/2010	Brown, Rose M	Banking Administration for Benmiller, Elora & HVR location - Prepare report, input deposits, reconciling and input GL coding, updating various spreadsheets for month end.
8/26/2010	Litvack, Bryan N	Finalize letter and statements for HVR and send to Gerstein for his review and sign off.
8/26/2010	Brown, Alison Jessica	Updating documents on the insolvency website.
8/26/2010	Damiani, Stefano	Review of Vesting Order and endorsement by Justice Newbould; e-mails with Melissa Coulson, Catering Planner, HVR, regarding insurance certificate for an upcoming event; review with Jennifer English building condition remediation summary table; e-mail correspondences with patron of Elora regarding upcoming event; review and modified letter to condo owners and arranged for payment; conference call with Mooney, Ribeiro and the potential bookkeeper for HVR; e-mail correspondence with Howkins regarding status of purchase and sale of Elora; e-mail confirmation regarding water and environmental testing from Reid; review of the daily cash reporting analysis as at August 24, 2010 and e-mails with Brown; telephone call from HVR creditor; e-mail and telephone correspondence with Howkins regarding deposit refund; e-mails to Puodziunas regarding priority 1 repairs; meeting with Casey and Gerstein; e-mails with Ribeiro regarding supplier payment; e-mails with Harvey about Merchant Services accounts;
8/26/2010	Gerstein, Ira	Preparation of agenda for meeting with Casey and Damiani and review status of various matters, discussions with Damiani regarding same; meeting with Casey and Damiani to discuss status, e-mail from Sparrow regarding revised marketing process and e-mail to Moffat, e-mail from Morgan regarding status of the agreement and e-mail to Moffat regarding same, e-mail to Sparrow regarding revised Marketing Process and restricting access to the data room; e-mail from Kana requesting that taxes be paid on Elora and forward to Brown to diarize for payment; review and sign transfers and cheques.
8/26/2010	Casey, Paul M	E-mails and meetings with Gerstein and Damiani regarding receivership admin and instructions.
8/26/2010	Brown, Rose M	Banking Administration for Benmiller, Elora & HVR location - Prepare report, input deposits, reconciling merchant deposit and input GL coding, updating various spreadsheets for month end. Prepare Wire to Crescent and Input and print disbursement cheques; prepare cheques for mailing and file back up. Reconcile Sale contract to GL for HVR. Telephone call to Ribeiro at HVR to obtain detail of Cameron/DePeufer Deposits.
8/27/2010	Damiani, Stefano	E-mail correspondence with Mooney to formalize the bookkeeper's responsibilities at HVR; review of e-mail from Wolf regarding insurance premiums and policies; review of e-mails with TD regarding merchant accounts; e-mail to Ribeiro regarding condo owner statements; e-mails with Crescent regarding on-site visit at HVR; telephone correspondence with Elora creditor; telephone discussion with Mooney regarding financial statements; review of sales contracts for Elora and e-mails with Howkins on same; e-mails with Reid regarding marketing program;
8/27/2010	Casey, Paul M	Attendance on a conference call with Gerstein, Stone and Sparrow regarding revised marketing process and Elora sale; other e-mails.
8/27/2010	Gerstein, Ira	Conference call with Stone, Sparrow and Casey with respect to the process going forward in respect of the sale process for HVR and Benmiller including a discussion regarding the sale of Elora; receipt and review revised agreement with Altus with Counsel's changes and voicemail for Moffat to discuss; e-mail to Wolf with respect to the status of outstanding PST, telephone call with Kana with respect to the status of the sale process, e-mail from Morgan in response to the revised Altus draft

Date	Professional	Description
		agreement and respond; e-mail from Sparrow regarding his discussions with the Purchaser, telephone call with Adam Vassos with respect to the liquor licenses and PST issues; e-mail from Howkins with respect to the status of the purchase and sale and respond by e-mail; e-mail to Kana enclosing the previous weeks weekly report for Benmiller and copy Reid; telephone discussion with Moffat with respect to the Altus Group revised contract and e-mail to Morgan of Altus enclosing same.
8/27/2010	Brown, Rose M	Banking Administration for Benmiller, Elora & HVR location - Prepare report, input deposits, reconciling Merchant deposit and input GL coding, updating various spreadsheets for month end.
8/29/2010	Brown, Rose M	Banking Administration for Benmiller, Elora & HVR location - Prepare report, input deposits, reconciling merchant deposit and input GL coding, updating various spreadsheets for month end.
8/30/2010	Damiani, Stefano	Review of the weekly operations update for HVR; review of Elora sales contract and e-mail to Gerstein on same; review of e-mail correspondence regarding insurance; review of the weekly operations report for Benmiller; e-mails with Puodziunas regarding HVR visit; review of the weekly operations update for Elora for the period-ended August 27, 2010; weekly conference call with representatives of Crescent and the GMs; e-mail correspondence with Ribeiro and Mooney regarding bookkeeping timing; e-mails with Howkins and Gerstein regarding supplier issue at Elora;
8/30/2010	Gerstein, Ira	E-mail from Kana regarding payment of Stikemans' fees, review court order regarding same and e-mail to Casey regarding same; receipt of e-mail from Altus group with respect to the agreement and forward same to Moffat; review draft letter to Barter Group cancelling contract discuss with Litvack and finalize; review payments for insurance premium and files regarding same; e-mail to Damiani regarding status; review various e-mails regarding operations from Mooney.
8/30/2010	Brown, Rose M	Banking Administration for Benmiller, Elora & HVR location - Prepare report, input deposits, reconciling merchant deposit and input GL coding, updating various spreadsheets for month end.
8/31/2010	Damiani, Stefano	E-mail correspondence with Wolf regarding insurance and approval of invoices; telephone discussion with supplier; e-mail correspondence with supplier and Howkins; e-mail correspondence with Ribeiro regarding bookkeeper; e-mail from Howkins regarding the power generator at Elora; discussion with Brown regarding banking; review of marketing invoice from Howkins and e-mails on same; e-mail correspondence with Ribeiro regarding weekly cash disbursements and utilities; drafted letter to insurance company and telephone discussion with Jennie Watts, VP and Brian Grimm of Willis Group; e-mail correspondence with Grimm and Gerstein regarding insurance; e-mails with Howkins regarding Ontario Resorts publication;
8/31/2010	Gerstein, Ira	Discussions with Damiani on waste management systems insurance and general status; telephone call with Telisha of Home Comfort with respect to outstanding billings; e-mail from a patron in respect of a question regarding his event at the Benmiller; discussions with Damiani regarding various issues and file organization.
8/31/2010	Brown, Rose M	Banking Administration for Benmiller, Elora & HVR location - Prepare report, input deposits, reconciling merchant deposit and input GL coding, updating various spreadsheets for month end. Prepare Fax to purchase US Draft and have signed and fax to RBC. Pick up draft at RBC.
9/1/2010	Damiani, Stefano	Review of the weekly cash budget and outstanding cheque list for HVR and e-mail correspondence with Ribeiro on same; review of invoices for disbursements; received proof of claim from creditor; e-mail correspondence with Reid and Puodziunas regarding marketing disbursements and sales initiatives; e-mail

Date	Professional	Description
		correspondence with patron regarding event at HVR; review of e-mails from Litvack to Crescent regarding GST; review of the payroll register for Elora and e-mails with Mooney on same; review of utilities invoice for HVR; review of e-mail and attachment from Eva Gavita of SunLife Financial ("SunLife") regarding employee benefit premiums and e-mails with Brown on same; review of the payroll register for Benmiller and e-mail correspondence with Harvey and Mooney; review of the cash budget for Elora and e-mails with Howkins on same; e-mails with Ribeiro and Mooney regarding bookkeeper and on-line banking; review of e-mail correspondence of CBRE regarding Elora transition and e-mailed additional agenda items to Gerstein; review of the daily cash reporting analysis as at August 31, 2010; review of general liability and liquor insurance invoices and e-mail correspondence with Watts on same; e-mail to Ribeiro and Brown regarding returned payroll funds; review of payroll.
9/1/2010	Litvack, Bryan N	Follow-up with Crescent and controllers regarding how GST input. Responded to Howkins' question at Elora.
9/1/2010	Gerstein, Ira	Preparation for and attendance on a conference call with representatives of CBRE and Aaron Ciancone to discuss closing issues; e-mails to Howkins requesting information with respect to the closing; e-mail from Albertyn, a patron and respond to same by e-mail; discussion with Damiani regarding payment of insurance and other matters; telephone call and e-mail from Casey regarding status and draft e-mail to Casey summarizing discussions with CBRE; receipt and review various e-mails from GMs regarding cash calls;
9/1/2010	Casey, Paul M	Telephone conversation with Gerstein regarding Elora transaction follow up.
9/1/2010	Brown, Rose M	Banking Administration for Benmiller, Elora & HVR location - Prepare report, input deposits, reconciling merchant deposit and input GL coding, updating various spreadsheets for month end. Input and print disbursement cheques; prepare cheques for mailing and file back up.
9/2/2010	Damiani, Stefano	E-mail to Puodziunas regarding forecasts; review of sales contract for Elora and e-mailed same to Howkins; review of executed sales contract for Elora; e-mail to Howkins regarding marketing program; e-mail correspondence with Harvey regarding WSIB calculations; review of marketing disbursement request from Ribeiro; e-mail correspondence with Puodziunas regarding the status of priority 1 capital repairs; review of voicemail regarding status of former employee's vacation pay and e-mail correspondence on same with Howkins; review of the cash reporting schedule for Benmiller; review of voicemail from Gerstein and subsequent telephone discussion with Elora creditor; review of the sales contract listing for Elora; review of disbursements and wire transfers with Brown; telephone discussion with Mooney regarding employee letters, status of bookkeeper and financial statements for HVR; e-mails with Wolf regarding out-of-pocket expenses; review of draft WSIB returns for Elora and HVR, and e-mail correspondence with Mooney and Harvey on same; drafted letter to Crescent regarding property management fees and e-mail to Gerstein on same; review of sales deposit and letter from legal counsel and e-mails to Howkins and Brown;
9/2/2010	Gerstein, Ira	Discussion with Damiani on status; review and sign wire transfers; review correspondence to Crescent regarding outstanding fees and discuss with Damiani; review numerous e-mails between Damiani and Crescent; receipt of correspondence from Michael Hardy, legal representative of a patron and discuss with Damiani, e-mail from Karina Toome of CBRE requesting a signed Confidentiality Agreement.
9/2/2010	Brown, Rose M	Banking Administration for Benmiller, Elora & HVR location - Prepare report, input deposits, reconciling Merchant deposit and input GL coding, preparing Payroll &

Date	Professional	Description
		Manager account wires, updating various spreadsheets for month end.
9/3/2010	Damiani, Stefano	E-mail to Howkins regarding accounts receivable collections; e-mail from Watts regarding liquor insurance; e-mails from Reid and Howkins regarding approval of invoices; review of Crescent invoices provided by Regina Manning; left message with assistant to lawyer representing a patron of HVR; e-mail correspondence with Mal Faust, Sales, Crescent, regarding RFP costs for government clients; review of employee list for Elora; telephone discussion with Reid regarding sales and capital expenditure requirements; meeting with Casey and Gerstein; written correspondence to terminate participation in marketing program for Benmiller and telephone discussion with service provider; review of forecasts for Benmiller, Elora and HVR; e-mail to GM's regarding cash allocations file.
9/3/2010	Gerstein, Ira	Receipt and review employee listing and other information provided by Howkins and draft e-mail to Aaron Ciancone enclosing same; review of various other e-mails from Howkins; review Altus proposal for appeal of property taxes and amend to reflect Elora and forward to Moffat for comments; execute copy of Altus contract and return same to Morgan of Altus and subsequent telephone call with Morgan regarding same; meeting with Casey and Damiani regarding update, review confidentiality agreement provided by CBRE and e-mail to Toome requesting that the Recipient sign the confidentiality agreement, e-mail to Sparrow requesting a status update on the revised marketing process, e-mail to Ciancone requesting the status of the application for the liquor license.
9/3/2010	Casey, Paul M	Meeting with Gerstein and Damiani regarding open points; transaction preparation; review R&D reports; conference call with Stikemans/Murdoch; E-mails to Vassos; other receivership administration.
9/3/2010	Brown, Rose M	Banking Administration for Benmiller, Elora & HVR location - Prepare report, input deposits, reconciling merchant deposit and input GL coding, updating various spreadsheets for month end.
9/5/2010	Brown, Rose M	Banking Administration for Benmiller, Elora & HVR location - Prepare report, input deposits, reconciling merchant deposit and input GL coding, updating various spreadsheets for month end.
9/7/2010	Casey, Paul M	Meeting with Gerstein and e-mails; review bank reconciliations; review operations report and Crescent e-mails.
9/7/2010	Damiani, Stefano	Telephone discussion with Howkins with respect to marketing program, payroll matter and sales contract; e-mail correspondence with Coulson regarding potential sales event; review of the weekly operations update for HVR and detailed e-mail to Ribeiro; e-mail to marketing service provider; review of e-mail from representative of former Elora employee; review of the weekly operations update for Elora; e-mail to Watts with respect to insurance certificate regarding the liquor liability policy; telephone and e-mail correspondence with Jim Dickerson a representative of WSIB; e-mail to Reid with respect to forecasting; e-mail to Ribeiro with respect to the sales contract listing, manager's account cash outflow schedule up to August 31, 2010 and merchant account schedules; review of the weekly operations update for Benmiller and e-mail correspondence with Reid; e-mail to Wolf with respect to property management fees; banking discussion with Brown; review of supplier invoice and e-mail to Ribeiro and Santaliz; e-mail correspondence with Puodziunas regarding capital expenditures; review of the cash requirements schedule for HVR and e-mail to Ribeiro on same; e-mail correspondence with Mooney regarding outstanding information;

Date	Professional	Description
9/7/2010	Gerstein, Ira	E-mail to Lynne Godfrey to determine if she has information related to a Balance Sheets for Tuesday Equities, receipt and review response; e-mail from Toome enclosing a Confidentiality Agreement, review same and sign and return; e-mail from Casey regarding status of issues and respond by e-mail; Damiani on status of insurance issues; e-mails from Deborah Borotsik of CBRE with respect to updated financial reports for Benmiller and respond; e-mail from Casey in response to Mooney's e-mail regarding outstanding PST.
9/7/2010	Brown, Rose M	Banking Administration for Benmiller, Elora & HVR location - Prepare report, input deposits, reconciling merchant deposit and input GL coding, updating various spreadsheets for month end.
9/8/2010	Litvack, Bryan N	Reviewing cash flow forecast for Benmiller for September to December 2010.
9/8/2010	Casey, Paul M	E-mails from Crescent regarding PST & GST arrears; A/R collection matters; draft follow-up e-mail to Mooney; meeting with Gerstein and conference call with Kana; review and distribute CBRE report; conference call with Moffat.
9/8/2010	Damiani, Stefano	E-mail correspondence with Ribeiro and Cyndi Walsh, Accounting Clerk regarding accounts receivable and collections at HVR; e-mail correspondence with Ribeiro regarding IT system issues at HVR; review of e-mails from Mooney and Walsh with respect to direct deposit issues at HVR; e-mails with Howkins regarding patron notifications; review of the accounts receivable sub ledger for Elora and provided comments to Howkins; telephone discussion with lawyer representing a patron of HVR; telephone discussion with Howkins regarding accounts receivable, WSIB, marketing programs; e-mail from Ribeiro regarding kitchen repair and maintenance matter; e-mail from Walsh regarding patron issue at HVR; review of property tax bills for HVR and e-mails with Ribeiro and Gerstein; review of the Manager account cash budget for Benmiller; review of e-mail from Subido and the attached cash call schedules; review of the weekly budget for Elora and e-mailed questions to Howkins on same; discussions with Gerstein regarding property taxes and other liabilities; updated the cash flow forecast for Benmiller; attended the weekly cash call with representatives of Crescent, Shaners and the properties; e-mails to Brown regarding required wire transfers;
9/8/2010	Gerstein, Ira	Telephone call with Glen Eddy, legal counsel to a patron of HVR; e-mails to and from Kana regarding balance sheet for Tuesday Equities; receipt and review correspondence from Orlando regarding a request to have a stay lifted and forward to Moffat; discussions with Damiani regarding payment of property taxes on vacant land; meeting with Casey to discuss status of arrears of PST and status of the liquor license application including a discussion with Moffat regarding PST.
9/8/2010	Brown, Rose M	Banking Administration for Benmiller, Elora & HVR location - Prepare report, input deposits, reconciling Merchant deposit and input GL coding, preparing Manager account wires, and updating various spreadsheets for month end.
9/9/2010	Casey, Paul M	Review and sign estate cheques and transfers; e-mails to Kana; telephone call with Moffat regarding Pearle Hospitality; priority claims.
9/9/2010	Damiani, Stefano	E-mail correspondence with Ribeiro with respect to property taxes and accounts receivable; e-mail correspondence with Puodziunas regarding upcoming event at HVR; prepared and updated the cash flow forecast for HVR; review of e-mail correspondence between Crescent and the Receiver regarding PST and GST liabilities; review of e-mails from Casey on accounts receivable and cash reporting; e-mails with Howkins regarding employee cheques; review of correspondence with Wolf regarding outstanding tax liabilities; e-mail from Mooney regarding water invoice for HVR; e-mails with Howkins regarding collection of accounts receivable; e-mail correspondence with Puodziunas with respect to operations, sales, weekly

Date	Professional	Description
		expenses and upcoming site visits; e-mails with Grimm and review of the updated certificate of insurance;
9/9/2010	Gerstein, Ira	E-mail from Mooney regarding status of PST and GST and respond by e-mail; e-mail from Wolf regarding outstanding PST and GST and review attached schedule and respond by e-mail;
9/9/2010	Brown, Rose M	Banking Administration for Benmiller, Elora & HVR location - Prepare report, input deposits, reconciling Merchant deposit and input GL coding, preparing Manager account wires, and updating various spreadsheets for month end.
9/10/2010	Damiani, Stefano	Preparation of statements of cash receipts and disbursements for Benmiller and Elora; e-mail with Ribeiro regarding property taxes at HVR; telephone discussion with Ribeiro regarding accounts receivable, sales, insurance matter and payroll at HVR; e-mail to Ribeiro regarding accounts receivable; telephone discussion with legal counsel Michael Podrebarac of Gibson & Adams LLP regarding patron at HVR; e-mail correspondence with Howkins regarding wedding event; e-mail to Gerstein regarding cash flow forecasts for Benmiller and HVR; review of updated certificate of insurance; e-mail to Ribeiro regarding forecast items; review of sales contracts for Elora; review of letter from TD Merchant Services and e-mails with Howkins on same; e-mails with Howkins regarding customer collection matter; e-mails with Mooney regarding performance issues regarding the bookkeeper at Elora and potential replacement; telephone discussion with Ribeiro regarding credit matters; telephone discussions with Ribeiro and Harvey and updated the cash flow forecasts for HVR and Benmiller; e-mail correspondence with Mooney regarding the accounting resources at HVR and required financial reporting; e-mail correspondence with marketing service provider; telephone discussion with Puodziunas accounts receivable controls, payroll and operations.
9/10/2010	Gerstein, Ira	Telephone discussion with Moffat with respect to the status of PST and the liquor license, the need for a bankruptcy, Stikeman's fees and the status of the purchaser's liquor license and intentions for the Elora property by the purchaser; meeting with Casey to discuss the status of various issues and to arrange meeting with Equitable; e-mails with Kana regarding property taxes on vacant land.
9/10/2010	Casey, Paul M	Meeting with Damiani regarding status of R&D and cash flow forecast reporting; follow up regarding A/R; Meeting with Gerstein; telephone conversation with Kana.
9/10/2010	Brown, Rose M	Banking Administration for Benmiller, Elora & HVR - Prepare reports, input deposits, reconciling Merchant deposit and input GL coding, preparing Payroll & Manager account wires, updating various spreadsheets for month end.



Summary of Fees

Professional	Position	Hours	Rate	Fees
Paul Casey	Partner	24.9	550	\$13,695.00
Daniel Wiesz	Partner	1.1	500	550.00
Ira Gerstein	Senior Manager	75.6	400	30,240.00
Stefano Damiani	Senior Consultant	165.4	250	41,350.00
Bryan Litvack	Senior Consultant	14.6	250	3,650.00
Jennifer English	Analyst	2.3	110	253.00
Alison Brown	Analyst	0.7	100	70.00
Rose Brown	Administration	<u>232.6</u>	100	23,260.00
Total Hours and professional fees		<u>517.2</u>		\$113,068.00
HST @ 13%				14,698.84
<b>Total Amount Due:</b>				<b>\$127,766.84</b>

Payable upon receipt to: Deloitte & Touche Inc.



Deloitte & Touche Inc.  
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www.deloitte.ca

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

Attention: Kiruban Kana

Date: October 28, 2010  
Invoice No: 2722646  
Client/Mandate No: 908331.1000000  
Partner: Paul Casey

GST Registration No: 133245290

# Invoice

Professional services rendered in our capacity as the Court-appointed Receiver and Manager ("Receiver") of certain properties of Tuesday Equities Ltd. and Prince Royal L.P. including The Hidden Valley Resort, The Benmiller Inn & Spa and The Elora Mill Inn for the period from September 12, 2010 to October 11, 2010.

Date	Professional	Description
9/12/2010	Brown, Rose M	Banking Administration for Benmiller Inn & Spa ("BMI"), The Elora Mill Inn ("Elora") & Hidden Valley Resort ("HVR") locations - Prepare report, input deposits, reconciling merchant deposit and input GL coding, updating various spreadsheets for month end. Return various email requests regarding report to Damiani;
9/13/2010	Litvack, Bryan N	Review July GST returns for each hotel and submit them electronically. Follow-up with Controllers and Shaner Solutions ("Shaners") on support for pre-receivership GST & PST amounts owing. Review Damiani's BMI and HVR cash flows prior to distributing to Crescent Hotels and Resorts ("Crescent") for comment;
9/13/2010	Damiani, Stefano	Discussions regarding petty cash at BMI; review of capital expenditure request from Nick Ribeiro, General Manager ("GM") of HVR; review of invoices for HVR and emails with Ribeiro and Beth Mooney, Controller for Crescent on same; review of the daily cash reporting analysis as at September 7, 2010; e-mail correspondence with Brian Grimm of Willis Group ("Willis") regarding liability insurance; telephone discussion with Michael Sheppard of Royal Bank of Canada ("RBC") regarding general questions of the receivership administration; review of the weekly operations update reports for BMI, Elora and HVR; e-mail to Gerstein regarding agenda for meeting with purchaser of Elora; attendance on the bi-weekly operations conference call with representatives of Crescent and Elora; review of e-mails from Mooney and Gerstein regarding property taxes; updated the statements of receipts and disbursements for BMI and Elora; updated cash flow forecasts for BMI and HVR;

9/13/2010	Gerstein, Ira	E-mails Deborah Borotsik of CB Richard Ellis Group Inc. ("CBRE") and Kiruban Kana of Equitable Trust Company ("Equitable") with respect to the property taxes on the vacant land; voicemail for Mark Sparrow of CBRE with respect the Agreement of Purchase and Sale ("APS").
9/13/2010	Gerstein, Ira	Discussions with Borotsik regarding attendance in Elora to meet with Purchaser; e-mail from Heather Howkins, GM, Elora regarding approval of invoice for Terry Cooper and discuss with Damiani; review R&D's with Damiani, discussions with Litvack regarding outstanding GST and PST and e-mail to Anne Laracade of Sequel regarding same; telephone discussion with Kana regarding Stikeman's invoice; e-mail to Grant Moffat of Thornton Grout Finnigan ("TGF") regarding the status of the draft Altus agreement for the Purchaser's review; telephone call with Sarah Kidd of Pearl Hospitality Inc. with respect to arranging for a call with Aaron Ciancone to discuss the attendance at the property.
9/13/2010	Weber, Haley S	Reviewing the daily actual cash disbursements schedule up to August 31, 2010 for mathematical accuracy for BMI; reviewing the daily actual cash disbursements schedule up to August 31, 2010 for Elora.
9/14/2010	Brown, Alison Jessica	Input and print disbursement cheques. Deposit - copy cheques, input into ascend. Print deposit slip, take to bank.
9/14/2010	Litvack, Bryan N	Email Controllers to get them to send Notices of Assessments ("NOA"s) and GST & PST returns from last year; Prepare backup for July GST returns to be paid; Follow-up with Lisa Harvey, Controller, BMI for her to contact Shaners for differences in June GST ITC's claim
9/14/2010	Damiani, Stefano	E-mail correspondence with Mooney, Ribeiro and Litvack with respect to GST, PST and HST matters; prepared the statement of receipts and disbursements for HVR; review of the sales contract listing for HVR and e-mail from Ribeiro on same; e-mail correspondence with Ed Puodziunas, VP, Crescent regarding capital expenditure for the kitchen at HVR; review of e-mails from Howkins and contractor regarding power generator at Elora; updated the draft cash flow forecasts and e-mails to Puodziunas requesting analysis and comments; e-mail correspondence with Ribeiro regarding collection of sales contract and rebate on same; e-mail correspondence with Puodziunas and Harvey regarding WSIB returns; e-mail to Crescent regarding information required by CBRE and an interested party; telephone discussion with unsecured creditor of HVR; left voicemail messages for TD Merchant Services with respect to stub period liabilities; telephone discussion with Harvey regarding WSIB and merchant service payment calculations; drafted e-mail to the purchaser of Elora and submitted to Gerstein for review; review of the weekly cash budget for HVR and e-mail to Walsh, Accounting Clerk of HVR and Ribeiro on same;
9/14/2010	Weber, Haley S	Reviewing daily actual cash disbursements schedule up to August 31, 2010 for mathematical accuracy for BMI, HVR and Elora.
9/14/2010	Gerstein, Ira	Attendance at the premises and meet with A. Ciancone, L. Ciancone of Pearle Hospitality Inc. and Howkins to discuss various closing and transitional issues, discussions with Damiani regarding status, telephone call with Moffat regarding status of closing and other issues related to closing
9/15/2010	Casey, Paul M	Review R&D Reports and comments; review draft cash flow forecasts for BMI and HVR; discuss status and history of GST/PST arrears and memo to file; telephone call from counsel regarding purchaser's request; emails with CBRE; review letter of intent from Vista; emails to Equitable.
9/15/2010	Litvack, Bryan N	Review and summarize HVR condo statements for July; follow-up with Crescent and Controller regarding GST & PST returns filed.

9/15/2010	Damiani, Stefano	E-mail correspondence with Howkins and Gerstein regarding transition items for Elora; e-mails with Walsh regarding Merchant Accounts; discussions with Gerstein with respect to cash flow, priority liabilities and Elora transition matters; updated the statements of receipts and disbursements; e-mail correspondence with Harvey and Litvack with respect to GST and PST; review of the daily cash reporting analysis as at September 14, 2010; follow up correspondence with Puodziunas regarding information required by CBRE; telephone discussion with representative of TD Merchant Services with respect to status of terminals and accounts; review of e-mail from Puodziunas regarding priority 1 capital repairs; e-mails with Puodziunas and Ribeiro regarding significant accounts receivable balance; review of the updated cash budget for HVR and e-mail to Walsh on same; review of approved G8 invoice for food and beverage; review of the cash budget and outstanding cheque listing for Elora and e-mails with Howkins on same; review of the payroll register and e-mails with Harvey and Crescent on same; e-mail correspondence with Mooney regarding petty cash controls; review of the cash budget for BMI and e-mails with Harvey on same; review of the employee list for HVR; review of tax remittance summaries from Marike Wilson (TimePlus); review of the payroll register for HVR and e-mails with Crescent and Ribeiro regarding same; attended the weekly cash call with representatives of Crescent, Shaners and the properties; e-mails to Brown regarding wire transfers.
9/15/2010	Gerstein, Ira	Review R&D for June, July and August with Damiani; review cash flow forecasts for BMI and HVR; meeting with Casey to discuss same; e-mail from Bruce Morgan of the Altus Group regarding attending at BMI for a site visit and respond by e-mail; telephone call with A. Ciancone requesting an appraisal of the property; telephone call with Moffat with respect to the draft Altus agreement for Elora and revise agreement accordingly and forward to A. Ciancone; e-mails to and from Alnoor Kassam regarding the status of Tuesday Equities Ltd.'s balance sheet, voicemail from Laracade with respect to the status of filed PST and GST on the properties prior to Crescent; telephone discussion with Kana with respect to the status of PST and GST and to arrange a meeting to discuss same; telephone call with Richard Fowle, condo owner, with respect to the status of his cheques; discussion with Moffat regarding payment to condo owners; proof, edit and update voicemail message from Laracade; Damiani on Phil Wolf's request for more funding to hire additional employees; e-mail to A. Ciancone in response to his request for an appraisal of the Elora property; file organization
9/15/2010	Weber, Haley S	Review and adjust WSIB returns for May, June & July for BMI; review and adjust WSIB returns for May, June, & July for Elora Inn; review and adjust WSIB returns for May, June & July for HVR.
9/16/2010	Brown, Alison Jessica	Prepare, approve and send wire transfers for all 3 locations. Input into ascend. Emails / calls to bank to confirm wires.
9/16/2010	Litvack, Bryan N	Prepare HVR condo statements for July and August. Summarize GST & PST pre-receivership amounts in spreadsheet and compare to Crescent's numbers for Gerstein.

9/16/2010	Damiani, Stefano	E-mails with Brown regarding wire transfers; e-mails with Casey regarding accounts receivable and cash flow forecasts; e-mail correspondence with Mooney and Ribeiro regarding payroll issues at HVR and resolutions; attendance on conference call with representatives of Equitable, the Receiver and the Receiver's legal counsel; e-mails with Walsh regarding manual payroll cheques at HVR; e-mail correspondences with Puodziunas regarding cash flow forecasts for HVR and BMI; telephone discussion with Mooney regarding payroll, operations; discussion with Gerstein regarding payroll and condo owner payments; updated the cash flow forecasts for BMI and HVR and e-mail to Casey on same; e-mail to Mooney regarding petty cash controls at the properties;
9/16/2010	Gerstein, Ira	Discussion with Fowle regarding outstanding condo fees; proof, edit, update and finalize letters regarding condo fees; Damiani on status of various matters; telephone call with Howkins with respect to the status of contacting patrons and employee issues; file organization; preparation for and attendance on conference call with Equitable and Moffat to discuss outstanding statutory liabilities and the need for a bankruptcy.
9/16/2010	Casey, Paul M	Attendance on a conference call with Equitable to discuss PST and GST arrears, offer from Vista; subsequent emails and telephone conversations.
9/17/2010	Litvack, Bryan N	Review and print condo statements and letters to be signed and mailed. Answer Gerstein's questions regarding termination and severance pay treatment under WEPP; calculate the potential termination and severance liability for HVR.
9/17/2010	Damiani, Stefano	E-mail correspondence with Magdalena Santaliz, representative of Shaner, regarding banking matters; discussions with Gerstein regarding the application of WEPPA, purchase and sale matters, banking, etc.; e-mail to Gerstein regarding employee listing at HVR; review of e-mail from Mooney regarding direct deposits for HVR employees; e-mail from Howkins regarding disbursements at Elora; e-mail to Puodziunas regarding staffing at BMI; e-mails regarding condo statements and cheques at HVR; review of WSIB calculations and drafted letters to WSIB; telephone correspondence with real estate agent regarding potential sales offer and e-mail correspondence with Sarah Segal of CBRE on same; telephone discussion with Howkins regarding Elora transition and sales contracts; e-mail from Brent Taylor, Bookkeeper regarding HVR disbursement; follow up e-mail to Ribeiro regarding accounts receivable; review of sales offer and e-mail to Segal on same; review of statements from the Ontario Ministry of Finance regarding Elora;
9/17/2010	Brown, Alison Jessica	E-mail correspondences regarding transfers.
9/17/2010	Gerstein, Ira	Telephone call with Moffat regarding issues related to bankrupting the company; discussions with Damiani regarding same; sign condo cheques; finalize letters to condo owners regarding payments; e-mails to CBRE in response to purchasers' requests; review financial information and forward same to Borotsik to post on web site; telephone call with Kana regarding GST and PST and discussion regarding legal fees.
9/17/2010	Weber, Haley S	Review BMI WSIB return for August and May/June/July adjustment and prepare for submission to WSIB.
9/17/2010	Gerstein, Ira	E-mail from Howkins with respect to outstanding GST and PST and forward to Damiani for review, e-mail from Casey with respect to the status of a survey of the property and forward same to Kana for a response; file organization.

9/20/2010	Damiani, Stefano	Review of the weekly operations report for Elora and e-mail correspondence with Howkins and Puodziunas on same; e-mail correspondence with Howkins regarding office equipment leasing company; e-mail correspondence with Cynthia Fuller, Director of HR, Crescent regarding employee at Elora; telephone discussion with Howkins regarding transition, staffing and information required by CBRE; telephone discussion with Seema Aggarwal (TGF) and subsequent e-mail correspondence with Borotsik regarding information required by the purchaser of Elora; e-mails from Ribeiro and Puodziunas regarding fixed asset addition; review of the weekly operations update for HVR and e-mail correspondence with Ribeiro on same; banking matters with Brown; review of the weekly operations report for BMI and detailed e-mail to Kevin Reid, GM of BMI with queries and recommendations for cost reduction;
9/20/2010	Casey, Paul M	Emails from counsel regarding Elora pre-closing matters.
9/20/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling merchant deposit and input GL coding. Revising month end reporting for Damiani. Organizing filing of receipts & disbursements.
9/21/2010	Litvack, Bryan N	Follow-up with Elora on GST/PST returns and about PIER notice. Reviewing GST/PST returns from Elora and updating GST & PST liability spreadsheet.
9/21/2010	Damiani, Stefano	E-mail correspondence with Howkins regarding disbursement and payroll matter for one employee; review of a sales contract regarding a September 2010 event at Elora and e-mail to Howkins on same; e-mails and discussion with Brown regarding banking, merchant account charge backs and cash reporting; review of the weekly cash budget for HVR and e-mail correspondence with Ribeiro regarding same; e-mail correspondence with Ribeiro regarding accounts receivable, inventory and payroll; e-mail correspondence with Howkins regarding CRA notice of outstanding 2009 payroll source deductions; review of the sales contract listing for HVR; updated the statements of receipts and disbursements and e-mail to Weber on same; review of the daily cash reporting analysis as at September 20, 2010; e-mail correspondence with Mal Faust, Sales, Crescent regarding sales training event for HVR and BMI; e-mail correspondence with Walsh regarding accounts receivable collection update; e-mail correspondence with CBRE and Casey regarding offer for HVR; e-mail to the general managers regarding WSIB remittances and filings; e-mail to Ribeiro regarding the status of an updated fire compliance inspection;
9/21/2010	Casey, Paul M	Emails from counsel regarding Elora; receipt of offers for HVR; review and email distribution to Equitable.
9/21/2010	Weber, Haley S	Elora, BMI & HVR to review mathematical accuracy of the daily cash report.
9/21/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling merchant deposit and input GL coding.

9/22/2010	Damiani, Stefano	E-mail correspondence with Casey regarding offers for HVR; review of the daily cash reporting analysis as at September 21, 2010; review of emails and accounts payable attachments from Subido; conference call with representatives of CBRE regarding offers for HVR and overall sales status update; e-mail correspondence with Ribeiro regarding fire compliance inspection; review of trademark search and e-mail to Howkins, Reid and Puodziunas on same; drafted meeting agenda and telephone discussion with P. Casey; review of sales contract and e-mails with Howkins on same; voicemail and telephone correspondence with Diane Gagnon (WSIB) regarding account status; e-mails with Ribeiro and Brown regarding merchant account charge backs; telephone discussion with L. Ciancone regarding Elora; telephone discussion with unsecured creditor of HVR; e-mail correspondence with Puodziunas regarding capital repairs at Elora; review of the Elora budget and e-mail correspondence with Howkins and Crescent on same; review of the cash budget for BMI and e-mails with Crescent and Reid on same; attended the weekly cash call with representatives of Crescent and the properties;
9/22/2010	Casey, Paul M	Attend conference call with CBRE to discuss HVR offers and strategy; telephone call and meeting with Damiani; telephone call with Moffat regarding bankruptcy assignments.
9/22/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling Merchant deposit and input GL coding.
9/23/2010	Damiani, Stefano	E-mail correspondence with CBRE regarding marketing update and negotiations with potential purchaser of HVR; e-mail correspondence with Puodziunas and Howkins regarding fire code compliance at Elora; e-mail correspondence with Puodziunas, Howkins, Reid and Aggarwal regarding trademark questions for Elora and BMI; review of Elora sales contracts for events in September 2010 and October 2010, and e-mails with Howkins on same; e-mails to Weber regarding cancelled cheques and cash flow statements; e-mails with Howkins and Ribeiro regarding accounts receivable; e-mail correspondence with Mooney regarding the financial reporting at HVR; telephone discussion with Casey regarding the sales process, Elora and HVR; e-mail correspondence with Puodziunas regarding Elora transition; telephone discussion with A. Ciancone regarding due diligence matters for the Elora purchase; e-mails with Walsh regarding status of condo statements and remittance; file administration; telephone and e-mail correspondence with Aggarwal regarding written confirmation of specific items from the Elora Purchaser.
9/23/2010	Casey, Paul M	Review CBRE marketing update and draft Receiver's recommendations for CBRE input; emails to Bill Stone of CBRE; collect comments and distribute email to Equitable.
9/23/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling Merchant deposit and input GL coding, preparing Manager account wires.
9/24/2010	Damiani, Stefano	E-mail correspondence with Ribeiro regarding significant accounts receivable balance at HVR; e-mail correspondence with Howkins regarding the Purchaser's due diligence and the status of transition; e-mail correspondence with Puodziunas and Reid regarding operational improvements at BMI; review of the Prince Royal Limited Partnership financial statements for 2006 and email to Weber on same; e-mail from Howkins regarding fire safety at Elora; e-mail with Mooney regarding bookkeeper at HVR; e-mail correspondence with Brown and Puodziunas regarding AMEX charge backs and disputes at HVR; review of the accounts receivable sub ledger for Elora and e-mails with Howkins with respect to collections; review of sales contracts for HVR and e-mailed same to Jo-Anne McGovern, Director of Sales for execution; review of October 2010 sales contract for Elora and e-mailed same to Howkins.

9/24/2010	Brown, Rose M	Copy disbursements for the month of Aug/10 for each location and email to Shaner. Copy Bank Statement for Aug/10 and email to Shaner. Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling merchant deposit and input GL coding. PDF Amex inquiries to HVR for follow up.
9/26/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling merchant deposit and input GL coding.
9/27/2010	Casey, Paul M	Telephone call to Kana to discuss Paul Rice's offer and response, and Vista Letter of Intent; discuss action plan and CBRE comments; emails with Stone; subsequent emails from Equitable; response from Vista.
9/27/2010	Litvack, Bryan N	Review of August HST returns completed by Shaners. Speak to Brown regarding HST returns calculations in prior periods; follow up with Elora on delivering financial information for August to Shaners.
9/27/2010	Damiani, Stefano	Review of the daily cash reporting analysis as at September 24, 2010; telephone discussion with Howkins with respect to issues with patrons for upcoming events; review of the weekly operations report for HVR and e-mail correspondence with Ribeiro regarding same; voicemail correspondence with A. Ciancone regarding Elora; review of the weekly operations update for Elora; review of e-mail from AMEX regarding chargeback issue and forwarded same to Mooney; review of e-mail correspondence between CBRE and the Receiver regarding the sales process and offers; review of the weekly operations report for BMI; e-mails with Borotsik regarding the data site; discussion with Weber regarding the cash flow forecast for HVR; review of letter from legal counsel representing a patron of HVR, and send e-mail response to same; attended bi-weekly operations update conference call with the GMs and representatives of Crescent; e-mail to Casey regarding sales process and capital expenditures for BMI; e-mail to Puodziunas regarding capital expenditure analysis and barter network; e-mail correspondence with Leigh-Anne Venge (TimePlus) regarding CRA payroll accounts.
9/27/2010	Weber, Haley S	Review cancelled cheques from BMI, HVR and Elora for variance analysis.
9/27/2010	Brown, Rose M	Input and print disbursement cheques for tax payment; prepare cheques for couriering and file back up. Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling merchant deposit and input GL coding. Reconcile BMI Event Listing to General Ledger and prepare transfer between accounts.
9/28/2010	Casey, Paul M	Conference calls with CBRE regarding Rice/Vista offers and recommendations to Equitable; emails to Equitable; telephone call with Moffat regarding counter offer to Rice and Elora closing matters; instructions to Damiani.
9/28/2010	Litvack, Bryan N	Follow-up with Shaners on reconciliation for HST returns.
9/28/2010	Damiani, Stefano	E-mail to Puodziunas and Mooney regarding outstanding financial information for HVR; review of sales contracts for HVR and detailed e-mails to Ribeiro and Puodziunas; review of e-mails from Ribeiro and Mooney with respect to accounts receivables, billings and Expedia; e-mail correspondence with Casey with respect to parcel review of BMI; e-mail to Sparrow regarding survey for BMI; e-mail correspondence with Howkins and Puodziunas regarding the barter network; review of the sales contract listing for HVR; prepared employee and sales contract lists for Elora and e-mail and telephone discussion on same; review of e-mail from Reid regarding rain damage to Gledhill building; review of the cash budget for HVR and e-mail to Mooney on same; Review of e-mails from Walsh and Mooney regarding condo statements for June;
9/28/2010	Weber, Haley S	Draft letter for BMI regarding merchant accounts.



9/28/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling Merchant deposit and input GL coding, preparing Manager account wires, and updating various spreadsheets for month end. PDF various Chargeback received from TD Bank and email to HVR. Discuss with HVR to determine chargeback amounts.
9/29/2010	Casey, Paul M	Meeting with Damiani to review R&D, BMI forecast, other offer points; instructions; attend conference call with Vista regarding letter of intent; attend conference call with Equitable regarding strategy on sale of remaining properties; telephone calls with counsel.
9/29/2010	Damiani, Stefano	Review of e-mails regarding billing issue for major customer/tour operator; e-mail to Casey regarding Elora; meeting with Casey regarding Elora transition items, offers, statements of receipts and disbursements, cash flow forecasts, file status, etc.; conference call with Borotsik and potential purchaser of HVR and BMI; conference call with Casey and Moffat; conference call with representatives of Equitable, CBRE and Moffat; review of the HVR payroll register and e-mail correspondence with Mooney regarding same; drafted instructions to Weber regarding payroll registers, merchant accounts, cancelled cheques, etc.; review of the Elora weekly cash budget and e-mail correspondence with Howkins on same; review of e-mail from Subido regarding the weekly cash calls; review of the BMI weekly cash budget and e-mail correspondence with Harvey on same; review of e-mail from Howkins regarding wire instructions; replied to e-mail by Howkins regarding marketing program for Elora; review of e-mail by Weber regarding HVR and BMI payroll; review of explanations to specific BMI disbursements with Reid; e-mail correspondence with Mooney regarding petty cash review and process at BMI; attended the weekly cash call with representatives of Crescent and the properties; wire transfer e-mails to R. Brown; e-mails with B. Mooney regarding payroll tax calculation and reconciliation;
9/29/2010	Weber, Haley S	Reviewed payroll for the week ending Oct 1, 2010 and discussions with Harvey and Mooney regarding payroll questions.
9/29/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling Merchant deposit and input GL coding, preparing Manager account wires, and updating various spreadsheets for month end.
9/30/2010	Litvack, Bryan N	Review August HST returns with R. Brown; Contact Shaners with questions on the returns they prepared.
9/30/2010	Damiani, Stefano	Review of daily cash reporting analysis as at September 28, 2010; review of e-mail from Ribeiro regarding merchant account charge backs at HVR; telephone discussion with Howkins regarding the status of closing of sale, sales contracts and employees; discussion with Gerstein regarding file status; e-mail to Casey regarding review of professional fees; review of e-mails from Harvey and Weber regarding revised payroll; review of e-mails from Kim Robinson, Front Desk, HVR and Puodziunas regarding billing issue for significant tour operator; review black-lined versions of the offer and counter offer for HVR; meeting with Weber regarding the updated cash flow forecast and assumptions for BMI; review of accounts receivable sub-ledgers for the three properties and e-mail summary to Casey; telephone discussion with unsecured creditor of HVR; telephone correspondence with food supplier at HVR and e-mail correspondence with Ribeiro on same; review of e-mail from the Ontario Ministry of Labour and sent e-mails to Puodziunas on same; e-mails to Ribeiro and Mooney with respect to significant outstanding balances for HVR; review of e-mail and statements from Eva Gavita SunLife Financial ("SunLife"); e-mail correspondence with Howkins regarding fire code inspection for Elora; e-mail to Wendy Heineke of Crescent regarding a request for cost reduction recommendations.

9/30/2010	Weber, Haley S	Discussion with Damiani regarding R&D and cash flow forecast; followed up with Mooney and Harvey regarding payroll adjusted for Scott Bell's vacation, an employee.
9/30/2010	Gerstein, Ira	Review numerous e-mails, discussions with Damiani with respect to the status of the file; e-mail to Kassam requesting release of financial information with respect to Tuesday Equities Ltd.; sign wire transfers, discussions regarding payroll approvals with Damiani and Weber; receipt and review claim e-mail from Ministry of Labour regarding a claim made by Cheryl Jeffries and respond by e-mail requesting copy of claim, receipt and review claim and discuss with Damiani.
9/30/2010	Brown, Rose M	Prepare Wires for Payroll and General Manager accounts - PDF each and send to RBC, confirmed processed. Input Wire into general Ledger and file backup. Prepare GST return calculation to report provided by Shaners from Profit Sage. Submit GST return by Netfile for each location. Input and print disbursement cheques for GST & SunLife; prepare cheques for mailing and file back up. Print bank report for Sep 29, 2010.
9/30/2010	Casey, Paul M	Emails regarding corporate books and records; A/R collection; review and approve payroll funding; review draft counter offer to HVR purchaser; discussion with counsel and distribute to Equitable and CBRE for comment; receipt of further correspondence from prospective purchaser; telephone call from B. Stone;
10/1/2010	Damiani, Stefano	E-mail correspondence with Mooney and Ribeiro regarding accounts receivable at HVR; e-mail correspondence with Puodziunas regarding Crescent sales training; e-mails with Howkins regarding accounts receivable collections; merchant account issues at HVR; e-mails with Howkins and Puodziunas regarding fire code compliance at Elora; e-mail correspondence with Jennie Watts of Willis regarding the status of the general liability and liquor insurance invoices and policies; e-mail from Walsh regarding condo owners at HVR; review of the statements of receipts and disbursements and cash flow forecasts, and drafted cover letter regarding same; discussion with Casey regarding Elora and accounts receivable.
10/1/2010	Gerstein, Ira	Estate correspondence; discussion with Casey with respect to fees and status of purchase and sale of HVR and BMI including status of R&D; discussions with Damiani regarding same.
10/1/2010	Weber, Haley S	Tie-out cashflow forecast of HVR and BMI in preparation for quality assurance review and partner review.
10/1/2010	Casey, Paul M	Review various emails and meeting with Gerstein; Meeting with Damiani regarding R&D and Forecast reporting to Equitable; A/R follow up instructions; correspondence for prospective purchasers.
10/1/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling merchant deposit and input GL coding.
10/2/2010	Damiani, Stefano	Meeting with Casey regarding the statements of R&D for each property and cash flow forecast for BMI, and preparation of quality assurance package with respect to same; Review of the weekly operations update for BMI and e-mail to Reid on same; e-mail correspondence with Howkins regarding resignation of sous chef at Elora;
10/2/2010	Casey, Paul M	Meeting with Damiani and review reporting letter to Equitable; R&Ds; BMI cash flow forecast; Meeting with Daniel Weisz regarding Vista and sales process;
10/4/2010	Litvack, Bryan N	Calculate WEPP liability for Elora. Discuss with Damiani the WEPP calculation spreadsheet for HVR and Elora.
10/4/2010	Casey, Paul M	Amendments and issue letter report to Equitable with R&Ds and BMI forecast; review Elora sales contracts data and discuss with Gerstein and counsel; review interim invoice and draft correspondence.

10/4/2010	Gerstein, Ira	Telephone discussion with Moffat with respect to the property taxes owing on the Elora as well as the status of the APS; discussions with Damiani regarding the event contracts and e-mail to Moffat enclosing same; e-mail to Kassam requesting the release of certain information regarding Tuesday Equities Ltd. discussions with Moffat with respect to assumption of sales contracts by the purchaser.
10/4/2010	Weber, Haley S	Perform final review of R&Ds and cashflow.
10/4/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling merchant deposit and input GL coding.
10/4/2010	Damiani, Stefano	Review of the weekly operations update report for Elora; e-mail correspondence with Puodziunas regarding barter network; e-mail correspondence with Howkins regarding timing requirements of fire code testing of dry sprinkler system; review of weekly operations update for HVR and e-mail to Ribeiro regarding same; guidance to Weber on WSIB matter, cancelled cheque review and letter to TD Merchant Services; review of e-mail correspondence with Howkins regarding communications with event patrons; review of employee listing for Elora and e-mail and telephone correspondence with Howkins on same; guidance to Weber regarding statements of receipts and disbursements; review of sales contract listing for Elora and discussion with Gerstein on same; review of reservation summary for Elora and e-mail correspondence with Howkins on same; discussions with Gerstein regarding Elora sale; review of Elora sales contract and e-mailed same to Howkins;
10/5/2010	Casey, Paul M	Telephone call with Stone; review correspondence from Purchasers; set up conference call with Equitable and counsel; meeting with I. Gerstein regarding various matters; telephone call to Elora purchaser.
10/5/2010	Gerstein, Ira	Telephone call with Casey with respect to correspondence from purchaser not assuming the event contracts and to arrange meeting to discuss same; voicemail for A. Ciancone; receipt and review e-mail from Kassam with respect to his position on providing a balance sheet for Tuesday Equities; telephone discussion with Kiruban with respect to paying Stikeman's invoice; file organization.
10/5/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling merchant deposit and input GL coding.
10/5/2010	Damiani, Stefano	Voicemail correspondence from Howkins regarding Elora event patron; e-mail correspondence with Ribeiro regarding VISA matters; review of finalized sales event contract and e-mails with Melissa Coulson, Sales, HVR regarding same; e-mailed wedding contract to Howkins; review of the HVR sales contract list and e-mail correspondence with Ribeiro; review of the daily cash reporting analysis as at October 4, 2010; review of the weekly cash budget for HVR and e-mail correspondence with Ribeiro on same; review of letter from A. Ciancone dated October 4, 2010, with respect to sales contracts and employees of Elora; e-mail correspondence from C. Fuller, Corporate Director of Human Resources Canada, Crescent, Puodziunas and Howkins regarding employee performance; review of e-mail correspondence with Weber and Fuller with respect to WSIB claim at HVR; review of May and June 2010 income statement abstracts for HVR and e-mail correspondence with Borotsik regarding same; banking matters with Brown; e-mail correspondence with M. Faust, Sales, Crescent regarding marketing blitz strategy and training of sales staff;
10/6/2010	Casey, Paul M	Conference call with Equitable and counsel to discuss expressions of interest for HVR and instruction; prepare and issue amended APS with Rice and cover letter; telephone call with counsel; emails with CBRE; meeting with Gerstein.

10/6/2010	Gerstein, Ira	Meeting with Casey, and provide update on various issues such as Stikeman's invoice, Kassams response with respect to financial information of Tuesday, bankrupting Tuesday and Prince Royal and other operational and financial issues; review all offers received in preparation of conference call with Equitable; telephone conference call with Equitable and CBRE with respect to all offers received and agreed to move forward with the Rice offer for HVR, subsequent telephone call with Moffat with respect to timing for bankruptcies and attending in court to get approval of sale; e-mail to Moffat with respect to correspondence with Kassam; discussion with Damiani with respect to BMI's cash requirements and the need to monitor more closely; e-mail to L. Ciancone enclosing a copy of the recent event contract list; telephone call with Kana with respect to the Stikeman's invoice; review correspondence in respect of AMEX merchant services fees and discuss with Weber and Damiani.
10/6/2010	Weber, Haley S	Review weekend A/P including petty cash and Terry Cooper invoice.
10/6/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling merchant deposit and input GL coding. Updating BMI Receipts & Disbursement Schedules with Receiver & Shaners Managers' activity numbers for September 2010.
10/6/2010	Damiani, Stefano	Review of e-mail by Ribeiro with explanations for specific disbursement requests; telephone discussion with Howkins regarding Elora transition, liquor purchases and staffing concerns; review of daily cash reporting analysis as at October 5, 2010; discussion with Gerstein regarding sales offers; e-mail to Weber regarding cash review, cancelled cheques and merchant account letters; review of the weekly cash budget for BMI and detailed e-mail to Harvey (Controller) regarding same; review of weekly cash budget for Elora and e-mail correspondence with Howkins on same; e-mails with Harvey regarding WSIB for BMI; review of e-mail from Weber regarding power generator maintenance costs for Elora; review of wedding contract and e-mail from M. Coulson (Catering Planner & Sales, HVR); e-mails to Puodziunas (VP, Crescent) regarding BMI cash disbursements and cost-benefit analysis of capital expenditures; e-mail to Mooney (Controller, Crescent) regarding weekly cash budgets; review of e-mail from Reid (GM, BMI) regarding food and beverage costs and other disbursements; review of sales contract listing and e-mails with Coulson on same; telephone discussion with event patron of HVR; attendance on weekly cash call with the general managers and representatives of Crescent and Shaners; e-mails to Brown with respect to required wire transfers to the General Manager bank accounts; e-mail correspondence with Mooney regarding bookkeeping resources and financial reporting at HVR; e-mail to Ribeiro regarding accounts receivable collections; e-mail to Mooney regarding current asset listings;
10/7/2010	Casey, Paul M	Telephone call with Stone and respond to Rice with amendments and acceptance deadline; meeting with Damiani regarding various matters.
10/7/2010	Weber, Haley S	Edited merchant account letters based on changes made by Damiani and Gerstein and prepare excel schedule for payment for all three properties.
10/7/2010	Gerstein, Ira	Discussions with Damiani with respect to status; review merchant letters prepared by Weber and discuss; telephone conference call with L. Ciancone and A. Ciancone with respect to the status of event contracts; review e-mail from Howkins to L. Ciancone with respect to the event contracts; review cash report analysis from Brown, e-mail from Puodziunas to Damiani enclosing BMI 4th quarter forecast.
10/7/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR locations - Prepare report, input deposits, reconciling Merchant deposit and input GL coding, preparing Manager account wires for the week. Print various emails received from location - deposit back up.

10/7/2010	Casey, Paul M	Attend Conf call with Pearle Hospitality to discuss Future Events; subsequent telephone conversation with Howkins to discuss Events and other transitional matters;
10/7/2010	Damiani, Stefano	Preparation of Elora transition listing with respect to the expected closing of the sale; e-mail correspondence with Wolf regarding status of Elora transition; e-mails with Ribeiro regarding food and beverage receivables; review of letter from unsecured creditor and left voicemail message for A. Butcher; banking matters with Brown; attended on conference call with W. Heineke of Crescent, Puodziunas, Ried, Howkins and Ribeiro regarding operations, cost reduction plans and capital expenditures; e-mail to Ribeiro regarding workplace safety; telephone call from potential event patron at the BMI;
10/8/2010	Gerstein, Ira	Review draft letters to TD Merchant Visa with respect payment of merchant fees post receivership, Damiani on status.
10/8/2010	Weber, Haley S	Prepare and finalize package related to David Genders' WSIB claim now that Form 7 has been filed.
10/8/2010	Gerstein, Ira	Discussions with Damiani with respect to the status of various issues such as payroll taxes outstanding, event contracts, closing date, BMI costs; instructions to Howkins regarding future bookings, telephone discussion with Dan Murdoch of Stikeman's with respect to payment by the Receiver of Stikeman bill and a general update on status; review draft letter to Kassam and discuss same with Moffat.
10/8/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling merchant deposit and input GL coding. Updating HVR - Receipts & Disbursement Schedules with Receiver & Shaners Manager's activity numbers for September 2010.
10/8/2010	Damiani, Stefano	E-mail correspondence with Ribeiro regarding fire report, purchase of banquet supplies; e-mail from Gerstein regarding discussion with Pearle Hospitality regarding the status of sales contracts; review of e-mail from Howkins to Pearle Hospitality regarding sales contracts; review of the updated BMI forecast for the period October to December, and e-mail correspondence with Puodziunas on same; review of WSIB memo by Weber; e-mail with Howkins regarding rescheduling event at Elora; telephone discussion with Howkins regarding event inquiries and communication plan; e-mail to Howkins and Puodziunas regarding reservations and accommodating specific events at Elora; review of sales contracts for HVR and e-mails to J. McGovern on same; e-mail to M. Faust (Sales, Crescent) regarding contract template;

**Summary of Fees**

<b>Professional</b>	<b>Position</b>	<b>Hours</b>	<b>Rate</b>	<b>Fees</b>
Paul Casey	Partner	26.1	550	\$14,355.00
Ira Gerstein	Senior Manager	48.6	400	19,440.00
Stefano Damiani	Senior Consultant	139.0	250	34,750.00
Bryan Litvack	Senior Consultant	14.4	250	3,600.00
Weber, Haley S.	Analyst	34.8	100	3,480.00
Alison Brown	Analyst	2.7	100	270.00
Rose Brown	Administration	<u>89.8</u>	100	<u>8,980.00</u>
<b>Total Hours and professional fees</b>		<u>355.4</u>		\$84,875.00
<b>Disbursements</b>				
Courier Charges				290.40
Postage and Delivery				388.48
<b>Total Professional Fees &amp; Disbursements</b>				<u>\$85,553.88</u>
HST @ 13%				<u>11,122.00</u>
<b>Total Amount Due:</b>				<b>\$96,675.88</b>

Payable upon receipt to: Deloitte & Touche Inc.



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30 St. Clair Avenue West  
Suite 700  
Toronto, ON M4V 3A1

Date: December 10, 2010  
Invoice No: 2749523  
Client/Mandate No: 908331.1000000  
Partner: Paul Casey

Attention: Kiruban Kana

GST Registration No: 133245290

# Invoice

Professional services rendered in our capacity as the Court-appointed Receiver and Manager ("Receiver") of certain properties of Tuesday Equities Ltd. and Prince Royal L.P., including The Hidden Valley Resort, The Benmiller Inn & Spa and The Elora Mill Inn for the 5 week period from October 12, 2010 to November 12, 2010.

Date	Professional	Description
10/12/2010	Gerstein, Ira	Discussion with Damiani with respect to Heather Howkins', General Manager ("GM") of The Elora Mill Inn ("Elora") contacting patrons and advising employees with respect to the closure of the property and subsequent discussion with Casey regarding same; telephone call with Mark Sparrow of CB Richard Ellis Group Inc. ("CBRE") with respect to his discussions with Paul Rice and the offer, receipt and review copy of e-mail from Rice to Sparrow regarding same.
10/12/2010	Brown, Rose M	Banking Administration for Elora - Input deposits, reconciling Merchant deposits and input GL coding, updating various spreadsheets for month end.
10/12/2010	Casey, Paul M	Account correspondence and meetings with Gerstein regarding Elora transition; e-mail from CBRE regarding Hidden Valley Resort & Spa ("HVR") negotiations;
10/12/2010	Litvack, Bryan N	Follow-up with the Canada Revenue Agency ("CRA") regarding payroll and GST audits for Tuesday Equities Ltd.
10/12/2010	Damiani, Stefano	E-mail correspondence with Nick Ribeiro, GM of HVR with respect to sales contract procedures for specific events in October; review of the weekly operations report regarding Elora; e-mail from M. Faust of Crescent Hotels and Resorts ("Crescent") regarding HVR contract terms; prepared initial draft of the termination notification letter to employees of Elora; review of the weekly operations update for HVR and e-mail correspondence with Ribeiro and Ed Puodziunas (VP, Crescent) on same; review of the weekly operations update for the Benmiller Inn & Spa ("BMI"); review of e-mail by Ribeiro and the attached sales contract listing; telephone discussion with Howkins regarding notification of event patrons with respect to the post-closing period; e-mail correspondence with Howkins regarding sales and marketing expenses; discussion with Gerstein regarding Elora, sales contracts and employment letters;

Date	Professional	Description
10/13/2010	Gerstein, Ira	Preparation for and attendance on a conference call with Equitable Trust Company ("Equitable") and CBRE to discuss status of offer from Rice as well as status of the Elora purchase; receipt and review copy of correspondence from counsel of purchaser of Elora to extend closing date and discuss with Casey; discussions with Damiani regarding various operational issues including Jeffries; advertisement regarding Elora; attendance at the office of Thornton Grout & Finnigan ("TGF") and execute purchase and sale agreement for HVR;
10/13/2010	Weber, Haley S	Review payroll for Elora, BMI & HVR and follow-up with Lisa Harvey (Controller of BMI) and Beth Mooney (Controller for Crescent) regarding any questions; review Petty Cash requisition and follow-up with Harvey regarding questions related to dining room float;
10/13/2010	Brown, Rose M	Send and copy notices of chargeback for HVR & Elora locations. Reconcile events listing to general ledger and discuss differences with Howkins. Print Royal Bank of Canada express report for Oct 8, 2010;
10/13/2010	Casey, Paul M	Receipt of correspondence from Pearle Hospitality regarding extension of Elora closing date; prepare and chair conference call with Equitable and CBRE to discuss HVR sale negotiations; telephone call with counsel regarding amendments to Agreement of Purchase and Sale ("APS"); telephone call from CBRE; attend at TGF offices to execute APS with Rice; e-mails to working group.
10/13/2010	Damiani, Stefano	E-mail to Howkins regarding vacation pay and notice of termination to Elora employees; e-mail correspondence with Howkins regarding proposed refund to an Elora event patron; e-mails with Ed Puodziunas, VP of Crescent and Brown regarding credit card chargeback issues; discussions with Gerstein regarding Elora employees; e-mail correspondence with Mooney regarding payroll for the properties and tax matter for HVR; e-mail correspondence with Howkins regarding return of post-receivership deposit to an event patron; e-mail to Mooney regarding staffing issues at BMI; review of the cash budget for HVR and e-mail correspondence with Ribeiro on same; review of tax liability schedule for BMI and e-mail correspondence with M. Wilson (Payroll Account Manager, TimePlus); review of the Elora cash budget and e-mail correspondence with Howkins; e-mail correspondence with Mooney regarding Elora payroll issue; review of the weekly cash budget for BMI and e-mail correspondence with Kevin Reid (GM, BMI); e-mail from Mooney regarding overtime at BMI; discussion with Gerstein regarding letter from Pearle's legal counsel; collection of accounts receivable at HVR regarding tour operator; e-mails to Brown regarding wire transfers for payroll; review of the daily cash reporting analysis as at October 12, 2010; e-mail to Puodziunas regarding Ministry of Labour claim; attendance on the weekly cash call;
10/14/2010	Gerstein, Ira	Telephone discussion with Kiruban Kana of Equitable regarding fees and Stikeman Elliott LLP ("Stikemans") fees; general discussion regarding status; telephone conference call with Aaron Ciancone, Leanne Ciancone, legal counsel including Grant Moffat of TGF regarding extension of closing date of the Elora transaction; receipt of e-mail from Kim Armour of Firstbrook Cassie & Anderson Insurance Brokers and Financial Services ("Firstbrook") advising of the requirement to renew crime and automobile insurance; review e-mails regarding status of Barter points; telephone discussion with Victor Cordero a patron requesting assistance with respect to a complaint and forward to Puodziunas for a response; review e-mail from Damiani to Mooney requesting clarification regarding the status of financial information; review e-mails regarding status of G8 receivable receipt and review e-mail from Paul Conkle of Crescent enclosing Crescent Management fees for



Date	Professional	Description
		payment;
10/14/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR - Prepare report, input deposits, reconciling Merchant deposit and input GL coding, preparing Manager account wires for expenses & payroll, updating various spreadsheets. Input & complete inputting the figures (Receiver & Manager Accounts) for Elora locations for Sep/10 into monthly R&D schedule -- Reconcile to bank and general ledger in Ascend and pivot table provided by location. Deposits - Photocopy cheque, Input receipt into Ascend and print deposit slip and take to the bank and file back up.
10/14/2010	Casey, Paul M	Attend conference call with Ciancone and counsel regarding extension request for Elora APS; subsequent telephone call to TGF; meeting with Damiani, Gerstein to discuss administration and planning; review and approve payroll transfers.
10/14/2010	Damiani, Stefano	Review of e-mail from Puodziunas and the attached October to December 2010 forecasts for Elora and HVR; e-mail from Mooney regarding accounts receivable at HVR; conference call with Ciancone, legal counsel to Pearle, representatives of the Receiver and the Receiver's legal counsel; meeting with Casey and Gerstein regarding outstanding issues; telephone call with Howkins regarding status of closing date and follow up items; prepared financial information summary listing and e-mail to Mooney regarding same; e-mail correspondence with Puodziunas regarding status of G8 related receivables; e-mail correspondence with Puodziunas and Ribeiro regarding the Barter Network; e-mail correspondence with Puodziunas regarding a memo and analysis on the operations at BMI; e-mail correspondence with Cyndi Walsh (Accounting Clerk, HVR) regarding condo charges; review of e-mail from Phil Wolf (SVP, Crescent) regarding property, general liability and commercial property insurance; e-mail correspondence with J. Watts (Willis) regarding breakdown of insurance premiums by property; correspondence with Gerstein on accounts receivable, insurance, BMI matters; e-mails with Walsh regarding manual payroll cheque; e-mail to Wolf regarding the status of the Elora sale; review of the updated inspection report prepared by the Huntsville Fire Department and e-mails to Ribeiro, Puodziunas on same; telephone discussion with B. Mooney regarding outstanding financial information;
10/15/2010	Casey, Paul M	Telephone call with Pearle Hospitality and draft e-mail confirmation; telephone call to Moffat to discuss; e-mail to Equitable; telephone call to Stone; E-mails regarding Rice information requests;
10/15/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling Merchant deposit and input GL coding, preparing Manager account wires for the week. Print various e-mails received from location - deposit back up. Input and print disbursement cheques; prepare cheques for mailing and file back up;
10/15/2010	Litvack, Bryan N	Review BMI's employee list and e-mail Harvey with questions; Contact CRA to get update on getting payroll and GST audit;
10/15/2010	Casey, Paul M	E-mail to Ciancone regarding Elora closing; meeting with Damiani;

Date	Professional	Description
10/15/2010	Damiani, Stefano	Prepare employee lists for each of the properties and e-mailed same to the GMs; e-mail to Puodziunas regarding "Priority 1" repairs; review of e-mail from Elora event patron requesting cancellation of contract and refund of deposit; e-mail correspondence with Ribeiro regarding third party service provider of annual fire inspection services; e-mail with Puodziunas regarding BMI cost reductions; e-mails with Ribeiro, Puodziunas and Mooney regarding accounts receivable; review of e-mail from Harvey and the attached employee listings for BMI; e-mails with Grimm of Willis Group ("Willis") regarding insurance policies and certificates of insurance; e-mail from Howkins regarding expected volume of operations and labour costs during the first two weeks of November; review of the accounts receivable sub ledger as at October 15, 2010 for HVR; conference call with Ciancone and Casey regarding the status of the Elora transaction; discussion with Casey and the Receiver's legal counsel; review of e-mail correspondence between the Receiver and Ciancone regarding the Elora transaction; discussion with Gerstein on the court report, Elora and BMI operations, cash, Equitable.; e-mails with Wendy Heineke of Crescent regarding operations update call; telephone discussion with Howkins and Gerstein regarding closing status; e-mail to Mooney and T. Spicer of Shaner Solutions ("Shaners") regarding the financial information matrix;
10/17/2010	Casey, Paul M	E-mails with counsel regarding title issues.
10/18/2010	Gerstein, Ira	E-mail from Rice setting out concerns regarding title registrations; e-mail from Casey to Moffat regarding same; e-mail from Moffat setting out e-mail from Torkin Manes LLP ("Torkins") regarding the title search and review same; review APS for requirements regarding purchaser; conference call with Moffat regarding issue and subsequent call with Len Rodness of Torkins regarding same; e-mail to Rice requesting contact information for their lawyer and subsequent telephone call with Rice regarding same; telephone call with Kana regarding information available to assist purchaser with respect to the registrations and subsequent telephone call with Dan Murdoch of Stikemans regarding same; review and sign cheques regarding insurance; e-mail to Rodness enclosing contact information for the purchaser's legal counsel;
10/18/2010	Gerstein, Ira	Telephone conference call with Puodziunas, Mooney and Reid with respect to the cash flow forecasts and review cost cutting memo; telephone conference call with Moffat and Casey to discuss issue of title registrations for HVR and the plan of action;
10/18/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report on cash balances, input deposits, reconciling Merchant deposit and input GL coding. Print e-mail and copies of deposit slips.
10/18/2010	Casey, Paul M	E-mails with counsel and Gerstein regarding purchaser's title inquiries; conference call with Moffat to discuss instructions;
10/18/2010	Litvack, Bryan N	Calculating BMI WEPP liability; Updating WEPP spreadsheets for Elora and HVR; Follow-up with CRA on getting payroll and GST audits;
10/18/2010	Damiani, Stefano	Prepare operating vs. non-operating analysis in November 2010 for Elora and e-mail correspondence with Howkins regarding same; review of e-mail from Rice regarding title issues with respect to HVR; merchant account issues at HVR; e-mails with Puodziunas regarding cash disbursements on IT services, operations updates; e-mails with Howkins regarding property taxes; review of the listings of chattels at HVR and e-mail correspondence with Puodziunas and Gerstein on same; e-mail from Puodziunas regarding fire inspection report and annual independent review at HVR; e-mails with Puodziunas regarding accounts receivable collections;

Date	Professional	Description
		e-mails with Ribeiro regarding chattels, leases and supply contracts; review of the cost reduction and capital expenditure memo prepared by Crescent with respect to the BMI; conference call with Puodziunas, Mooney and Reid with respect to the revised forecast for BMI; drafted outline for the Receiver's third report to the Court; review of incomplete payroll transfer with respect to a HVR employee; e-mail to Gerstein regarding Altus Group ("Altus") agreement for HVR and BMI
10/19/2010	Gerstein, Ira	E-mail from Rice with respect to dropping off information to Equitable and a subsequent telephone call with Kana regarding same; receipt of letter from Firstbrook setting out cancellation of the crime policies; e-mail from Bruce Morgan of the Altus Group requesting authority to visit BMI and e-mail to Reid advising of same and respond by e-mail to Morgan; e-mail from Ken Laimon, solicitor for purchaser of HVR requesting extension of the title due diligence date and discuss with Casey; e-mail from Rodness setting out his discussions with Murdoch regarding Cassels Brock & Blackwell LLP ("Cassels Brock"); conference call with Rodness and Moffat regarding title registrations and an extension to the purchaser; discussions with Damiani regarding status;
10/19/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report on cash balances, input deposits, reconciling Merchant deposit and input GL coding. Print e-mail and copies of deposit slips. Print disbursement cheques for Elora and HVR and PDF and send to Shaner. Input and print disbursement cheques; prepare cheques for mailing and file back up.
10/19/2010	Casey, Paul M	E-mails and meeting with Damiani regarding draft Court Report and other matters; e-mail to counsel regarding title questions from HVR purchaser;
10/19/2010	Litvack, Bryan N	Reviewing HVR employee list; create comparison spreadsheet comparing employee list in September to October and e-mailing Ribeiro to explain the discrepancies;
10/19/2010	Damiani, Stefano	Review of the weekly operations report for the week-ended October 15, 2010 at HVR; e-mail correspondence with Ribeiro regarding accounts receivable collections; review of the weekly operations update for BMI; review of e-mail from Harvey regarding cancellation of supplier agreement; review of the weekly operations report for Elora; e-mail correspondence with Mooney and Spicer regarding financial information matrix and summary; e-mail to Ribeiro regarding employee lists; e-mails with Howkins regarding Elora forecast for November; review of e-mail by Gerstein with respect to Altus site visit at BMI; review of letter from FCA Insurance with respect to notice of non-renewal; review of September condo information and e-mails with Walsh on same; e-mail from Ribeiro regarding merchant account chargeback; meeting with Casey regarding file status; e-mail to GMs with respect to September 30, 2010 information; review of property tax information for Elora per Howkins' e-mail; review of employee list for HVR and e-mail to Gerstein on same; prepared Elora operating analysis and compared with version updated by Howkins, and telephone call with Howkins on same;
10/20/2010	Weber, Haley S	Review R&Ds for Elora, BMI, HVR for September and understand variances in BMI from forecast.
10/20/2010	Gerstein, Ira	E-mail from Melissa Coulson requesting approval for event contracts; receipt and review copy of crime policy from Firstbrook; e-mail from Rodness requesting status on commitment letter from Equitable and respond by e-mail; e-mail from Morgan with respect to the status of the property tax appeals; e-mail from Rodness setting out his discussions with Laimon with respect to an extension of the APS, file organization; discussion with Damiani regarding status of various issues;
10/20/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report on cash

Date	Professional	Description
		balances, input deposits, reconciling Merchant deposit and input GL coding; Print e-mail and copies of deposit slips;
10/20/2010	Casey, Paul M	E-mail exchange with HVR purchaser and responses; memo; meeting with Damiani;
10/20/2010	Damiani, Stefano	E-mail to Harvey regarding termination of service provider; review of the weekly cash budget for HVR and e-mail correspondence with Ribeiro on same; prepared statements of receipts and disbursements for the properties with respect to September 2010; review of the updated weekly budget request for HVR; e-mail to Reid and Puodziunas with respect to quotes and analysis of the Gledhill roof replacement; meeting with Weber regarding statements of receipts and disbursements, merchant services accounts, WSIB, cancelled cheque review and payroll matters; review of the weekly cash budget and supporting schedules for BMI; review of e-mail from Brown regarding merchant account issues at HVR; review of the daily cash reporting analysis as at October 19, 2010; review of the Elora cash budget and e-mail to Howkins on same; review of e-mails from Subido with respect to the cash call; e-mail correspondence with Kana with respect to outstanding financial reports for the properties; review of memo that summarized a voice mail by Ciancone with respect to the closing of the Elora transaction; e-mail correspondence with Puodziunas with respect to the Barter Network and consumption of remaining points; attendance on weekly cash call with representatives of Crescent, Shaners and the GMs; e-mails to Brown with respect to wire transfers; e-mail from Harvey regarding payables; telephone discussion with Howkins regarding Hydro and operating analysis;
10/21/2010	Gerstein, Ira	Telephone call with Rodness regarding status of his conversation with Rice's legal counsel regarding registrations; telephone call with Kana regarding commitment letter; meeting with Damiani with respect to the status of a number of issues; meet with Weber with respect to the status of the Hydro; telephone conference call with Kana and Damiani with respect to the status of cash flow forecasts for BMI; e-mail from Ms. Seema Aggarwal of TGF requesting a copy of the survey for HVR, discuss with Kana and respond to Agarwaal; subsequent discussion with Casey and Damiani regarding status of Elora and shutting down and terminating employees as well as a discussion regarding HVR;
10/21/2010	Weber, Haley S	Review Elora hydro electric disconnection notice; review all e-mails from Gerstein, Damiani and Howkins regarding disconnection; two telephone conversations with Debbie at Wellington Hydro regarding: disconnection and who has been in contact; speak with Koroneos regarding agreements with Wellington in connection with deposit; draft letter to Wellington; review R&D utility related support and draft for Harvey and Howkins for R&D;
10/21/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report on cash balances, input deposits, reconciling Merchant deposit and input GL coding. Print e-mail and copies of deposit slips. Input and print disbursement cheques; prepare cheques for mailing and file back up.
10/21/2010	Casey, Paul M	Telephone calls with Moffat regarding HVR and Elora transactions; meeting with Gerstein and Damiani regarding transitional issues.
10/21/2010	Litvack, Bryan N	Follow-up with CRA on GST/Payroll audits; review CAHR issue regarding demanding refund from Receiver; respond to Harvey regarding Pitney Bowes machine; calculate the HVR condo payments owing for September;

Date	Professional	Description
10/21/2010	Damiani, Stefano	E-mail correspondence with Howkins and Gerstein with respect to Hydro and the municipality; e-mail to Gerstein regarding termination letters; review of updated analysis with respect to November operations at Elora and e-mail correspondence with Howkins on same; discussion with Gerstein regarding Elora, financial information and operations; meeting with Gerstein and draft listing of critical items to be addressed; voice-mail correspondence with representative of SOCAN regarding Elora; e-mails with Howkins regarding patron deposit; e-mail correspondence with Reid with respect to quotes for the roof of the Gledhill building; e-mails with Ribeiro regarding G8 related billing; telephone discussion with Kana and Gerstein with respect to the statements of R&D for the period May 26, 2010 to August 31, 2010, the BMI cash flow forecast to December 31, 2010, status of properties and other general operating issues; meeting with Casey and Gerstein regarding the status of the transactions relating to Elora and HVR; e-mail with Howkins regarding notification to patron and update on Elora closing; e-mails to Kana with respect to the Receiver's first and second reports to the Court;
10/22/2010	Gerstein, Ira	E-mail and voicemail for A. Ciancone regarding conference call; draft correspondence to Crescent terminating contract and forward to Moffat for comments; telephone conference call with A. Ciancone, Casey and Damiani regarding status of contracts and amending agreement, review amending agreement and telephone call with Moffat regarding same; forward copy of amending agreement to Ciancone; discussions with Damiani regarding attending on Monday to terminate employees; e-mail to and from Howkins regarding attending on Monday; telephone call with Kana regarding providing commitment letter; finalize letter to Wellington Hydro regarding deposit; review letter to Ontario Racing regarding return of deposit; telephone conference call with Damiani, Kana and Casey with respect to closing down Elora; confirm receipt of deposit from Ciancone;
10/22/2010	Weber, Haley S	Draft R&D utility note and review utility support from HVR provided by Ribeiro and Brent; prepare R&Ds to be given to Casey; review WSIB remittance for August and September for HVR and Elora; fax and prepare letter for Wellington Hydro regarding disconnection; review Elora cash flow forecast for mathematical accuracy, links and validity of the assumptions; discuss Elora cash flow forecast with Damiani
10/22/2010	Casey, Paul M	Attend conference call with Pearle Hospitality, review and issue Amendment to APS; meeting with Gerstein and Damiani regarding transitional issues and planning; Attend conference call with Kana, Equitable; telephone call to Stone to update;
10/22/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report on cash balances, input deposits, reconciling Merchant deposit and input GL coding. Print e-mail and copies of deposit slips.
10/22/2010	Litvack, Bryan N	Review ORC's request for refund of their deposit; prepare letter to ORC along with refund cheque; preparing documents to put on the CBRE eRoom; update letter for HVR condo payments for September;

Date	Professional	Description
10/22/2010	Damiani, Stefano	E-mail correspondence with Ribeiro regarding accounts receivable, information for CBRE and provided a copy of the requested Court Order; e-mail to Judy Rodrigues regarding the Elora termination letter; review of the draft Elora amending agreement; review of e-mail from Casey regarding HVR title issue and plan of action for Elora; review of the draft termination letter with respect to Crescent's services for Elora; meeting with Weber regarding analysis of whether to operate or not operate Elora; approved capital repair item for the kitchen at HVR; telephone discussion with Howkins regarding potential announcement of termination of employees and discussion of key employees; e-mails with Ribeiro and Puodziunas regarding third party fire inspection quotes; review of the mortgage commitment letter with respect to HVR; e-mail correspondence with Ribeiro regarding the Barter Network; left voice-mail message for Ciancone regarding the signing of the amending agreement for Elora; telephone call with Kana and representatives of the Receiver with respect to the Elora sale and operating analysis; review of WSIB tracking schedule as at October 25, 2010; drafted letter to Equitable with respect to the analysis of whether to operate or not operate Elora; review of the daily cash reporting analysis as at October 21, 2010;
10/23/2010	Casey, Paul M	Review correspondence to Equitable regarding Elora closure and comments to Damiani.
10/24/2010	Damiani, Stefano	Review of the updated employee listing for Elora and e-mail to Litvack on same; e-mail to Puodziunas and Mooney regarding HVR and BMI; e-mail to Puodziunas and Mooney regarding the outstanding financial information matrix and files; e-mail correspondence with Ribeiro regarding accounts receivable collections; review of e-mail by Casey and the updated letter regarding Elora; review of the weekly operations update for HVR and e-mailed detailed questions to Ribeiro on same; review of the weekly operating update for Elora; e-mail to Weber regarding WSIB filings; review of e-mail from Howkins regarding staff meeting and potential opportunities for new employment at other Pearle properties; review of e-mail from Puodziunas regarding the closing matters for Elora; review of sales contracts for HVR and e-mail correspondence with Coulson on same;
10/25/2010	Gerstein, Ira	Receipt and review employee termination letter and sign; discussion with Casey regarding status; telephone call with Howkins to change meeting time; telephone call with A. Ciancone regarding status of amending agreement; e-mail to L. Ciancone with respect to the status of the negotiations for the event contracts; Weber on letters to Labour Board regarding Cheryl Jeffries and Terry Cooper; preparation for and attendance in Elora and meet with Howkins to discuss closing issues such as contracts, employees, and a subsequent formal meeting with the employees to terminate employment; telephone discussion with Casey regarding status of terminations and other matters; voicemail for Kana regarding event contracts; e-mail to A. Ciancone with respect to retaining Terry Cooper as well as status of Altus contract;
10/25/2010	Weber, Haley S	Draft Ministry of Labour claim letter regarding Jeffries; Draft termination letter regarding Cooper and discuss the nature of his duties; review Shaner manager account cheques and reconcile information received from Crescent; follow up on missing documentation; review WSIB for September at HVR & Elora;
10/25/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report on cash balances, input deposits, reconciling Merchant deposit and input GL coding. Print e-mail and copies of deposit slips. Review GST back up received and setup Sep/10 folders for calculation. Telephone call with Shaner regarding figures.

Date	Professional	Description
10/25/2010	Casey, Paul M	Meetings with Gerstein regarding Pearle Amendment; follow-up with Equitable regarding consent to Receiver's recommendation; issue correspondence to Kana; planning and telephone calls regarding employee communications regarding closure; debrief with Gerstein; review weekly operating report; sign authorization and Amending Agreement.
10/25/2010	Damiani, Stefano	E-mail correspondence with Ribeiro regarding accounts receivable, sales packages and snow removal plan; review of the operations report for the BMI for the week-ended October 22, 2010; review of e-mails from Kana and Gerstein regarding Elora; review of the daily cash reporting analysis as at October 22, 2010; review of e-mail from Gerstein regarding Ministry of Labour information request; review and comments regarding BMI inventory findings by Weber; e-mail correspondence with Weber regarding power generator at Elora; e-mail correspondence with Howkins with respect to termination of supplier agreements; review of e-mail by Weber to Crescent regarding supporting document for specific cheques issued at the BMI;
10/26/2010	Weber, Haley S	Edit Cooper letter based on changes made to terms of agreement with hotel shutdown; review HVR petty cash disbursements;
10/26/2010	Gerstein, Ira	E-mail from Howkins regarding the claim to equipment by the spa owner and respond by e-mail; discussions with Damiani with respect to my attendance at Elora to terminate employees and other closing requirements; discussions with Weber regarding response to Jeffries claim, Cooper issues and R&D issues; e-mails from Ribeiro regarding write offs on G8 receivables, receipt and review e-mail from Ms. Barbara Uysal of the Ministry of Labour enclosing various claims from former employees; review letters to Cooper regarding termination;
10/26/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report on cash balances, input deposits, reconciling Merchant deposit and input GL coding. Print e-mail and copies of deposit slips. Reconcile Event listing to General Ledger for BMI locations.
10/26/2010	Casey, Paul M	Review TGF and TM security opinions; telephone call to Moffat regarding HVR and Elora transaction matters; review operating reports and other file correspondence;
10/26/2010	Damiani, Stefano	E-mail to Puodziunas regarding the wind down of the barter network; e-mail from Brown regarding merchant account charge backs at HVR; e-mail correspondence between the Receiver and Howkins regarding the ownership of spa related assets; review of e-mail by Gerstein regarding Elora employees; e-mail by Gerstein regarding BMI cash position; review of the weekly cash budget for HVR and e-mail correspondence with Ribeiro regarding same; review of the daily cash reporting analysis as at October 25, 2010; review of e-mail from Gerstein to Purchaser of Elora regarding sales contracts; review of quote to replace eavestroughs at the Gledhill House at BMI; review of e-mail from Howkins regarding LCBO return policy issues and Beer Store credit for unopened cases; review of the BMI sales contract listing; review of the accounts receivable subledger for HVR and e-mail to Ribeiro regarding the status of outstanding balances and instructed our expected timing of collection; voice mail message from Wolf regarding the Elora closing; e-mail with Howkins regarding the return of property owned by third parties;
10/27/2010	Gerstein, Ira	Discussions with Damiani with respect to the status of employees, contracts, inventory and other closing issues; meeting with Casey and Damiani to discuss status of a number of issues including title registrations; review letter regarding Jeffries and discuss with Weber; review and update letter to Cooper regarding

Date	Professional	Description
		termination and extension of verbal contract; review e-mail from Rice regarding status; discussions with Damiani regarding Crescent and its fees;
10/27/2010	Weber, Haley S	Review payroll for HVR, Elora & BMI; draft court report for May-Aug 2010; edit R&D information for September; edit Jeffries Ministry of Labour letter with respect to discussions with Gerstein;
10/27/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report on cash balances, input deposits, reconciling Merchant deposit and input GL coding. Print e-mail and copies of deposit slips. Print documentation received for BMI & Elora GST returns. Start review calculations. Prepare transfer between account (HVR to BMI) and input into General Ledger and file back up.
10/27/2010	Casey, Paul M	Review and sign estate disbursements; meeting with Gerstein & Damiani regarding transaction and other estate administration; meeting with Brown regarding: HST and other administration.
10/27/2010	Litvack, Bryan N	Prepare letters to suppliers to cancel their contracts with Elora. Notify Howkins of the process for returning 3rd party property. Follow-up with CRA on getting payroll/GST audits. Draft WEPP letter for Elora. Review Sept HST returns and contact HVR staff with questions.
10/27/2010	Damiani, Stefano	Discussion with Gerstein regarding Elora employees, sales contracts, staffing in November; e-mail correspondence with Howkins regarding remaining wine inventory; meeting with Casey and Gerstein regarding file status and key issues; review of the weekly cash budget for BMI and e-mail correspondence with Reid on same; e-mail correspondence with Reid and Puodziunas regarding roof repairs at BMI and supporting information; discussion with Weber regarding payroll and Elora employees; e-mail from Reid regarding solar panels at BMI; review of the weekly cash budget for Elora; review of e-mail from Subido and the attached payable summaries; e-mails with Howkins regarding waste collection and utilities; review of the daily cash reporting analysis as at October 26, 2010; attendance on the weekly cash calls with representatives of Crescent, Shaners and the properties; e-mails to Brown regarding wire transfer requests; e-mail from Elora Purchaser regarding sales contracts; e-mails to Reid regarding capital expenditure requests and liquor inventory action plan;
10/28/2010	Gerstein, Ira	Telephone conference call with Crescent and Howkins to discuss closing and transitional issues; subsequent e-mail to Wolf with respect to insurance issues and Crescent contract issues; review R&D's to September 30, 2010; edit, update and finalize letters to Ministry of Labour regarding Jeffries and finalize letter regarding termination of Cooper; discussion with Weber with respect to advising Howkins not to release any property without the receiver's consent; discussion with Casey in response to e-mail from Rice requesting an extension; discussions with Weber with respect to the R&D's; receipt and review copy of confidentiality agreement for Marcel Buchey re BMI and respond and request that Buchey execute a copy of the document;
10/28/2010	Weber, Haley S	Edit R&D's; discuss R&D with Gerstein;
10/28/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report on cash balances, input deposits, reconciling Merchant deposit and input GL coding. Print e-mail and copies of deposit slips. Telephone calls to Shaner regarding GST. Review and input data received from Shaner for GST returns. Print Receiver general ledger to determine ITC. Prepare Payroll and expense funding Wire to Shaner accounts, input into general Ledger and file back up.



Date	Professional	Description
10/28/2010	Casey, Paul M	E-mails; meeting with Moffat to discuss HVR closing issues and response to Rice request for extension of Title Due Diligence date; Telephone call to Paul Rice; telephone call and e-mail to Kana; meeting with Gerstein; meeting with Damiani; instructions to counsel; estate correspondence.
10/28/2010	Litvack, Bryan N	Conference call with Crescent and Shaner regarding: closing Elora. Call Sun Life on what is required to close Elora benefits. Draft and send letter to Sun Life regarding: terminating Elora policy. Respond to Howkins's questions.
10/28/2010	Damiani, Stefano	Detailed e-mail correspondence with Howkins with respect to the closing of Elora on October 31, 2010; e-mail to Howkins regarding reservations and discussion with Litvack on same; conference call with Crescent and the Receiver regarding the Elora closing plan; discussion with Weber regarding the statements of receipts and disbursements; e-mail to Howkins regarding liquor inventory; review of e-mails by Weber and Howkins regarding spa assets at Elora; review of e-mail of Rodness regarding the status of the title review and the extension of the requisition date for HVR; e-mail correspondence with Crescent regarding Elora website; e-mail of Wolf regarding insurance matters for Elora; review of the Receiver's letter to the Ontario Ministry of Labour; e-mail correspondence with Ribeiro and Puodziunas regarding PPSA registration at HVR; provided comments regarding the Elora employee termination tracking schedule;
10/29/2010	Weber, Haley S	Answer questions from WSIB regarding payments to-date on account; update R&Ds for September regarding changes;
10/29/2010	Gerstein, Ira	E-mail from Kana requesting copy of Torkin invoice, review e-mail from Casey and note that invoice indicates style of cause with Brainhunter, call to Moffat regarding same; discussion with Yanny Chiu of TGF regarding same; e-mails to Kana retracting invoice and respond to Kana's e-mail regarding same; Weber on R&D's; review letter to Equitable regarding same; discuss same with Damiani, various e-mails from Howkins regarding closing issues; sign wire transfer for GST, discuss with Litvack;
10/29/2010	Casey, Paul M	Meeting with Damiani and Gerstein; Telephone conversations with Stone regarding remarketing of BMI; draft e-mails to Equitable with recommendations; telephone conversation with Seema regarding survey recommendation regarding HVR land; HST Returns;
10/29/2010	Brown, Rose M	Print HST report received from Shaner for HVR; print HST calculation sheet for three locations and review with Litvack; Input HST online with the government Netfile system and print reports. Input and print disbursement (HST & Sunlife) cheques; prepare cheques for mailing and file back up. Prepare Wire instruction sheet for Elora and e-mail to payroll company. Review Elora GL's regarding opening balance on R&D's. PDF chargeback received for the HVR location and e-mail to the location. Input chargeback into the general Ledger and file backup.
10/29/2010	Litvack, Bryan N	Preparing WEPP documents for Elora; Reviewing September HST returns; Follow-up with HST questions with Harvey and Howkins; Speak to CRA auditor about getting payroll/GST audits for Elora and BMI; Called TimePlus regarding ROE's and T4's for Elora next week;

Date	Professional	Description
10/29/2010	Damiani, Stefano	Drafted letter to Equitable with respect to operations and cash reporting to September 30, 2010; instructions to Brown and Weber regarding change in bank accounts for the funding of future payrolls; e-mail correspondence with Howkins and Weber regarding employee termination matters; review of e-mail by Casey regarding marketing of the BMI; revisions to the statements of receipts and disbursements for May 26-September 30, 2010; e-mail from Howkins regarding assets; e-mail from C. Fuller (Corporate Director of HR Canada, Crescent) regarding Elora employees; telephone discussion with Howkins regarding employee matters, security services quote, liquor and general closing matters; review of e-mail from Casey regarding remarketing BMI and the attached CBRE flyer; e-mail correspondence with Howkins regarding CRA audits and security; review of WSIB remittance for HVR; e-mail to Litvack regarding financial information to be posted on the CBRE datasite; e-mail to Mooney (Controller, Crescent) regarding credit card chargebacks at HVR;
10/30/2010	Casey, Paul M	Commence Review of Cashflow report for month of September;
10/31/2010	Casey, Paul M	Review R&D results and edit reporting letter to Equitable;
11/1/2010	Gerstein, Ira	Voicemail and e-mail from Kana requesting cash flow update for BMI and respond by voicemail; e-mail from Weber regarding backup documentation and e-mail to Wolf regarding same; discussion with Damiani regarding status of Elora closing; review condo letters; e-mail to Leanne requesting confirmation that she has spoken to each of the patrons; telephone conference call with Stone, Sparrow, Moore, Kulkowitz, Casey, Damiani with respect to future marketing efforts regarding BMI, review financial statements for BMI and discuss with Damiani; e-mail from Puodziunas asking whether mortgage interest should be included in 2011 budget and respond by e-mail; e-mail from L. Ciancone confirming that she had contacted all patrons and discuss preparation of a letters to patrons with Anna Zailer; e-mail from Kana requesting information with respect to Crescent financial statements for BMI; review financial statement and e-mail to Puodziunas and Mooney for clarification and discuss with Damiani; telephone call with Moffat with respect to the Elora Altus agreement and e-mail from Morgan regarding same; telephone call with Rice regarding the Altus agreement for HVR and e-mail a copy of same; telephone call with Mike Hastings, a patron who purchased a gift certificate; review draft of Elora Altus agreement prepared by Moffat and voicemail for Moffat regarding same; review July letters sent to patrons to draft letter regarding return of funds;
11/1/2010	Weber, Haley S	Coordinate payroll related matters including following up with Brown and Howkins regarding Time Plus, coordinating with Litvack regarding notifications Timeplus, coordinating with Gerstein regarding: change of payroll accounts; make changes requested by Casey on September R&Ds; reallocate costs in HVR that have been inappropriately allocated to the admin account.
11/1/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling Merchant deposit and input GL coding. Print various e-mails received from location - deposit back up. Reconcile Event list for Elora location to the bank and general ledger. Prepare transfer of funds between operating & Trustee account for the Elora location. Input into Ascend and file back up.
11/1/2010	Casey, Paul M	Attend conference calls with Equitable Team, CBRE and counsel to discuss remarketing alternatives for BMI Inn; e-mail Rice; HVR; meeting Gerstein & Damiani regarding Elora closing; e-mail Kana Equitable; others.

Date	Professional	Description
11/1/2010	Litvack, Bryan N	Contact Cogeco Cable to cancel at Elora; preparation of financial statements to upload to CBRE eRoom; research and completing Termination Notice for Ministry of Labour; contact Howkins about termination of Bell telephone lines; follow-up on coordination of final payroll for Elora;
11/1/2010	Damiani, Stefano	Review of the weekly operations report for the BMI; review of e-mail from Ribeiro and quotes regarding annual fire inspection; review of the proposed November staffing and security schedule for Elora, and e-mail correspondence with Howkins on same; review of the weekly operations report for HVR; review of allocations of cash disbursements made at HVR for proper reporting; e-mail from Howkins and operating service provider regarding closure of account status; review of additional credit card chargebacks and e-mail correspondence with Mooney and Brown regarding same; e-mail to Howkins regarding closing of Elora; voice mail message from Howkins regarding status of a remaining employee; telephone discussion with Howkins regarding various items on the closure of Elora; attendance on conference call with representatives of CBRE and Equitable; review of the weekly operations report for Elora; e-mail correspondence with Ribeiro regarding winter sales packages and media inquiry; updated the letter to Equitable and the statements of receipts and disbursements; discussion with Gerstein regarding WEPPA, financial information and sales contracts for Elora; e-mail correspondence with Weber regarding banking change for payroll disbursements; review of e-mail from Sparrow and the attached draft flyer for BMI; e-mails with Ribeiro and Harvey;
11/2/2010	Gerstein, Ira	E-mail from Puodziunas requesting information regarding new purchaser of HVR and respond by e-mail; e-mail from Morgan regarding authority to discuss Property tax appeal for HVR with Rice and respond by e-mail; voicemail for Morgan regarding Elora; telephone call with Nick Kurry a patron with respect to the status of his event at Elora; Damiani on e-mails from Howkins regarding the wine inventory; Webber on contacting the Alcohol and Gaming Commission of Ontario ("AGCO") regarding disposal of unopened bottles of liquor; e-mail from Kana requesting premiums paid on BMI, review insurance and respond by e-mail; discussion with Damiani regarding crime insurance; telephone discussion with Morgan with respect to the status of Elora property tax appeal; review draft Elora contract with Altus and forward same to Morgan for review; general file organization;
11/2/2010	Weisz, Daniel	Quality Review of reporting letter and statements of receipts and disbursements for period to September 30, 2010;
11/2/2010	Weber, Haley S	Reviewed and edit September R&Ds based on Casey and Weisz reviews. File administration regarding R&D reporting letter; telephone call to AGCO regarding Elora liquor stock;
11/2/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling Merchant deposit and input GL coding. Print various e-mails received from location - deposit back up. Reconcile Pivot Table for Manager account for BMI location to previous reports. Review payment of tax bills and pull various for back up.
11/2/2010	Casey, Paul M	E-mails to Equitable regarding Rice inquiries; e-mail counsel regarding land transfer tax; telephone calls to Bill Stone regarding Vista interest in BMI; e-mail to Equitable regarding BMI sale process; meeting with Damiani regarding BMI CAPEX and other receivership matters; revise and issue reporting letter to Equitable;
11/2/2010	Litvack, Bryan N	Follow-up with Cogeco on cancelling cable and retaining Internet. Update

Date	Professional	Description
		Howkins on cancellation of services. Update WEPP worksheets. Correspondence with TimePlus to issue ROE & T4's for employees terminated at Elora.
11/2/2010	Damiani, Stefano	E-mail from Mooney regarding credit card charge back explanations at HVR; e-mail to Howkins regarding billings at Elora; review of roof quotes and e-mail correspondence with Puodziunas; review of e-mail correspondence with B. Grimm (Willis), J. Watts (Wills) and Wolf (SVP, Crescent) regarding insurance policies for Elora and crime insurance for HVR and BMI; voice-mail message for S. Aggarwal (TGF); e-mail regarding liquor and food inventory from Howkins; e-mail correspondence with Puodziunas regarding winter packages at HVR; e-mail correspondence with Howkins and Litvack regarding utilities at Elora; telephone call with Howkins regarding LCBO, accounts receivable collections, staff tasks and security services; review of inventory listings provided by Howkins and discussion with Gerstein on same; drafted letter to Wolf and information package for Gerstein review; review of the daily cash sheet provided by Howkins; review of e-mail by Casey regarding BMI marketing matter; updated the letter with respect to the statements of receipts and disbursements; e-mail correspondence with L. Venge (Director, Payroll Operations) and Litvack regarding T4's and records of employment for Elora employees; e-mail correspondence with Harvey and Howkins regarding reconciling items regarding payroll; review of staff schedule and employee tasks at Elora for November;
11/3/2010	Gerstein, Ira	Review letter to Crescent enclosing Shaner and Crescent fees, sign transfers, e-mail from Bruce Morgan of Altus enclosing, telephone discussion with Moffat regarding letter to employees regarding event contract, telephone discussion with Howkins regarding equipment to be picked up from the premises and discuss with Damiani and Litvack, e-mail from Kana requesting estimate of receiver and legal bills to the end of December for BMI
11/3/2010	Weber, Haley S	Arrange for changes of Crescent and Shaner management fee letter and prepare supporting information for wire transfer to provide to Brown; coordinated for the payment of payroll for Elora; cash call meeting; review Altus group letter for Gerstein to ensure that same as proposal; review cash call related items and reviewed invoices associated with management funding requests; discussion with AGCO regarding Elora liquor inventory; collect legal and D&T invoices for report exhibits;
11/3/2010	Casey, Paul M	E-mails and telephone conversation with CBRE regarding amended marketing plan for BMI;
11/3/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling Merchant deposit and input GL coding. Print various e-mails received from location - deposit back up. Prepare Wire to Crescent -- input into Ascend and file back up.
11/3/2010	Litvack, Bryan N	Follow-up with getting payroll and Records of Employment complete for Elora; follow-up with Ribeiro to schedule payroll/GST audit; review with Damiani how to apply WEPP to Elora; follow-up with Howkins regarding returning equipment to suppliers;

Date	Professional	Description
11/3/2010	Damiani, Stefano	Review of the employee letter tracking list for Elora; e-mail to Weber regarding October cash reporting; e-mail correspondence with Mooney and Brown regarding merchant credit card matters at HVR; telephone correspondence with an unsecured creditor regarding Elora; e-mail from Howkins regarding food and liquor inventory; review of payroll register for Elora; e-mail correspondence with Howkins and Harvey regarding vacation pay, records of employment and other payroll matters for Elora; e-mail to Ribeiro regarding accounts receivable; e-mail to Brown regarding Elora property taxes; e-mail correspondence with Harvey regarding cash on hand at BMI; review of the daily cash reporting summary as at November 2, 2010; prepared WEPPA discussion agenda; telephone discussion with Ribeiro regarding accounts receivable and G8 billings; review of the weekly cash budget for HVR and e-mail correspondence with Ribeiro on same; review of the weekly cash budget for BMI and e-mail correspondence with Harvey on same; e-mail and voice-mail message to Aggarwal with respect to WEPPA; review of e-mail from Subido regarding the payable lists; review of liquor inventory controls memo by Weber; e-mail correspondence with Puodziunas regarding winter packages; attended the weekly cash call with representatives of Crescent, Shaners and BMI; e-mails to Brown regarding wire transfers to BMI and HVR;
11/4/2010	Weisz, Daniel	Sign wire transfers
11/4/2010	Gerstein, Ira	E-mails from Howkins regarding status of inventory and discuss with Damiani, discuss billing schedule with Weber and send to Equitable; discussion with Litvack regarding CRA audits; e-mail from Rice regarding request for insurance and subsequent telephone call with Casey regarding same; general file organization; Weber on e-mail to Mooney regarding accounting errors in allocation;
11/4/2010	Weber, Haley S	Compilation of legal and professional fee tracking schedule; edit court report R&D based on changes made when reviewed by Casey and Weisz. Ensure mathematical accuracy of schedules and review notes; draft e-mail and retrieve copy of letter sent to TD Merchant services letter and forward to Shaner; draft e-mail and forward final Elora payroll information to Shaner; meet with Damiani to discuss compilation and review of balance sheet information provided by BMI, HVR & Elora and how to compare it to the information provided by Crescent;
11/4/2010	Casey, Paul M	E-mail HVR Purchaser regarding financing query; telephone conversation Stone and e-mails; comments on amended BM flyer; E-mails regarding Vista position;
11/4/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling Merchant deposit and input GL coding. Print various e-mails received from location - deposit back up. Prepare Wire to Manager's Account for expenses funding. Input and print disbursement cheques; prepare cheques for mailing and file back up.
11/4/2010	Litvack, Bryan N	Prepare HVR documents to be put on CBRE eRoom. Complete CRA request for RC59 form for HVR. Review RP0001 and RP0004 account issue. Discuss results of Elora payroll/GST audit with CRA auditor. Discuss with TimePlus how to resolve CRA issue with different RP accounts. Prepare and send out termination letter for Sara at Elora
11/4/2010	Damiani, Stefano	Review of a sales contract for HVR and e-mails to M. Coulson and J. McGovern on same; review of quotes for fire and electrical code inspection annual compliance testing, and e-mails with Puodziunas on same; e-mail from Howkins regarding the return of third party and rental equipment at Elora; e-mails with Ribeiro regarding payment to municipality for water; review of e-mail from Mooney regarding Crescent out-of-pocket costs; telephone discussion with S. Aggarwal (TGF) regarding employee matters; review of e-mails from Kana (Equitable) and M.

Date	Professional	Description
		Sparrow regarding the remarketing of BMI; e-mail correspondence with Sun Life and Litvack regarding employee benefit plan payment; e-mail correspondence with Ribeiro and Mooney regarding payroll funding; e-mails with Howkins regarding CRA audit and discussion with Litvack on same; discussions with Gerstein regarding Elora closing matters, BMI marketing matters; review of e-mail from Puodziunas regarding explanations for credit card chargebacks at HVR; review of financial information for September and October; review of the daily cash reporting analysis as at November 3, 2010;
11/5/2010	Gerstein, Ira	preparation of an Agenda and meet with Casey and Damiani and review status of outstanding issues on all files, receipt and review legal and receiver fee status report and discuss with Weber, review Orion security proposal, discuss with Damiani and e-mail Howkins to discuss, finalize and execute Elora Altus Group contract and e-mail to Bruce Morgan of Altus and e-mail to Howkins advising that Bruce Morgan would be calling to arrange his attendance at the property
11/5/2010	Weber, Haley S	Update legal and professional fee tracking schedule to determine what fees have been paid to date in order to update Tuesday Equities on future fees; update Court Report of R&D based on final September R&D issued to Tuesday Equities; review statements from Shaners from BMI and Elora and tie to support schedule from hotels into order to develop a Bankruptcy Balance Sheet with supportable assets;
11/5/2010	Casey, Paul M	Meeting Gerstein and Damiani regarding receivership action plan and priorities; Review interim reports from Crescent
11/5/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling Merchant deposit and input GL coding. Print various e-mails received from location - deposit back up. For the BMI locations -- Input Receiver Operating, Trustee and Managers Account input receipts & disbursement excel sheet and reconcile to bank.
11/5/2010	Litvack, Bryan N	Follow up with Howkins with issues at Elora; Request and review security contract;
11/5/2010	Damiani, Stefano	Review of e-mail from Howkins regarding security services at Elora; drafted meeting agenda with Gerstein; e-mail to Mooney regarding accounts receivable at HVR; meeting with Casey and Gerstein; review of the security services contract with Orion and e-mail to Gerstein on same; review of the daily cash reporting analysis as at November 4, 2010; review of the combined statements of receipts and disbursements and provided comments to Weber; review of the updated inventory listing for Elora; e-mail to Watts with respect to insurance matters; e-mail from Ribeiro regarding Holiday party sales for HVR;
11/6/2010	Casey, Paul M	E-mail to Equitable regarding HVR survey; e-mail from CBRE regarding BMI sale process;
11/8/2010	Weber, Haley S	Update Damiani comments in court report R&D as at September 2010; review HVR hydro invoice; contact Timeplus to change CRA business payroll numbers for Elora and HVR; Numerous discussions with Gerstein and Howkins regarding: Mosaic Spa and the equipment onsite and ownership documentation; discussions with AGCO and Gerstein regarding liquor inventory in Elora and disposal of inventory; prepare invoices, scan, organize and edit legal and professional fee reconciliation schedule for Equitable; research employment standards act regarding Jeffries claim and review claim decision by MOL;

Date	Professional	Description
11/8/2010	Gerstein, Ira	Telephone conference call with Wolf with respect to the status of HVR; Weber on Jeffries claim; e-mail from Rice with respect to bedbug issue and crack in wall discussions with Damiani on same; telephone call with Rice; e-mails to Barbara Uysal of the Labour office with respect to proof of claim filed for Jeffries and other employees; telephone conference call with Puodziunas, Damiani, Reid on weekly update; review conf agreements for BMI execute same and sign back and send to CBRE, Weber and Damiani on request from Kana regarding invoices; Weber on Mosaic spa ownership claim for equipment; review Orion Security contract and sign and send back to Howkins, telephone call with Moffat with respect to event contract letter and revise, discussions with Weber with respect to the liquor inventory and telephone discussion with Adam Vassos regarding same;
11/8/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling Merchant deposit and input GL coding. Print various e-mails received from location - deposit back up. For the Elora locations -- Input Receiver Operating and Managers Account input receipts & disbursement excel sheet and reconcile to bank. Prepare transfer to Elora manager account to cover the last of the cheque issued on account. Input wire into GL and file back up.
11/8/2010	Casey, Paul M	E-mails with Equitable and counsel regarding Rice Extension Request; e-mails to Rice regarding status; respond to Rice inquiries regarding various deficiencies; instruction regarding structural and infestation inspections.
11/8/2010	Litvack, Bryan N	Following up with CRA payroll audit and issuing T4's for the separate account. Requesting TimePlus to prepare T4's for Elora. Calling back HVR creditor regarding: condo payment.
11/8/2010	Damiani, Stefano	E-mails with Ribeiro regarding liquor inventory at HVR; review of the detailed progress update on closing matters for Elora and e-mails with Howkins on same; review of the weekly operations report for BMI; review of e-mails by Aggarwal and Casey with respect to survey regarding HVR; banking matters with Brown and e-mail to Howkins regarding the Elora GM bank balance; e-mails from Weber regarding utilities at HVR, correspondence with the AGCO; e-mail to Harvey regarding the preparation of a forecast for the period December 1, 2010 to March 31, 2011; review of the daily cash reporting analysis as at November 5, 2010; telephone discussion with Wolf regarding an update of our marketing efforts; e-mail correspondence with Puodziunas, Ribeiro and Casey with respect to health and safety matters at HVR; review of the weekly operations report for HVR; e-mails with Mahrone and Watts with respect to insurance matters; review of the Elora cheque register and unpaid invoices; attendance on the bi-weekly operations call with representatives of Crescent, BMI and HVR; review of roofing quote for BMI; review of e-mails from Litvack and L. Venge (TimePlus) regarding Elora T4's;
11/9/2010	Weber, Haley S	Review Elora, BMI and HVR payroll. Discussions with Harvey regarding: remittances of HVR payroll; draft letter to Sue Wagner of Mosaic Spa and Leanne Ciancone of Pearle Hospitality regarding Mosaic Spa items and conversations with Heather Howkins regarding same; review HVR G8 invoices, discussion with Walsh regarding supporting information, draft e-mail to Puodziunas of Crescent regarding outstanding information requests;
11/9/2010	Gerstein, Ira	E-mail from Rodness with respect 1759 Valley Road; telephone discussion with Ribeiro regarding same; e-mails to Rodness regarding 1759 Valley Road; finalize letter to patrons regarding event contracts; e-mails to Ribeiro regarding bedbug inspection and e-mails to and from Puodziunas regarding same; discussion with Webber regarding Spa equipment and termination letter to employee and updating

Date	Professional	Description
		the legal and receiver fee schedule; discussion with Damiani regarding the Jeffries claim and e-mail to Casey regarding same; e-mail from Lynne Godfrey regarding updating books and records and subsequent telephone call with Lynne regarding same;
11/9/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling Merchant deposit and input GL coding. Print various e-mails received from location - deposit back up. Copy disbursement for the month of Oct/10 and PDF to Shaner for all three locations. PDF bank statement for all three locations and send to Shaner's. Start to reconcile HVR Pivot table to previous versions before inputting Oct/10 figures.
11/9/2010	Casey, Paul M	E-mails to/from Rice regarding status of due diligence and consent to extension of conditional date; e-mails Rodness regarding purchaser's inquires; e-mails to Equitable.
11/9/2010	Litvack, Bryan N	Return message left from Elora creditor; reply to questions from Damiani and Weber.
11/9/2010	Damiani, Stefano	E-mail to Mooney on matter regarding the cash reporting pivot table for HVR; correspondence with Howkins regarding LCBO refund; review of letter from Howkins regarding spa inventory at Elora; e-mails with Howkins and Litvack regarding utilities at Elora; review of the G8 contract analysis provided by Crescent, and instructions to Weber on same; review of e-mails from Casey and Rodness regarding the status of the sale of HVR; e-mail to Gerstein regarding property taxes; review of the payroll registers for BMI and Elora; review of e-mails from Harvey and Wilson regarding payroll; review of the payroll register for HVR and e-mails with Walsh on same; e-mails with Puodziunas, Ribeiro and Gerstein on preventative health and safety matters at HVR; review of the weekly cash request for HVR and e-mail to Ribeiro on same; initial work on the Third Report of the Receiver to the Court; e-mails with Weber and Puodziunas regarding the G8 contracts; review of e-mail from Wolf regarding the status of outstanding financial information;
11/10/2010	Weber, Haley S	Review HVR invoices from Shaners and follow up regarding overdue invoices that have yet to be received by HVR; meet with Rose to discuss the change to be made to the HVR cash tracking expense schedule regarding items that were misclassified in September; attend cash call on November 10, 2010; write letter to Pearle Hospitality regarding removal of mosaic spa items; format and mail Stephen Popp letter to the court regarding collection of funds; review AP listing from Shaners regarding BMI, Elora and HVR; meet with Gerstein regarding e-mail to Vassos regarding Elora and BMI liquor inventory; coordinate with Walsh Regarding G8 items and completeness of billings;
11/10/2010	Gerstein, Ira	E-mail from Rice requesting information with respect to bedbug inspection, financial information and staff interaction; draft response and e-mail exchanges with Casey and finalize e-mail; discussion with Weber regarding unsold liquor and e-mail to Vassos setting out questions regarding same; review letter to Court regarding collection of receivable from Stephen Popp; e-mail from Rice with respect to wall deficiency and discuss with Damiani and review Trow report for same; e-mail from Morgan of Altus setting out a request for information regarding the Elora property tax appeal and respond and e-mail to Puodziunas regarding same; Weber on inventory with respect to the Spa;
11/10/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling Merchant deposit and input GL coding. Print various e-mails received from location - deposit back up. Reconcile HVR Pivot table to previous



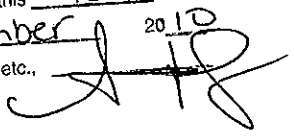
Date	Professional	Description
		versions before inputting Oct/10 figures for Manager accounts. Discuss changes to Pivot Table with Haley. Reconcile and input HVR Receiver's GL numbers for Oct/10 into Receipts & Disbursement schedule. Print various backup for the Elora location for payment of disbursement.
11/10/2010	Casey, Paul M	Meeting with Damiani; review and comment on draft response to Paul Rice and HVR deficiencies; instructions to Gerstein; review and edit correspondence to Equitable regarding BMI.
11/10/2010	Damiani, Stefano	E-mail from Ribeiro regarding outstanding payables and required amendments to the cash budget; review of e-mails from Reid and analysis relating to roof quotes and propane; discussion with Gerstein regarding financial and operational information for HVR; review of e-mails from Subido with respect to must pay items; e-mails with Howkins on inventory, security, employees; e-mails with Weber on accounts payable, EHT, records of employment; e-mails with Watts on crime insurance; e-mails with Ribeiro on health and safety matter; review of the updated cash budget for HVR; e-mails with Reid regarding roof and sewage pump; review of e-mail correspondence between the Receiver and interested party in HVR; e-mail from Santaliz regarding payroll bank accounts; review of accounts payable listings from Spicer; prepared letter with respect to capital expenditure requests at HVR; review of the weekly cash budget for BMI; e-mail from Puodziunas regarding the 2011 budget for HVR; attended the weekly cash call with representatives of Shaners, Crescent, HVR and BMI; e-mails to Brown regarding the required wire transfers to the general manager accounts; review of the building condition survey and related e-mail from Casey;
11/11/2010	Weber, Haley S	Meet with Gerstein regarding Mosaic Spa letters for Elora; review payroll for May 23, 24 & 25 for court report R&Ds; prepare October R&Ds for BMI and Elora; review Elora invoices for payment;
11/11/2010	Gerstein, Ira	E-mail from Puodziunas in response to the Altus request for information and e-mail to Morgan regarding same; e-mails Vassos regarding unsold liquor; review legal and receiver fee schedule and e-mail to Weber requesting an updated legal fee schedule; e-mail to Kana enclosing a revised legal and receiver fees schedule; e-mail from Karina Toome of CBRE regarding request for a signed conf agreement, sign and return, proof edit and update letter to Mosaic Spa regarding removal of spa equipment, proof edit update letter to Pearle Hospitality regarding approval to release spa equipment, e-mail from Vassos regarding selling liquor at a discount, discussions with Weber and Damiani regarding status of various operational matters, general file organization;
11/11/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling Merchant deposit and input GL coding. Print various e-mails received from location - deposit back up. Complete input GL numbers for Oct/10 into Receipts & Disbursement schedule for HVR. PDF two chargeback information and e-mail to HVR Location. Input and print disbursement cheques for the Elora location; prepare cheque for mailing and file back up.
11/11/2010	Casey, Paul M	Meeting with Damiani; review and finalize reporting letter regarding BMI and other issues; discuss other matters; e-mails to CBRE.
11/11/2010	Damiani, Stefano	Matters relating to the merchant credit card account for HVR; e-mails with Weber on payroll, statements of receipts and disbursements for October, status of various file matters; updated the BMI capital expenditure letter and meeting with Casey on same; e-mail correspondence with Aggarwal regarding WEPPA; review of e-mail by Vassos regarding liquor inventory; telephone discussion with potential event patron of HVR; meeting with P. Casey; e-mail to Ribeiro and Puodziunas with

Date	Professional	Description
		respect to sales contracts at HVR; work on the Third Court Report of the Receiver; review of e-mail from Puodziunas regarding information required by Altus; e-mail to Reid regarding the status of winterizing specific buildings;
11/11/2010	Koroneos, Anna	Discussion with Damiani on preparation of bankruptcy documents required and forward e-mail regarding same; initiate production of Ascend file for bankruptcy including entering of assets and company information; review of 3 creditor listings for application into bankruptcy file in program;
11/12/2010	Gerstein, Ira	E-mails from Casey regarding status of letters to patrons and respond; draft further letters to patrons including a form of release and send to Moffat for comments; telephone call with Moffat regarding same; e-mail to Rice regarding status of visit regarding wall; telephone call from Rice regarding same and bedbug inspection; receipt and review copy of open building permit schedule and discuss with Casey and forward to Rodness; exchange of e-mails with Rodness regarding same; Damiani on BMI flyer and e-mail to Toome and receipt of same; receipt and review copy of requisition letter from HVR purchaser's lawyer;
11/12/2010	Weber, Haley S	Prepare HVR October R&D; review accuracy of Elora, HVR & BMI R&DS; questions to GMs regarding F&B and hotel supplies and review Elora tax bills for October period; review HVR payroll for May 23, 24 & 25 based on conversations with Harvey;
11/12/2010	Brown, Rose M	Banking Administration for BMI, Elora & HVR location - Prepare report, input deposits, reconciling Merchant deposit and input GL coding. Print various e-mails received from location - deposit back up. Telephone call to Howkins at Elora to confirm back up to deposits and credit card schedules. Pull various invoices for Weber.
11/12/2010	Litvack, Bryan N	Follow-up with TimePlus on Elora T4's.
11/12/2010	Damiani, Stefano	E-mails from Casey and Gerstein regarding Elora closing matters and HVR; left voice mail message for Aggarwal; review of the daily cash reporting analysis as at November 11, 2010; telephone discussion with Reid regarding roof and outstanding questions; review of e-mails regarding open building permits at HVR; telephone discussion with Howkins regarding the status of Elora closing; e-mail from Reid regarding idled units and buildings; preparation of the Third Report of the Receiver and review of the updated statement of receipts and disbursements;
11/12/2010	Koroneos, Anna	Work on bankruptcy documents, statement of affairs and importing creditors listing;

**Summary of Fees**

<b>Professional</b>	<b>Position</b>	<b>Hours</b>	<b>Rate</b>	<b>Fees</b>
Paul Casey	Partner	38.5	550	\$21,175.00
Daniel Weisz	Partner	1.3	550	715.00
Ira Gerstein	Senior Manager	106.6	400	42,640.00
Stefano Damiani	Manager	182.5	250	45,625.00
Bryan Litvack	Manager	29.4	250	7,350.00
Koroneos, Anna	Senior Consultant	3.4	250	850.00
Weber, Haley S.	Senior Consultant	94.2	100	9,420.00
Rose Brown	Administration	<u>112.8</u>	100	<u>11,280.00</u>
<b>Total Hours and professional fees</b>		<u>568.7</u>		\$139,055.00
<b>Disbursements</b>				
Mileage				88.28
<b>Total Professional Fees &amp; Disbursements</b>				\$139,143.28
HST @ 13%				18,088.63
<b>Total Amount Due:</b>				<b>\$157,231.91</b>

**EXHIBIT "B"**

This is Exhibit " B " referred to  
in the Affidavit of Paul Casey  
Sworn before me this 13<sup>th</sup> day of  
December 2010  
A Commissioner, etc., 

**Calculation of Average Hourly Billing Rates of  
Deloitte & Touche Inc.  
for the period-ended November 12, 2010**

Anna Koroneos, a Commissioner, etc.,  
Province of Ontario,  
for Deloitte & Touche Inc.,  
Trustee in Bankruptcy.  
Expires June 5, 2011.

	Invoice #	Fees	Disbursements	GST/HST	Total Invoice Amount	Hours	Average Hourly Fee Rate
1	2697158	62,195.00	-	8,085.35	\$ 70,280.35	196.50	\$ 316.51
2	2712331	113,068.00	-	14,698.84	\$ 127,766.84	517.20	\$ 218.62
3	2722646	84,875.00	678.88	11,122.00	\$ 96,675.88	355.40	\$ 238.82
4	2749523	139,055.00	88.28	18,088.63	\$ 157,231.91	568.70	\$ 244.51
	<b>Total</b>	<b>\$ 399,193.00</b>	<b>\$ 767.16</b>	<b>\$ 51,994.82</b>	<b>\$ 451,954.98</b>	<b>1,637.80</b>	<b>\$ 243.74</b>

**THE EQUITABLE TRIST COMPANY**

Applicant(s)

and

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

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

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

Proceedings commenced at Toronto

**AFFIDAVIT OF PAUL CASEY**  
*(Sworn December 13, 2010)*

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

**Grant B. Moffat (LSUC# 32380L)**  
**Seema Aggarwal (LSUC# 50674J)**  
Tel: 416-304-1616  
Fax: 416-304-1313

Lawyers for the Receiver

# **EXHIBIT “H”**

# EXHIBIT "H"

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

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

**BETWEEN:**

**THE EQUITABLE TRUST COMPANY**

Applicant

- and -

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

Respondent

**AFFIDAVIT OF GRANT MOFFAT  
(Sworn December 9, 2010)**

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

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

2. Attached hereto as Exhibit "A" are true copies of the invoices forwarded to the Receiver by TGF for fees and disbursements incurred by TGF in the course of the within proceeding for the period August 1, 2010 to October 31, 2010.

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

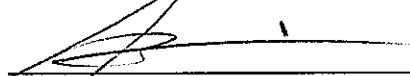
4. Attached hereto as Exhibit "C" is a schedule summarizing the respective years of call and billing rates of each of the solicitors at TGF who acted for the Receiver.

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

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

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

**SWORN BEFORE ME**  
at the City of Toronto, in the  
Province of Ontario this 9<sup>th</sup>  
day of December, 2010.

  
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A commissioner for taking oaths, etc.

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)  
)  
)

  
\_\_\_\_\_  
**Grant B. Moffat**

Annette Melinda Fournier, a Commissioner, etc.,  
City of Toronto, for ThomsonGroutFinnigan LLP,  
Barristers and Solicitors.  
Expires November 8, 2013.



# EXHIBIT "A"

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**THE EQUITABLE TRUST COMPANY**

Applicant

- and -

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

Respondents

**FOURTH BILL OF COSTS OF THE SOLICITORS TO THE COURT  
APPOINTED RECEIVER AND MANAGER**

**For the period ending August 31, 2010.**

Aug-02-10	Telephone call with B. Stone regarding revisions to sale agreement; consider employee issues; correspondence with P. Casey regarding same;	1.00	GBM
Aug-03-10	Draft vesting order, conveyances, other schedules to sale agreement; revise sale agreement; review correspondence regarding employee liabilities;	2.90	GBM
	Draft IP assignment; revise vesting order; review security regarding IP;	1.00	GBM
	Draft template agreement for Benmiller Inn;	0.50	GBM
	Discussions with G. Moffat regarding sale agreement, security opinions and scope of security interest; discussion and e-mails with L. Rodness regarding conflicts and security;	1.00	SA
Aug-04-10	Revise schedules to sale agreement; telephone call with P. Casey regarding amendments to template sale agreement; revise same; telephone call with A. Vassos;	4.20	GBM
	Review lien claim; correspondence with I. Gerstein regarding same;	0.40	GBM
	Revise sale agreement to incorporate HST comments from Deloitte; telephone call with P. Casey regarding same;	0.70	GBM

	Telephone call with P. Casey regarding sale agreement;	0.50	GBM
	Review and respond to e-mails with Torkin Manes regarding security and sale agreement; provide security to Torkin Manes; discussion with G. Moffat regarding timelines and status;	1.00	SA
Aug-05-10	Final revisions to sale agreement; correspondence with P. Casey and CBRE regarding same;	1.00	GBM
	Review schedules of permitted encumbrances prepared by real estate counsel; revise Hidden Valley sale agreement; draft templates for Elora Mill and Benmiller Inn; telephone call with D. Borotsik; review revisions to template and from real estate counsel; further revisions to same; forward to D. Borotsik;	3.60	GBM
	E-mails with Torkin Manes regarding sale agreement; discussions with G. Moffat regarding same and trademark searches;	1.00	SA
Aug-06-10	Review correspondence regarding marketing status, lien issues; review correspondence regarding management contract and assignment of same;	0.40	GBM
	E-mails and discussion with N. Khanna regarding trademark searches;	0.40	SA
Aug-09-10	Telephone call with solicitor for lien claimant; review lien claim; consider lifting of stay and preservation of lien;	0.60	GBM
	Telephone call with P. Casey regarding offer deadline;	0.20	GBM
	E-mails and discussion with Torkin Manes regarding title questions; discussion with G. Moffat regarding status of security;	0.80	SA
Aug-10-10	Telephone call P. Casey regarding vacant land at HV; telephone call solicitor for Muskoka Minerals regarding lien claim;	0.40	GBM
	Meeting S. Aggarwal regarding vacant land at HV; telephone call P. Casey regarding same;	0.40	GBM
	Review correspondence regarding employee claim;	0.20	GBM
	Revise Service List, conduct searches regarding Tuesdays Equities;	0.20	AF
Aug-12-10	Review terms of sale; attend opening of offers; consider timing of court approval;	2.10	GBM
Aug-13-10	Receive and review letter to Equitable Trust regarding sale process; telephone call to solicitor for prospective purchaser regarding offer terms;	0.70	GBM
	Telephone call with P. Casey regarding sale process;	0.20	GBM
	Review non-binding LOI delivered to CBRE; correspondence to P. Casey regarding same;	0.50	GBM
	Prepare and submit Commercial List Request Form;	0.20	AF
Aug-16-10	Telephone call with solicitor for Elora Mill purchaser; telephone call P. Casey regarding same; telephone call I. Gerstein;	0.50	GBM

	Review CBRE revised marketing plan;	0.20	GBM
	Draft Second Report approving Pearle sale agreement and revised marketing plan;	4.80	GBM
	Conference call with Receiver and Equitable regarding offers received; telephone call P. Casey regarding Second Report to Court;	0.80	GBM
	Review draft Altus agreement; correspondence I. Gerstein regarding same;	0.20	GBM
	E-mail to D. Murdoch regarding security issue; discussions with G. Moffat regarding sale process; e-mail to L. Rodness regarding approval and vesting order for Elora Mill;	0.50	SA
	Prepare Second Report and make revisions to same;	1.60	AF
Aug-17-10	Revise Second Report; review correspondence CBRE regarding revised marketing plan; further revisions to Report; telephone call P. Casey; meeting with S. Aggarwal regarding approval process; correspondence D. Murdoch;	3.40	GBM
	Revise Pearle sale agreement; review draft approval and vesting order regarding same;	0.60	GBM
	Draft order regarding Second Report and revised marketing process; revise sale agreement; telephone call solicitor for Pearle regarding acceptance of offer;	1.60	GBM
	Review correspondence from P. Casey regarding revisions to sale agreement; revise same; correspondence to I. Gerstein regarding same; correspondence to S. Damiani regarding fee affidavit; review and execute fee affidavit; revise order to reflect amendments from P. Casey;	3.30	GBM
	Telephone call D. Murdoch regarding Second Report and PST issue; telephone call P. Casey regarding same;	0.30	GBM
	Review voicemail message from and discussion with L. Rodness regarding vesting order for Elora Mill; review voicemail message from L. Rodness regarding same; receipt and review vesting order; further revisions to vesting order; discussion with G. Moffat regarding status;	1.00	SA
	Revise Second Report, e-mails to and from court regarding availability, prepare and submit Commercial List Request Form, prepare and revise draft Order, prepare fee Affidavit and exhibits thereto;	3.50	AF
Aug-18-10	Review amendments to Second Report from I. Gerstein; telephone call I. Gerstein regarding same; revise report; telephone call P. Casey regarding same;	3.20	GBM
	Review further revisions to Second Report; correspondence I. Gerstein;	0.40	GBM
	Review and revise Approval and Vesting Order; e-mails with P. Dickson regarding same; review e-mails regarding closing; discussion with A. English regarding charges on title; e-mail to L. Rodness regarding Asset	1.00	SA

	Purchase Agreement;		
	Revise materials for August 25, 2010 motion, draft Notice of Motion;	1.50	AF
Aug-19-10	Draft revised conditions of sale; review revisions to report from I. Gerstein; revise report; correspondence to P. Casey regarding rejecting offers; review conditions of sale regarding same; review and revise notice of motion and order; telephone call P. Casey regarding rejecting offers; revise report, notice of motion and order;	4.50	GBM
	Review correspondence regarding conditions of sale and marketing process; review and revise letter rejecting offers; telephone call I. Gerstein;	0.70	GBM
	Receipt of executed Sale Agreement for Elora Mill Inn; discussions with A. Fourier regarding service of motion record; review motion record;	0.50	SA
	Revise and finalize all materials with respect to the motion returnable on August 25, 2010, e-mails to and from G. Moffat and I. Gerstein regarding finalizing and execution of all documents, compile Motion Record for service and filing, e-mail Service List, prepare Affidavit of Service, letter to Court, memo to court agent;	4.00	AF
Aug-20-10	Review correspondence regarding service list;	0.20	GBM
Aug-22-10	E-mails with G. Moffat regarding motion materials;	0.10	SA
Aug-24-10	Prepare for motion for approval and vesting order for sale of Elora Hill Inn and revised marketing process; e-mail to P. Casey regarding same;	1.80	SA
Aug-25-10	Prepare for and attend motion for revised marketing process and approval of the sale of Elora Mill Inn; circulate Orders and Endorsements;	2.00	SA
Aug-26-10	Review issued orders; correspondence to I. Gerstein regarding revised marking process;	0.30	GBM
	Review voicemail message from and discussions with G. Moffat regarding approval motion;	0.20	SA
Aug-27-10	Revise Altus tax appeal agreement; correspondence to I. Gerstein; telephone call I. Gerstein regarding same;	1.40	GBM
Aug-31-10	Review Muskoka Minerals statement of claim; correspondence to D. Schmuck;	0.20	GBM

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Grant B. Moffat	48.10	\$650.00	31,265.00
Seema Aggarwal	11.30	\$375.00	4,237.50
Annette Fournier (Law Clerk)	11.00	\$250.00	2,750.00

<b>TOTAL FEE HEREIN</b>	<b>\$38,252.50</b>	
<b>HST on Fees</b>	<b><u>\$4,972.83</u></b>	
<b>Total Fees and HST</b>		<b>\$43,225.33</b>
 <b><u>Disbursements:</u></b>		
Couriers	\$68.87	
Fee for searches/registrations	\$97.00	
Photocopies	\$488.25	
Telephone	\$5.10	
Disbursements for searches/registrations *	\$30.00	
File Motion Record*	\$127.00	
Filed Motion Record & Affidavit of Service	\$27.00	
 <b>Total Taxable Disbursements</b>	 <b>\$686.22</b>	
<b>HST on Disbursements</b>	<b>\$89.20</b>	
<b>Total Non-Taxable Disbursements</b>	<b><u>\$157.00</u></b>	
<b>Total Disbursements and HST</b>		<b><u>\$932.42</u></b>
 <b>Total Fees, Disbursements &amp; HST</b>		 <b>\$44,157.75</b>
 <b>OUR ACCOUNT HEREIN</b>		 <b><u>\$44,157.75</u></b>

**ThorntonGroutFinnigan LLP**

Per: Grant B. Moffat

HST No. 87042 1039RT  
Matter No. 533-027  
Invoice No. 23193  
Date: Sep 13/10

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**THE EQUITABLE TRUST COMPANY**

Applicant

- and -

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

Respondents

**FIFTH BILL OF COSTS OF THE SOLICITORS TO THE COURT  
APPOINTED RECEIVER AND MANAGER**

**For the period ending September 30, 2010**

Sep-02-10	Telephone call with A. Vassos; telephone call with I. Gerstein regarding Elora sale and Altus agreement; review final Altus agreement regarding changes required by Receiver;	1.00	GBM
	Review requisition letter; review sale agreement regarding same; meeting with S. Aggarwal;	0.50	GBM
	Receive and review requisition letter from closing of sale of the Elora Mill Inn; discussion with G. Moffat regarding same; e-mails with L. Rodness regarding same;	0.60	SA
Sep-07-10	Review amended confidentiality agreement; correspondence with I. Gerstein regarding same;	0.20	GBM
Sep-08-10	Review correspondence regarding Elora closing; review correspondence regarding funds held at TD;	0.70	GBM
	Telephone call with P. Casey and I. Gerstein regarding Elora sale and PST issues; review Retail Sales Tax Act; meeting with A. Shepherd regarding same; consider PST priority and review correspondence regarding lifting stay request; correspondence with I. Gerstein regarding same;	1.40	GBM

	Discussing research issues with G. Moffat including PST issues pertaining to liquor license transfer and distinguishing between deemed trust and demand to make payment; performing searches of document management system relating to same;	0.40	AS
	E-mails with G. Moffat regarding status of Closing of sale of Elora Mill Inn; receipt and review voicemail message from A. English regarding same;	0.30	SA
Sep-09-10	Review CBRE marketing report; review correspondence regarding liability claim prior to receivership; telephone call with solicitor for TD Bank regarding dispute with Sequel; telephone call with solicitor for A. Kassan regarding same; telephone call with P. Dixon regarding liquor license application; review Liquor License Act Regulations regarding PST payment on new license application; telephone call with A. Vassos regarding same;	2.20	GBM
	Telephone call with A. Vassos regarding liquor license application; telephone call with P. Casey regarding same; telephone call with I. Gerstein;	0.40	GBM
	Telephone call with P. Casey regarding Pearle sale;	0.20	GBM
	E-mail to L. Rodness and A. English regarding contacting purchaser's counsel; discussion with G. Moffat regarding title due diligence deadline; discussion with L. Rodness regarding same;	0.30	SA
Sep-10-10	Review response to requisition letter on Elora sale; telephone call with I. Gerstein regarding liquor licence issues and status of Elora sale; review caselaw regarding priority of PST;	3.10	GBM
	Researching issues pertaining to unremitted tax under the Liquor License Act and the effect of bankruptcy on Crown deemed trusts over unremitted tax amounts; Discussing same with G. Moffat;	1.80	AS
	Review response to requisition letter; discussion with G. Moffat regarding same and PST issues; consider PST issues; research regarding receiver's ability to petition company into bankruptcy;	1.00	SA
Sep-11-10	Receipt and review of e-mails regarding requisition letter;	0.10	SA
Sep-12-10	Receipt and review of e-mail regarding requisition letter;	0.10	SA
Sep-13-10	Researching cases regarding transfer of liquor license from party owing PST and requirement to pay the unremitted amounts under the Liquor License Act; email G. Moffat regarding same;	0.60	AS
	Review and respond to e-mails regarding survey of Elora Mill Inn and closing date of sale transaction; discussion with L. Rodness regarding closing date of sale transaction;	0.40	SA
Sep-14-10	Telephone call with P. Dixon regarding turbine generator; telephone call with I. Gerstein regarding same; review draft statement of claim involving	1.40	GBM

	ski hill injury; telephone call with solicitor for Plaintiff; telephone call with I. Gerstein regarding bookings at Elora and communication to employees;		
Sep-15-10	Telephone call with I. Gerstein regarding Altus proposal for Elora Mill Inn; review correspondence regarding condo owner management agreement; correspondence with I. Gerstein;	0.50	GBM
	Letter to solicitor for personal injury plaintiff;	0.30	GBM
	Receive and review voicemail message from L. Rodness regarding survey of property' discussion with G. Moffat regarding same; discussion with P. Casey regarding same; leave voicemail message for L. Rodness regarding same;	0.40	SA
Sep-16-10	Review WEPPA legislation regarding notification to employees; review correspondence regarding PST and GST arrears; conference call with Receiver and Equitable Trust; consider priority of PST/GST arrears; review memo regarding employee arrears; review LOI regarding Benmiller and Hidden Valley;	2.20	GBM
	Meeting with A. Shepherd regarding WEPPA claim and effect of bankruptcy; telephone call with P. Casey regarding same; telephone call with I. Gerstein regarding same;	0.50	GBM
	Researching receiver's notification requirements under WEPPA; discussing same with G. Moffat;	2.10	AS
Sep-17-10	Telephone call with I. Gerstein regarding impact of bankruptcy on employee claims for termination and severance pay; review BIA regarding same;	0.60	GBM
	Telephone call with P. Casey regarding cost of operations over winter months and effect of bankruptcy; consider timing of bankruptcy;	0.50	GBM
	Telephone call with I. Gerstein regarding calculation of termination and severance pay; review BIA regarding same;	0.70	GBM
	Emails with I. Gerstein regarding survey of Elora Mill Inn; forward same to L. Rodness and A. English;	0.30	SA
Sep-19-10	Receipt and review e-mail from A. English confirming receipt of survey;	0.10	SA
Sep-20-10	Review rental pool management agreement for Hidden Valley; review draft sale agreement regarding same;	0.70	GBM
	Draft security opinion; discussion with S. Damiani regarding survey for Elora Mill Inn; discussion with L. Rodness regarding security issues;	7.00	SA
	Conduct corporate searches and discuss same with S. Aggarwal;	0.20	AF
Sep-21-10	Meeting with S. Aggarwal regarding security issue and trademarks; review same; telephone call with D. Murdoch; review correspondence regarding PST arrears; consider priority of same; review memo regarding WEPPA and	2.30	GBM



	vacation pay;		
	Review appointment order; consider bankruptcy of debtor given shortfall to be suffered by creditors; telephone call with P. Casey;	0.50	GBM
	Discussing WEPPA issues with G. Moffat;	0.20	AS
Sep-22-10	Review offers for Hidden Valley; correspondence with P. Casey regarding same; meeting with S. Aggarwal regarding security opinion; telephone call with P. Casey regarding bankruptcy and employee issues;	1.50	GBM
	Discussion with G. Moffat regarding security issues; leave voicemail message for L. Rodness regarding scope of opinion; draft security opinions; emails and discussions with L. Rodness regarding same;	6.00	SA
	review and provide comments on real estate opinion; emails with D. Murdoch regarding Benmiller GSA; emails with P. Casey and G. Moffat regarding same; provide draft opinions to G. Moffat for review;		
Sep-23-10	Review correspondence regarding trademark issues; review and revise opinion; review security;	3.00	GBM
	Receive and review emails regarding trademarks and logos; forward same to G. Moffat; discussions with G. Moffat regarding security opinions; discussion with S. Damiani regarding closing of Elora; receipt and review e-mail from S. Damiani regarding same; leave voicemail message for L. Rodness regarding security opinion;	0.80	SA
Sep-24-10	Review and revise security opinion; review security documents regarding Hidden Valley debt; meeting with S. Aggarwal regarding same;	3.60	GBM
	Review Equitable mortgage commitment, sale agreement to Tuesday Equities and mortgage assumption agreement;	1.20	GBM
	Review revised real estate opinion;	0.30	GBM
	Discussions with G. Moffat regarding security opinions; discussions with L. Rodness regarding same; review and revise personal property security opinion; review and provide comments on real property security opinion;	2.50	SA
Sep-27-10	Revise security opinion; review agreements; telephone call with P. Casey;	4.20	GBM
	Review revised real estate opinion; correspondence with L. Rodness regarding same;	0.40	GBM
	Receipt and review emails regarding real estate opinion;	0.30	SA
Sep-28-10	Revise opinion; review original security; review correspondence regarding offers for Hidden Valley and Benmiller; review and revise correspondence to Pearle Hospitality regarding decision not to assume event, room and other contracts; telephone call with P. Casey regarding Pearle agreement and	4.80	GBM

counter-offer for Hidden Valley; review Elora agreement regarding conditions to closing; revise letter to Pearle;

	Telephone call with A. English regarding title defects at Hidden Valley;	0.20	GBM
	Review correspondence from P. Casey regarding Hidden Valley offer; review amendments to template agreement; correspondence with P. Casey regarding same;	0.40	GBM
	Receipt and review e-mail from G. Moffat to A. English regarding letter;	0.10	SA
Sep-29-10	Revise opinion; review correspondence regarding Vista and Rice offers; telephone call with P. Casey and S. Damiani; conference call with Equitable regarding same; draft Hidden Valley sale agreement for Paul D. Rice transaction;	5.30	GBM
Sep-30-10	Telephone call with P. Casey regarding amendments to Rice sale agreement; revise same;	1.20	GBM

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	
Grant B. Moffat	46.00	\$650.00	29,900.00	
Alana Shepherd	5.10	\$275.00	1,402.50	
Seema Aggarwal	20.30	\$375.00	7,612.50	
Annette Fournier (Law Clerk)	0.20	\$250.00	50.00	
<b>TOTAL FEE HEREIN</b>			<b>\$38,965.00</b>	
<b>HST on Fees</b>			<b><u>\$5,065.45</u></b>	
<b>Total Fees and HST</b>				<b>\$44,030.45</b>
<b><u>Disbursements:</u></b>				
Couriers			\$69.29	
Fee for searches/registrations			\$2.00	
Photocopies			\$112.75	
Obtaining Certified PPSA Searches re Ehckers Hotel Properties Ltd. and Hidden Valley Resort			\$53.00	
Fee of Chitiz Pathak LLP re Dealing with IP security registration searches			\$170.00	
<b>Total Taxable Disbursements</b>			<b>\$407.04</b>	
<b>HST on Disbursements</b>			<b>\$52.92</b>	
<b>Total Non-Taxable Disbursements</b>			<b><u>\$0.00</u></b>	
<b>Total Disbursements and HST</b>				<b><u>\$459.96</u></b>
<b>Total Fees, Disbursements &amp; HST</b>				<b>\$44,490.41</b>
<b>OUR ACCOUNT HEREIN</b>				<b><u>\$44,490.41</u></b>

**ThorntonGroutFinnigan LLP**

Per: Grant B. Moffat

HST No. 87042 1039RT  
Matter No. 533-027  
Invoice No. 23394  
Date: Oct 29/10

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**THE EQUITABLE TRUST COMPANY**

Applicant

- and -

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

Respondents

**SIXTH BILL OF COSTS OF THE SOLICITORS TO THE COURT  
APPOINTED RECEIVER AND MANAGER**

**For the period ending October 31, 2010**

Oct-01-10	Review correspondence regarding Wellington Hydro claim; telephone call with I. Gerstein; correspondence with L. Rodness regarding Hidden Valley sale agreement; review priority of Hydro claim;	1.00	GBM
	Discussion of tax lien issue with G. Moffat;	0.10	AS
Oct-04-10	Review correspondence regarding sale of Hidden Valley and Benmiller; consider terms of sale process;	0.50	GBM
	Review memo regarding priority of hydro arrears; telephone call with I. Gerstein;	0.50	GBM
	Review list of Elora events and deposits; review sale agreement regarding same; consider Purchaser's planned closing of hotel and impact on events; telephone call with I. Gerstein regarding same;	1.20	GBM
	Review priority of municipal tax lien and memo to G. Moffat regarding same; discussing same with G. Moffat;	1.80	AS
Oct-05-10	Telephone call with P. Casey regarding Hidden Valley transaction; review correspondence regarding terms of additional prospective offers;	0.40	GBM
	Review correspondence from Hidden Valley purchaser; review approval order regarding ability to amend sale agreement;	0.40	GBM
	Review correspondence from L. Rodness regarding Hidden Valley sale agreement and comments on revisions to same;	0.30	GBM
Oct-06-10	Conference call with ETC, CBRE and Receiver; further discussion with P. Casey and I. Gerstein regarding Hidden Valley offer; review same; review	1.10	GBM

	correspondence regarding books and records requested from A. Kassan;		
	Consider bankruptcy issue involving PRLP; review correspondence regarding books and records; review correspondence regarding funds held by TD; consider impact of bankruptcy on employee claims;	0.80	GBM
Oct-07-10	Review correspondence regarding books and records requested from A. Kassam and bookkeeper; draft letter to A. Kassam; review appointment order regarding same; revise correspondence to P. Rice regarding Hidden Valley sale; review draft sale agreement regarding same;	1.50	GBM
	Review correspondence regarding books and records; consider remedies to compel production;	0.40	GBM
Oct-08-10	Finalize and forward letter to A. Kassam;	0.10	AF
Oct-13-10	Receipt and review of correspondence regarding extension of closing date for sale of Elora Mill Inn; discussions with P. Casey regarding sale agreement for Hidden Valley Resort; review and revise sale agreement; meet with parties and execute sale agreement; leave voicemail message for L. Rodness regarding extension request; emails with P. Casey regarding same;	1.70	SA
Oct-14-10	Review correspondence regarding Elora closing; conference call with Elora purchaser and counsel; telephone call with P. Casey regarding same;	1.10	GBM
	Discussion with G. Moffat regarding Hidden Valley Resort; conference calls regarding closing of sale of Elora Mill Inn; emails with L. Rodness regarding same; provide instruction to S. Laviolette regarding canvassing court availability for approval and vesting motion; draft approval and vesting order motion materials;	1.50	SA
Oct-15-10	Review Rice APS regarding Hidden Valley; review correspondence regarding terms of financing;	0.40	GBM
	Telephone call with P. Casey and V. Damiani regarding extension of Elora closing;	0.30	GBM
	Schedule approval and vesting motion date with Commercial List Office and counsel; draft motion materials; email with L. Rodness regarding sale of Hidden Valley Resort and fee affidavit; emails with I. Gerstein regarding Third Report;	1.80	SA
Oct-18-10	Review correspondence regarding Hidden Valley title issues; review Hidden Valley sale agreement regarding sale; review draft vesting order regarding same; correspondence with P. Casey and L. Rodness regarding same; telephone call with I. Gerstein regarding same;	1.30	GBM
	Telephone call with I. Gerstein;	0.20	GBM
	Telephone call with P. Casey and I. Gerstein regarding Hidden Valley title issues;	0.30	GBM

	Emails with G. Moffat regarding scheduling conference call; emails with L. Rodness regarding fee affidavit;	0.20	SA
Oct-19-10	Telephone call with D. Murdoch regarding Hidden Valley title issues; review correspondence regarding release of title information;	0.40	GBM
	Telephone call with D. Murdoch; telephone call with I. Gerstein and L. Rodness; telephone call with D. Murdoch regarding Hidden Valley title; correspondence with Receiver regarding same;	1.00	GBM
Oct-20-10	Telephone call with I. Gerstein regarding Hidden Valley title issues; telephone call with L. Rodness; review correspondence regarding same;	0.50	GBM
	Receive and review emails from L. Rodness regarding fee affidavit and draft Approval and Vesting Orders; prepare motion materials;	0.40	SA
Oct-21-10	Review correspondence regarding Hidden Valley transaction; telephone call with L. Rodness regarding same; review correspondence regarding extension of title diligence date; telephone call with P. Casey regarding Hidden Valley and Elora transactions; review summary of report to Court; telephone call with I. Gerstein;	1.80	GBM
	Draft Elora amending agreement; review Elora Sale Agreement regarding same;	2.30	GBM
	Revise correspondence to employees of Elora Mill; review appointment order and original engagement letter regarding same; conference call with P. Casey, I. Gerstein and S. Damiani regarding Elora and Hidden Valley;	1.00	GBM
	Review correspondence regarding Elora transaction; further revisions to amending agreement;	0.80	GBM
	Review and respond to emails; discussion with L. Rodness regarding Hidden Valley Resort; discussion with G. Moffat regarding timing for approval and vesting motion for Hidden Valley;	1.00	SA
Oct-22-10	Review correspondence from P. Casey regarding Elora amending agreement; review treatment of assigned contracts; revise amending agreement; review patron letter regarding same; telephone call with P. Casey; review Crescent Management Agreement; review and revise Crescent termination letter; telephone call with I. Gerstein regarding Elora amending agreement;	3.20	GBM
	Further revisions to Elora Amending Agreement; review and revise report outline; telephone call with I. Gerstein;	0.60	GBM
	Review and respond to emails regarding vacant land at Hidden Valley Resort, personal property located at Benmiller property and amendments to Elora agreement; review plans of properties;	0.50	SA
Oct-25-10	Review report outline; review correspondence regarding Hidden Valley offer; review amending agreement regarding Elora; telephone call with I. Gerstein regarding same;	0.80	GBM

	Review and respond to emails regarding survey for Hidden Valley Resort, title issues; execution of Authorization and other outstanding matters;	1.00	SA
Oct-26-10	Review final Elora amending agreement; correspondence with L. Rodness regarding same; review closing agenda;	1.10	GBM
	Telephone call with P. Casey; review security held by ETC regarding Benmiller GSA and title issues with Morrison charge; review opinion regarding same;	1.00	GBM
	Review application record and forbearance agreement regarding Ballycurkeen security; review Torkin Manes opinion regarding same;	0.80	GBM
	Receive and review emails regarding Amending Agreement to Elora Mill Purchase;	0.30	SA
Oct-27-10	Meeting with S. Aggarwal regarding Hidden Valley title; review application materials regarding Ballycurkeen security; telephone call with D. Murdoch regarding same; review Hidden Valley description; telephone call with P. Casey regarding same; review revised closing agenda;	1.30	GBM
	Discussions with G. Moffat regarding sale of Hidden Valley Resort; review file regarding same; leave voicemail message for and discussion with L. Rodness regarding same;	0.70	SA
Oct-28-10	Meeting with S. Aggarwal regarding Hidden Valley title issues; review correspondence regarding same from L. Rodness; review correspondence from P. Casey regarding same; telephone call with A. Vassos regarding liquor licence application at Hidden Valley; telephone call with P. Casey regarding same;	1.00	GBM
	Meeting with P. Casey regarding Hidden Valley transaction; review correspondence regarding same from L. Rodness; review Agreement of Purchase and Sale regarding extension of title diligence date;	0.90	GBM
	Review correspondence regarding title diligence extension;	0.20	GBM
	Review scope of Hidden Valley lands to be conveyed; discussions with G. Moffat regarding same; discussions with L. Rodness regarding same; review and respond to emails;	2.00	SA
Oct-29-10	Telephone call with I. Gerstein; review correspondence regarding Benmiller cap ex;	0.40	GBM
	Review and respond to emails regarding Hidden Valley survey; discussion with G. Moffat regarding same; discussion with P. Casey regarding same;	0.50	SA
Oct-31-10	Email to P. Casey regarding Hidden Valley transaction;	1.00	SA

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	
Grant B. Moffat	30.80	\$650.00	20,020.00	
Alana Shepherd	1.90	\$275.00	522.50	
Seema Aggarwal	12.60	\$375.00	4,725.00	
Annette Fournier (Law Clerk)	0.10	\$250.00	25.00	
<b>TOTAL FEE HEREIN</b>			<b>\$25,292.50</b>	
<b>HST on Fees</b>			<b><u>\$3,288.03</u></b>	
<b>Total Fees and HST</b>				<b>\$28,580.53</b>
<b><u>Disbursements:</u></b>				
Computer Research			\$88.41	
Photocopies			\$81.75	
<b>Total Taxable Disbursements</b>			<b>\$170.16</b>	
<b>HST on Disbursements</b>			<b>\$22.12</b>	
<b>Total Non-Taxable Disbursements</b>			<b><u>\$0.00</u></b>	
<b>Total Disbursements and HST</b>				<b><u>\$192.28</u></b>
<b>Total Fees, Disbursements &amp; HST</b>				<b>\$28,772.81</b>
<b>OUR ACCOUNT HEREIN</b>				<b><u>\$28,772.81</u></b>

**ThortonGroutFinnigan LLP**

Per: Grant B. Moffat

HST No. 87042 1039RT

Matter No. 533-027

Invoice No. 23471

Date: Nov 12/10

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



## EXHIBIT "B"

Calculation of Average Hourly Billing Rates of  
ThorntonGroutFinnigan LLP  
for the period August 1, 2010 to October 31, 2010

Invoice No.	Fees	Disbursements	HST	Hours	Average Rate	Total
23193	\$ 38,252.50	\$ 843.22	\$ 5,062.03	70.4	\$543.36	\$ 44,157.75
23394	38,965.00	407.04	5,118.37	71.6	544.20	44,490.41
23471	25,292.50	170.16	3,310.15	45.4	557.10	28,772.81
<b>Totals:</b>	<b>\$102,510.00</b>	<b>\$1,420.42</b>	<b>\$13,490.55</b>			<b><u>\$117,420.97</u></b>

## EXHIBIT "C"

### Billing Rates of ThorntonGroutFinnigan LLP

For the period August 1, 2010 to October 31, 2010

	<u>Rate</u>	<u>Year of Call</u>
Grant B. Moffat	\$650	1991
Seema Aggarwal	\$375	2005
Alana Shepherd	\$275	2010
Annette Fournier	\$250	Law Clerk

**THE EQUITABLE TRIST COMPANY**

Applicant(s)

and

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

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

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

Proceedings commenced at Toronto

**AFFIDAVIT OF GRANT MOFFAT**  
*(Sworn December 9, 2010)*

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

**Grant B. Moffat** (LSUC# 32380L)  
**Seema Aggarwal** (LSUC# 50674J)  
Tel: 416-304-1616  
Fax: 416-304-1313

Lawyers for the Receiver

# **EXHIBIT “I”**

# EXHIBIT " I "

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

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

BETWEEN:

THE EQUITABLE TRUST COMPANY

Applicant

- and -

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

Respondent

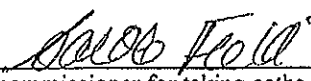
AFFIDAVIT OF LEONARD RODNESS  
(Sworn October 21, 2010)

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


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

2. Attached hereto as Exhibit "A" are true copies of the invoices forwarded to the Receiver by Torkin Manes for fees and disbursements incurred by Torkin Manes in the course of the within proceeding for the period August 3, 2010 to September 17, 2010.
3. Attached hereto as Exhibit "B" is a schedule summarizing each invoice in Exhibit "A", the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice.
4. Attached hereto as Exhibit "C" is a schedule summarizing the respective years of call and billing rates of each of the solicitors at Torkin Manes who acted for the Receiver.
5. To the best of my knowledge, the rates charged by Torkin Manes throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services.
6. The hourly billing rates outlined in Exhibit "C" to this affidavit are comparable to the hourly rates charged by Torkin Manes for services rendered in relation to similar proceedings.
7. I make this affidavit in support of a motion by the Receiver for, *inter alia*, approval of the fees and disbursements of the Receiver's counsel.

**SWORN BEFORE ME**  
at the City of Toronto, in the  
Province of Ontario this 21<sup>st</sup>  
day of October, 2010.

  
A commissioner for taking oaths, etc.  
29924.0002/3621324\_1

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)  
)  
)  
)

  
**Leonard Rodness**

**Carol Dianne Field, a Commissioner, etc.,**  
Province of Ontario, for Torkin Manes LLP,  
Barristers and Solicitors.  
Expires December 14, 2013.

Torkin Manes LLP  
Barristers & Solicitors  
151 Yonge Street, Suite 1500  
Toronto, ON M5C 2W7

Tel: 416 863 1188  
Fax: 416 863 0305  
torkinmanes.com

Torkin | Manes  
Barristers & Solicitors

September 17, 2010

Invoice No.: 208874

Attention: Robert Thornton  
Thornton Grout Finnigan LLP  
100 Wellington Street West, #3200  
Toronto, ON M5K 1K7

ACCOUNT FOR PROFESSIONAL SERVICES RENDERED

---

RE: Hidden Valley Resort, et al. Receivership  
File No.: 28955.0002

TO PROFESSIONAL SERVICES RENDERED HEREIN AS FOLLOWS:

Aug 03 10	LDR	Telephone discussion with Seema Aggarwal re receivership matter; exchange of e-mails with Seema Aggarwal re receivership matter
Aug 04 10	AE	To review of subsearches for all properties; review of agreement of purchase and sale re title issues; preparing schedules of permitted encumbrances for agreements of purchase and sale
Aug 04 10	LDR	Exchange of e-mails with Seema Aggarwal re permitted encumbrance list; discuss amendments to agreement of purchase and sale
Aug 05 10	AE	To updating subsearches for all properties; finalizing schedules of permitted encumbrances for agreements of purchase and sale; revising draft approval and vesting order; e-mail correspondence with Seema Aggarwal re revised schedules, title matters and revised approval and vesting order
Aug 05 10	LDR	Discuss permitted encumbrances; review and revise agreement of purchase and sale

Page 2  
September 17, 2010  
Our File No.: 28955.0002  
Invoice # 208874

Torkin | Manes  
Barristers & Solicitors

Aug 09 10 AE To investigating title matters

Aug 09 10 LDR Exchange of e-mails with Seema Aggarwal re title issues; telephone discussion with Seema Aggarwal re title issues; discussion re title issues

Aug 10 10 AE To attending to title due diligence re preparation of draft opinion

Aug 10 10 SM Began performing title searches for opinion letter

Aug 11 10 SM Completed title searches; began drafting title opinion

Aug 12 10 SM Completed draft opinion letter; performed corporate search; performed abutting land searches

Aug 17 10 LDR Receipt of e-mail from Seema Aggarwal re vesting order; telephone discussion with Seema Aggarwal re vesting order; review and revise vesting order and receiver's order; left detailed voice mail message for Seema Aggarwal re vesting order; e-mail to Seema Aggarwal attaching draft approval and vesting order for Elora Mill Inn property; exchange of e-mails with Seema Aggarwal re draft approval and vesting order

Aug 17 10 SM Drafted schedules of permitted encumbrances and instruments to be deleted; amended Vesting Order

Aug 18 10 AE To finalizing language for approval and vesting order for Elora property and telephone discussion with Seema Aggarwal re same

OUR FEE:	\$7,772.50
HST:	\$1,010.43
SUB-TOTAL:	<hr/> \$8,782.93



Page 3  
September 17, 2010  
Our File No.: 28955.0002  
Invoice # 208874

Torkin | Manes  
Barristers & Solicitors

DISBURSEMENTS

TAXABLE DISBURSEMENTS:

Agents fees	11.00
Document Scanning	3.60
Title search disbursements	1,842.00
Laser copies	225.00
	<hr/>
	2,081.60

NON-TAXABLE DISBURSEMENTS:

Title search disbursements	548.00
Corporate search	8.00
Bankruptcy search	24.00
	<hr/>
	580.00

Total Disbursements	\$2,661.60
HST on Disbursements	\$270.61

TOTAL DISBURSEMENTS AND HST: \$2,932.21

TOTAL FEE, DISBURSEMENTS & HST \$11,715.14

Page 4  
September 17, 2010  
Our File No.: 28955.0002  
Invoice # 208874


Torkin | Manes  
Barristers & Solicitors

BALANCE DUE AND OWING BY YOU

\$11,715.14

TORKIN MANES LLP

Per:

  
Leonard D. Rodness

E. & O. E.

HST REGISTRATION NUMBER: R117245456

Payment is due upon receipt.  
Interest will be charged pursuant to the Solicitors Act at the  
rate of 0.8 percent per year.

Torkin Manes LLP  
Barristers & Solicitors  
151 Yonge Street, Suite 1500  
Toronto, ON M5C 2W7

Tel: 416 863 1188  
Fax: 416 863 0305  
torkinmanes.com

Torkin | Manes  
Barristers & Solicitors

Attention: Robert Thornton  
Thornton Grout Finnigan LLP  
100 Wellington Street West, #3200  
Toronto, ON M5K 1K7

Invoice No.: 208874  
Date of this Account: September 17, 2010  
File No: 28955.0002  
Client: Thornton Grout Finnigan LLP  
Attention: Leonard D. Rodness  
Total this Account: \$11,715.14

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

## EXHIBIT "B"

Calculation of Average Hourly Billing Rates of  
Torkin Manes LLP  
for the period August 3, 2010 to September 17, 2010

Invoice No.	Fees	Disbursements	GST/HST	Hours	Average Rate	Total
208874	\$7,772.50	\$2,661.60	\$1,281.03	28.80	\$406.77	\$11,715.13
<b>Totals:</b>	<b>\$7,772.50</b>	<b>\$2,661.60</b>	<b>\$1,281.03</b>			<b>\$11,715.13</b>

29924.0002/3621355\_1

## EXHIBIT "C"

### Billing Rates of Torkin Manes LLP

For the period August 3, 2010 to September 17, 2010

	<u>Rate</u>	<u>Year of Call</u>
Leonard Rodness	\$450	1988
Aaron English	\$300	2004
Sean Moore	\$160	Law Clerk

29924.0002/3621359\_1

**THE EQUITABLE TRIST COMPANY**

Applicant(s)

and

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

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

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

Proceedings commenced at **Toronto**

**AFFIDAVIT OF LEONARD RODNESS**  
*(Sworn October 21, 2010)*

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

**Grant B. Moffat** (LSUC# 32380L)  
**Seema Aggarwal** (LSUC# 50674J)  
Tel: 416-304-1616  
Fax: 416-304-1313

Lawyers for the Receiver

# **EXHIBIT “J”**

# EXHIBIT " J "

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

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

**BETWEEN:**

**THE EQUITABLE TRUST COMPANY**

Applicant

- and -

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

Respondent

**AFFIDAVIT OF LEONARD RODNESS  
(Sworn December 9, 2010)**

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

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



2. Attached hereto as Exhibit "A" are true copies of the invoices forwarded to the Receiver by Torkin Manes for fees and disbursements incurred by Torkin Manes in the course of the within proceeding for the period September 18, 2010 to November 30, 2010.

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

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

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

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

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

**SWORN BEFORE ME**  
at the City of Toronto, in the  
Province of Ontario this 9th  
day of December, 2010.

)  
)  
)  
)  
)

  
**Leonard Rodness**

A commissioner for taking oaths, etc.  
29924.0002/3836273\_1

Torkin Manes LLP  
Barristers & Solicitors  
151 Yonge Street, Suite 1500  
Toronto, ON M5C 2W7

Tel: 416 863 1188  
Fax: 416 863 0305  
torkinmanes.com

EXHIBIT "A"

October 29, 2010

Invoice No.: 210358

Attention: Robert Thornton  
Thornton Grout Finnigan LLP  
100 Wellington Street West, #3200  
Toronto, ON M5K 1K7

ACCOUNT FOR PROFESSIONAL SERVICES RENDERED

---

RE: Hidden Valley Resort, et al. Receivership  
File No.: 28955.0002

TO PROFESSIONAL SERVICES RENDERED HEREIN AS FOLLOWS:

Sep 21 10	LDR	Telephone discussions with Seema Aggarwal re opinion letter; exchange of e-mails with Seema Aggarwal re opinion letter; review and revise opinion letter; review of title to Benmiller property; review of Benmiller security documents
Sep 21 10	SM	Review of file and obtain copies of requested documents
Sep 22 10	LDR	Review and revise opinion letter; review security documents; e-mail to Seema Aggarwal attaching draft opinion letter; telephone discussion with Seema Aggarwal re opinion letter; revise opinion letter; e-mail to Seema Aggarwal attaching revised opinion letter
Sep 22 10	SM	Amended draft opinion letter; telephone attendance with OnCorp re Alberta Limited Partnerships; review of government of Alberta website re Limited Partnerships
Sep 24 10	SM	Obtained corporate searches, execution searches and updated parcel registers for opinion letter

Page 2  
October 29, 2010  
Our File No.: 28955.0002  
Invoice # 210358

Sep 24 10 LDR Telephone discussions with Seema Aggarwal re title matters and opinion letter; revise opinion letter; exchange of e-mails with Seema Aggarwal re title matters and opinion letter; review title to all three properties

Sep 27 10 LDR Review of title search for Hidden Valley property; revise opinion letter; exchange of e-mails with Grant Moffat re opinion letter

Sep 28 10 AE To attending to title issues; telephone discussion with Grant Moffat re title issues for Hidden Valley property

Sep 29 10 AE To attending to title issues re Hidden Valley property; detailed e-mail to Grant Moffat re title issues and recommendations for clearing title

Sep 29 10 SM Reviewed title documents re Hidden Valley to determine what goes to root of title; drafted email correspondence to client re same

Oct 03 10 LDR Review amendments to agreement of purchase and sale

Oct 05 10 LDR E-mail to Grant Moffat attaching comments to agreement of purchase and sale

Oct 21 10 SM Reviewed plans and mapped out lands re Benmiller property

Oct 22 10 SM Completed mapping of Benmiller Lands

OUR FEE:	\$10,290.00
HST:	\$1,337.70
SUB-TOTAL:	<u>\$11,627.70</u>

Page 3  
October 29, 2010  
Our File No.: 28955.0002  
Invoice # 210358

DISBURSEMENTS

TAXABLE DISBURSEMENTS:

Reproduction of documents	1.50
Deliveries	3.24
Agents fees	184.00
Document Scanning	15.60
Title search disbursements	466.00
Laser copies	175.20
	<hr/>
	845.54

NON-TAXABLE DISBURSEMENTS:

Title search disbursements	292.00
Corporate search	161.68
	<hr/>
	453.68

Total Disbursements	\$1,299.22
HST on Disbursements	\$109.92

TOTAL DISBURSEMENTS AND HST: \$1,409.14

TOTAL FEE, DISBURSEMENTS & HST \$13,036.84

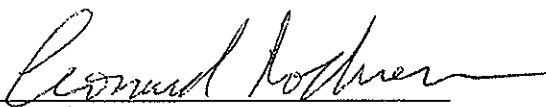
Page 4  
October 29, 2010  
Our File No.: 28955.0002  
Invoice # 210358

BALANCE DUE AND OWING BY YOU

\$13,036.84

TORKIN MANES LLP

Per:

  
Leonard D. Rodness

E. & O. E.

HST REGISTRATION NUMBER: R117245456

Payment is due upon receipt.  
Interest will be charged pursuant to the Solicitors Act at the  
rate of 1.0 percent per year.

Torkin Manes LLP  
Barristers & Solicitors  
151 Yonge Street, Suite 1500  
Toronto, ON M5C 2W7

Tel: 416 863 1188  
Fax: 416 863 0305  
torkinmanes.com

Attention: Robert Thornton  
Thornton Grout Finnigan LLP  
100 Wellington Street West, #3200  
Toronto, ON M5K 1K7

Invoice No.:	210358
Date of this Account:	October 29, 2010
File No:	28955.0002
Client:	Thornton Grout Finnigan LLP
Attention:	Leonard D. Rodness
Total this Account:	\$13,036.84

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

Torkin Manes LLP  
Barristers & Solicitors  
151 Yonge Street, Suite 1500  
Toronto, ON M5C 2W7

Tel: 416 863 1188  
Fax: 416 863 0305  
torkinmanes.com

Torkin|Manes  
Barristers & Solicitors

October 29, 2010

Invoice No.: 210362

Attention: Seema Aggarwal  
Deloitte & Touche Inc.  
181 Bay Street  
Bay Wellington Tower - Brookfield Place, Suite 1400  
Toronto, ON M5J 2V1

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ACCOUNT FOR PROFESSIONAL SERVICES RENDERED

---

RE: Deloitte & Touche Inc., Receiver sale to Pearle Hospitality  
Inc. - The Elora Mill Inn  
File No.: 29924.0001

TO PROFESSIONAL SERVICES RENDERED HEREIN AS FOLLOWS:

Sep 02 10	AE	To review of requisition letter; review of documents provided by Seema Aggarwal
Sep 02 10	LDR	Exchange of e-mails with Seema Aggarwal re agreement of purchase and sale
Sep 03 10	AE	To review of agreement of purchase and sale and preparing closing agenda
Sep 03 10	SM	Discussion with Aaron English re beginning of transaction and closing agenda
Sep 07 10	AE	To review of reply to requisitions; review of draft closing agenda
Sep 07 10	SM	Reviewed Agreement of Purchase and Sale and letter of requisitions from Paul Dixon; drafted response to letter of requisitions and draft Closing Agenda

Page 2  
October 29, 2010  
Our File No.: 29924.0001  
Invoice # 210362

**Torkin|Manes**  
Barristers & Solicitors

Sep 08 10 AE To finalizing reply to requisitions and draft closing agenda; review of title instruments re requisition for correcting deed

Sep 08 10 SM Amended response to letter of requisitions; amended closing agenda; reviewed Registry Act to determine requirement for legal description on documents tendered for registration in Registry system

Sep 09 10 LDR Telephone discussion with Seema Aggarwal re response to requisition letter; telephone discussion with Paul Dixon re requisitions; review and revise response to requisition letter; ~~e-mail to Paul Dixon attaching response to requisition letter~~

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Sep 13 10 LDR E-mail to Paul Casey attaching requisition letter; receipt of e-mail from Paul Dixon re survey; e-mail to Seema Aggarwal and Grant Moffat re survey; telephone discussion with Seema Aggarwal re closing date

Sep 15 10 LDR Receipt of e-mail from Paul Dixon attaching tax certificate; receipt of message from Paul Dixon re survey; left detailed voice mail message for Seema Aggarwal re survey; left detailed voice mail message for Paul Dixon re survey

Sep 15 10 SM Telephone attendance with Land Registry Office

Sep 15 10 AE To voicemail message for Fiona Fennel at Land Registry Office re title issues

Sep 20 10 AE To providing title details to Fiona at land registry office re issue with legal description

Sep 22 10 AE To telephone discussion with Fiona at Guelph land registry office re metes and bounds descriptions for Registry lands; telephone discussion with Edwin at Toronto land registry office re same

Sep 24 10 SM Drafted correspondence to Purchaser's solicitor re metes and bounds description

Sep 27 10 AE To letter to Paul Dixon, solicitor for purchaser, re required legal descriptions in previous transfers; drafting letter to Paul Dixon re closing date, termination of employees and termination of contracts; e-mail correspondence with Grant Moffat re draft



Page 3  
October 29, 2010  
Our File No.: 29924.0001  
Invoice # 210362

**Torkin|Manes**  
Barristers & Solicitors

letter and liability for termination of event  
contracts, room contracts and corresponding deposits

Sep 27 10 SM Amended further response to requisitions; drafted  
correspondence to Purchaser's solicitor

Oct 08 10 AE To e-mail correspondence with Grant Moffat re  
assignment of contracts and employees and closing date

OUR FEE: \$3,530.00

HST: \$458.90

SUB-TOTAL: \$3,988.90

DISBURSEMENTS

TAXABLE DISBURSEMENTS:

Reproduction of documents 15.30  
Long distance telephone charges 4.80  
Document Scanning 1.80  
LPIC surcharge 65.00  
Title search disbursements 12.00  
Laser copies 142.50

241.40

Total Disbursements \$241.40

HST on Disbursements \$31.38

TOTAL DISBURSEMENTS AND HST: \$272.78

TOTAL FEE, DISBURSEMENTS & HST \$4,261.68

Page 4  
October 29, 2010  
Our File No.: 29924.0001  
Invoice # 210362

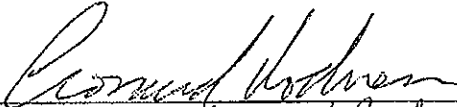
Torkin|Manes  
Barristers & Solicitors

BALANCE DUE AND OWING BY YOU

\$4,261.68

TORKIN MANES LLP

Per:

  
~~Aaron English~~ Leonard Rodness

---

E. & O. E.

HST REGISTRATION NUMBER: R117245456

Payment is due upon receipt.  
Interest will be charged pursuant to the Solicitors Act at the  
rate of 1.0 percent per year.

Torkin Manes LLP  
Barristers & Solicitors  
151 Yonge Street, Suite 1500  
Toronto, ON M5C 2W7

Tel: 416 863 1188  
Fax: 416 863 0305  
torkinmanes.com

Torkin | Manes  
Barristers & Solicitors

Attention: Seema Aggarwal  
Deloitte & Touche Inc.  
181 Bay Street

~~Bay Wellington Tower Brookfield Place, Suite 1400~~  
Toronto, ON M5J 2V1

Invoice No.: 210362  
Date of this Account: October 29, 2010  
File No: 29924.0001  
Client: Deloitte & Touche Inc.  
Attention: Aaron English  
Total this Account: \$4,261.68

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

Torkin Manes LLP  
Barristers & Solicitors  
151 Yonge Street, Suite 1500  
Toronto, ON M5C 2W7

Tel: 416 863 1188  
Fax: 416 863 0305  
torkinmanes.com

October 31, 2010

Invoice No.: 210588

Attention: Seema Aggarwal  
Deloitte & Touche Inc.  
181 Bay Street  
Bay Wellington Tower - Brookfield Place, Suite 1400  
Toronto, ON M5J 2V1

ACCOUNT FOR PROFESSIONAL SERVICES RENDERED

---

RE: Receiver - Tuesday Equities Ltd. and Prince Royal Limited  
Partnership sale of Hidden Valley Resort - 1755 Valley Road,  
Huntsville  
File No.: 29924.0002

TO PROFESSIONAL SERVICES RENDERED HEREIN AS FOLLOWS:

Oct 15 10	LDR	Receipt of e-mail from Seema Aggarwal re agreement of purchase and sale
Oct 18 10	AE	To review of agreement of purchase and sale; review of draft approval and vesting order; commencing preparation of schedules to approval and vesting order
Oct 18 10	LDR	Receipt of e-mails from Paul Casey and Ira Gerstein re title issues; telephone discussions with Ira Gerstein re title issues
Oct 19 10	AE	To preparing approval and vesting order and schedules thereto
Oct 19 10	SM	Drafted Approval and Vesting Order including schedules of permitted encumbrances and encumbrances to be discharged

Page 2  
October 31, 2010  
Our File No.: 29924.0002  
Invoice # 210588

Oct 19 10 LDR Exchange of e-mails with Grant Moffat and Ira Gerstein re title matters; telephone discussion with Dan Murdoch re title matters; telephone discussion with Grant Moffat and Ira Gerstein re title matters

Oct 20 10 AE To finalizing Approval and Vesting Order and schedules thereto

Oct 20 10 SM Amended Approval and Vesting Order; reviewed title documents for same; reviewed and mapped out location of easement on reference plan; reviewed underlying plan

Oct 21 10 LDR Telephone discussion with Ira Gerstein and Grant Moffat re title issues; discuss title issues

Oct 21 10 SM Amended and finalized draft Approval and Vesting Order

Oct 22 10 SM Prepared correspondence to Purchaser's solicitor with title documents

Oct 25 10 LDR Exchange of e-mails with Ken Laimon re survey; exchange of e-mails with Seema Aggarwal re survey; telephone discussion with David Redmond re survey and title summary

Oct 25 10 AE To preparing authorization and direction for purchaser's off-title searches

Oct 26 10 AE To attending to clean-up of title

Oct 26 10 SM Discussions re title matters; prepared correspondence to Purchaser's solicitor with survey

Oct 27 10 SM Reviewed title documents

Oct 28 10 AE To telephone discussions with Bruce Sewell re updated survey for property and additional parcel owned by Tuesday Equities Ltd.; telephone discussion and e-mail correspondence with Dino Astri re survey

Oct 28 10 LDR Exchange of e-mails with Ken Laimon re extension of requisition date; telephone discussion with Seema Aggarwal re extraneous parcel

Page 3  
October 31, 2010  
Our File No.: 29924.0002  
Invoice # 210588

Oct 29 10 AE To telephone discussions with Dino Astri re survey of  
property; e-mail correspondence with Seema Aggarwal re  
title matters and survey

OUR FEE:		\$4,065.00
HST:		\$528.45
SUB-TOTAL:		<u>\$4,593.45</u>

DISBURSEMENTS

TAXABLE DISBURSEMENTS:

Reproduction of documents	120.00
Deliveries	9.72
Long distance telephone charges	4.94
Document Scanning	0.90
Laser copies	50.00
	<u>185.56</u>

Total Disbursements	\$185.56
HST on Disbursements	\$24.12

TOTAL DISBURSEMENTS AND HST:	<u>\$209.68</u>
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TOTAL FEE, DISBURSEMENTS & HST	\$4,803.13
--------------------------------	------------

Page 4  
October 31, 2010  
Our File No.: 29924.0002  
Invoice # 210588

BALANCE DUE AND OWING BY YOU

\$4,803.13

TORKIN MANES LLP

Per:   
~~Aaron English~~ Leonard Redness

E. & O. E.

HST REGISTRATION NUMBER: R117245456

Payment is due upon receipt.  
Interest will be charged pursuant to the Solicitors Act at the  
rate of 1.0 percent per year.

Torkin Manes LLP  
Barristers & Solicitors  
151 Yonge Street, Suite 1500  
Toronto, ON M5C 2W7

Tel: 416 863 1188  
Fax: 416 863 0305  
torkinmanes.com

Attention: Seema Aggarwal  
Deloitte & Touche Inc.  
181 Bay Street  
Bay Wellington Tower - Brookfield Place, Suite 1400  
Toronto, ON M5J 2V1

Invoice No.:	210588
Date of this Account:	October 31, 2010
File No:	29924.0002
Client:	Deloitte & Touche Inc.
Attention:	Aaron English
Total this Account:	\$4,803.13

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT



Torkin Manes LLP  
Barristers & Solicitors  
151 Yonge Street, Suite 1500  
Toronto, ON M5C 2W7

Tel: 416 863 1188  
Fax: 416 863 0305  
torkinmanes.com

November 30, 2010

Invoice No.: 211606

Attention: Seema Aggarwal  
Deloitte & Touche Inc.  
181 Bay Street  
Bay Wellington Tower - Brookfield Place, Suite 1400  
Toronto, ON M5J 2V1

ACCOUNT FOR PROFESSIONAL SERVICES RENDERED

---

RE: Receiver - Tuesday Equities Ltd. and Prince Royal Limited  
Partnership sale of Hidden Valley Resort - 1755 Valley Road,  
Huntsville  
File No.: 29924.0002

TO PROFESSIONAL SERVICES RENDERED HEREIN AS FOLLOWS:

Nov 02 10	AE	To telephone discussion with Gary Pearson re survey; e-mail correspondence with Seema Aggarwal re surveyor
Nov 08 10	SM	Prepared correspondence to Land Registry Office requesting PIN corrections
Nov 09 10	AE	To review of tax bill for additional parcel owned by Tuesday Equities Ltd.
Nov 09 10	SM	Reviewed reference plans
Nov 12 10	AE	To commencing review of letter of requisitions
Nov 14 10	AE	To review of requisition letter and preparing draft reply to requisitions
Nov 14 10	LDR	Review requisition letter

Page 2  
November 30, 2010  
Our File No.: 29924.0002  
Invoice # 211606

Nov 15 10 LDR Receipt of e-mail from Ken Laimon re extension of title diligence date; exchange of e-mails with Grant Moffat and Paul Casey re title requisitions; conference call with Grant Moffat and Paul Casey re title requisitions; review and revise requisition letter; exchange of e-mails with Grant Moffat and Paul Casey re draft response to requisition letter; e-mail to Ken Laimon re extension of title diligence date; telephone discussion with Ken Laimon re extension

Nov 15 10 SM Drafted and finalized response to letter of requisitions

Nov 16 10 LDR Exchange of e-mails with Ken Laimon and Paul Casey re requisitions and extension of title diligence date

Nov 18 10 LDR Exchange of e-mails with Ken Laimon re setbacks; receipt of e-mails from Ira Gerstein re transfer of liquor license; e-mail to Paul Casey and Grant Moffat re setbacks and title requisitions; exchange of e-mails with Ken Laimon re title issues and title diligence date

Nov 19 10 AE To review of agreements on title re response to requisitions 7 and 8

Nov 19 10 LDR Exchange of e-mails with Paul Casey re conference call; exchange of e-mails with Ken Laimon extended title diligence date

Nov 22 10 AE To drafting response to requisitions 7 and 8 re removal of agreements from title; conference call re status of transaction

Nov 22 10 LDR Exchange of e-mails with Paul Casey and Ken Laimon re outstanding title matters; conference call re status of title matters

Nov 23 10 LDR Receipt of e-mail from Ken Laimon re title matters; forward Ken Laimon e-mail to clients; telephone discussion with Grant Moffat re liquor license issue; e-mail to Ken Laimon re title issues and extension of title diligence date

Nov 23 10 AE To attending to clearance of active building permits

Page 3  
November 30, 2010  
Our File No.: 29924.0002  
Invoice # 211606

Nov 24 10	SM	Left telephone voice mail message for Town of Huntsville re outstanding building permits
Nov 24 10	LDR	Exchange of e-mails with Ken Laimon, Paul Casey and Grant Moffat re extension of title diligence date
Nov 26 10	AE	To attending to outstanding title and off-title matters
Nov 26 10	LDR	Exchange of e-mails with Paul Casey re liquor licence issue
Nov 26 10	SM	Reviewed letter of requisitions and response to letter of requisitions to determine instruments to be deleted; prepared correspondence to Town of Huntsville re outstanding building permits; began drafting applications to delete title instruments
Nov 28 10	AE	To attending to outstanding closing matters re documentation
Nov 29 10	LDR	Telephone discussion with Paul Casey, Ken Laimon et al re status of outstanding building permits; Telephone discussion with Paul Casey re status of outstanding building permits
Nov 29 10	AE	To follow up with building department re outstanding permits
Nov 30 10	LDR	Receipt of e-mail from Grant Moffat re amending agreement; review and revise amending agreement; e-mail to Grant Moffat attaching revised amending agreement; receipt of e-mail from Grant Moffat forwarding Paul Casey comments; telephone discussion with Grant Moffat re amending agreement
Nov 30 10	AE	To attending to outstanding off-title matters
Nov 30 10	SM	Telephone attendance with Electrical Safety Authority regarding outstanding notification; telephone attendance with Town of Huntsville re outstanding building permits; received voice mail message from Land Registry Office re deletion of title instruments

OUR FEE:

\$5,312.50

Page 4  
November 30, 2010  
Our File No.: 29924.0002  
Invoice # 211606

HST: \$690.63

SUB-TOTAL: \$6,003.13

DISBURSEMENTS

TAXABLE DISBURSEMENTS:

Reproduction of documents	10.50
Deliveries	19.44
Telefax	14.08
Long distance telephone charges	12.92
Paid to obtain copies	9.75
Document Scanning	4.20
LPIC surcharge	65.00
Title search disbursements	6.00
Laser copies	95.70
	<u>237.59</u>

Total Disbursements \$237.59

HST on Disbursements \$30.89

TOTAL DISBURSEMENTS AND HST: \$268.48

TOTAL FEE, DISBURSEMENTS & HST \$6,271.61

Page 5  
November 30, 2010  
Our File No.: 29924.0002  
Invoice # 211606

BALANCE DUE AND OWING BY YOU

\$6,271.61

TORKIN MANES LLP

Per:

  
~~Aaron English~~ Leonard Rodness

E. & O. E.

HST REGISTRATION NUMBER: R117245456

Payment is due upon receipt.  
Interest will be charged pursuant to the Solicitors Act at the  
rate of 1.0 percent per year.

Torkin Manes LLP  
Barristers & Solicitors  
151 Yonge Street, Suite 1500  
Toronto, ON M5C 2W7

Tel: 416 863 1188  
Fax: 416 863 0305  
torkinmanes.com

Attention: Seema Aggarwal  
Deloitte & Touche Inc.  
181 Bay Street  
Bay Wellington Tower - Brookfield Place, Suite 1400  
Toronto, ON M5J 2V1

Invoice No.:	211606
Date of this Account:	November 30, 2010
File No:	29924.0002
Client:	Deloitte & Touche Inc.
Attention:	Aaron English
Total this Account:	\$6,271.61

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

## EXHIBIT "B"

Calculation of Average Hourly Billing Rates of  
Torkin Manes LLP  
for the period September 18, 2010 to November 30, 2010

Invoice No.	Fees	Disbursements	HST	Hours	Average Rate	Total
210358	\$10,290.00	\$1,299.22	\$1,447.62	29.40	\$350.00	\$13,036.84
210362	\$3,530.00	\$241.40	\$490.28	14.00	\$252.14	\$4,261.68
210588	\$4,065.00	\$185.56	\$552.57	15.40	\$263.96	\$4,803.13
211606	\$5,312.50	\$237.59	\$721.51	15.90	\$334.12	\$6,271.60
<b>TOTALS</b>	<b>\$23,197.50</b>	<b>\$1,963.77</b>	<b>\$3,211.98</b>	<b>74.7</b>	<b>\$310.54</b>	<b>\$28,373.25</b>

29924.0002/3836423\_1

## EXHIBIT "C"

### Billing Rates of Torkin Manes LLP

For the period September 18, 2010 to November 30, 2010

	<u>Rate</u>	<u>Year of Call</u>
Leonard Rodness	\$450	1988
Aaron English	\$300	2004
Sean Moore	\$160	Law Clerk

29924.0002/3836461\_1



**THE EQUITABLE TRIST COMPANY**

and

Applicant(s)

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

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

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

Proceedings commenced at **Toronto**

**AFFIDAVIT OF LEONARD RODNESS**  
*(Sworn December 9, 2010)*

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

**Grant B. Moffat** (LSUC# 32380L)  
**Seema Aggarwal** (LSUC# 50674J)  
Tel: 416-304-1616  
Fax: 416-304-1313

Lawyers for the Receiver

# **EXHIBIT “K”**

# EXHIBIT "K"

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

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

**BETWEEN:**

**THE EQUITABLE TRUST COMPANY**

Applicant

- and -

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

Respondent

**AFFIDAVIT OF ADAM M. VASSOS  
(Sworn December 6, 2010)**

I, **ADAM M. VASSOS**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

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

2. Attached hereto as Exhibit "A" are true copies of the invoices I have forwarded to the Receiver for fees and disbursements incurred in the course of the within proceeding for the period May 19, 2010 to November 30, 2010.

3. Attached hereto as Exhibit "B" is a schedule summarizing each invoice in Exhibit "A".

4. Attached hereto as Exhibit "C" is a schedule summarizing my year of call and billing rate.

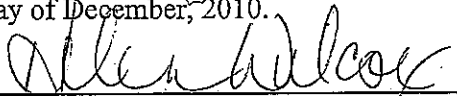
5. To the best of my knowledge, the rate I have charged the Receiver throughout the course of these proceedings is comparable to the rates charged by other law firms in the Toronto market for the provision of similar services.

6. My hourly billing rate outlined in Exhibit "C" to this affidavit is comparable to the hourly rate I charge for services rendered in relation to similar proceedings.

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


**SWORN BEFORE ME**

at the City of Toronto, in the  
Province of Ontario this 6<sup>th</sup>  
day of December, 2010.



A commissioner for taking oaths, etc.

Helen Louise Wilcox, a Commissioner, etc.,  
Province of Ontario, for Adam M. Vassos,  
Barrister and Solicitor. Expires May 17, 2013.

  
\_\_\_\_\_  
Adam M. Vassos

IN ACCOUNT WITH

**EXHIBIT "A"**

May 27, 2010

File No. 10640  
Invoice No. 2633

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

Interim Account

**Attention: Ira Gerstein**

**Re: Application for Temporary Transfer to Receiver (operating)  
Benmiller Inn  
R.R. #4, Colborne Twp.**

---

For professional services rendered with respect to the above-noted matter, to and including the following:

- TO reviewing instructions from you to prepare an Application for Temporary Transfer to Receiver (operating);
- TO receiving documents and information from you with respect to the preparation of the Application;
- TO numerous email communications with Mr. Ira Gerstein;
- TO numerous telephone conferences with Mr. Gerstein;
- TO preparation of Application for Liquor Licence;
- TO forwarding Personal History Reports and Establishment Description Form to Mr. Gerstein for completion;
- TO meeting with you and attending to your review of Application;
- TO providing documentation to you for your execution;

TO preparation of correspondence for the purposes of forwarding the Application to the Alcohol and Gaming Commission;

TO reporting to you;

<b>To my Fee Herein</b>	<b>\$2,500.00</b>
5% GST	<u>\$ 125.00</u>
<b>Total Fees Herein</b>	<b>\$2,625.00</b>

*This is my Account Herein - Due and Owing*

**Adam M. Vassos**

/hw  
E. & O. E.

GST NO. 891623381 RT

**IN ACCOUNT WITH**

May 27, 2010

File No. 10642  
Invoice No. 2634

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

*Interim Account*

**Attention: Ira Gerstein**

**Re: Application for Temporary Transfer to Receiver (operating)  
Hidden Valley Resort  
1755 Valley Road, Huntsville**

---

**For professional services rendered with respect to the above-noted matter, to and including the following:**

- TO reviewing instructions from you to prepare an Application for Temporary Transfer to Receiver (operating);
- TO receiving documents and information from you with respect to the preparation of the Application;
- TO numerous email communications with Mr. Ira Gerstein;
- TO numerous telephone conferences with Mr. Gerstein;
- TO preparation of Application for Liquor Licence;
- TO forwarding Personal History Reports and Establishment Description Form to Mr. Gerstein for completion;
- TO meeting with you and attending to your review of Application;
- TO providing documentation to you for your execution;

TO preparation of correspondence for the purposes of forwarding the Application to the Alcohol and Gaming Commission;

TO reporting to you;

To my Fee Herein	\$2,500.00
5% GST	<u>\$ 125.00</u>
<b>Total Fees Herein</b>	<b>\$2,625.00</b>

*This is my Account Herein - Due and Owing*

**Adam M. Vassos**

/hw  
E. & O. E.

GST NO. 891623381 RT



**IN ACCOUNT WITH**

May 27, 2010

File No. 10641  
Invoice No. 2635

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

*Interim Account*

**Attention: Ira Gerstein**

**Re: Application for Temporary Transfer to Receiver (operating)  
Elora Mill Inn (The)  
77 West Mill Street, Elora**

---

For professional services rendered with respect to the above-noted matter, to and including the following:

- TO reviewing instructions from you to prepare an Application for Temporary Transfer to Receiver (operating);
- TO receiving documents and information from you with respect to the preparation of the Application;
- TO numerous email communications with Mr. Ira Gerstein;
- TO numerous telephone conferences with Mr. Gerstein;
- TO preparation of Application for Liquor Licence;
- TO forwarding Personal History Reports and Establishment Description Form to Mr. Gerstein for completion;
- TO meeting with you and attending to your review of Application;
- TO providing documentation to you for your execution;

TO preparation of correspondence for the purposes of forwarding the Application to the Alcohol and Gaming Commission;

TO reporting to you;

To my Fee Herein	\$2,500.00
5% GST	<u>\$ 125.00</u>
<b>Total Fees Herein</b>	<b>\$2,625.00</b>

*This is my Account Herein - Due and Owing*

**Adam M. Vassos**

/hw  
E. & O. E.

GST NO. 891623381 RT

**IN ACCOUNT WITH**

June 11, 2010

File No. 10642  
Invoice No. 2646

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

**Attention: Ira Gerstein**

**Re: Applications for Temporary Transfer to Receiver (operating)  
Hidden Valley Resort, 1755 Valley Road, Huntsville  
The Elora Inn, 77 West Mill Street, Elora  
Benmiller Inn, R.R. #4, Colborne Twp.**

---

**For professional services rendered with respect to the above-noted matters subsequent submission of the Liquor Licence Applications:**

- TO forwarding email to Mr. Ira Gerstein containing copies of Applications forwarded to the AGCO on May 27, 2010;
- TO receipt and review of email communication from Mr. Paul Casey on May 27, 2010;
- TO receipt and review of email communication from Ms. Dianne Spicer-McWilliams of the AGCO on May 28, 2010 with respect to The Elora Inn;
- TO telephone conference with Ms. Spicer-McWilliams;
- TO receipt and review of numerous email communications from Mr. Stuart Mlotek of the AGCO on May 28, 2010 with respect to the Benmiller Inn;
- TO email communication with Mr. Casey advising that Licences for The Elora Inn and Benmiller Inn are ready for pick up by courier;
- TO receipt and review of correspondence from the AGCO on May 28, 2010

- with respect to Hidden Valley Resort;
- TO corresponding with AGCO on May 28, 2010 regarding Hidden Valley Resort;
- TO telephone conference with Ms. Raj Singh of the AGCO with respect to Hidden Valley Resort on June 2, 2010;
- TO telephone conference with Mr. Gerstein on June 2, 2010;
- TO receipt and review of numerous email communications from Mr. Gerstein on June 2, 2010;
- TO receipt and review of email communication from Mr. Ed Puodziunas on June 2, 2010;
- TO receipt and review of email communication from Ms. Joanne McGovern on June 3, 2010;
- TO receipt and review of email communication from Ms. Singh on June 3, 2010;
- TO receipt and review of email communication from Mr. Gerstein on June 3, 2010;
- TO email communication with Ms. McGovern on June 3, 2010;
- TO email communication with Mr. Gerstein on June 8, 2010;
- TO receipt and review of email communication from Mr. Grant Moffatt on June 9, 2010;
- TO review of G8 Contract received from Mr. Moffatt on June 8, 2010;
- TO email communication with Mr. Moffatt on June 8, 2010;
- TO reporting to you;

**To my Fee Herein**  
5% GST

**\$1,500.00**  
**\$ 75.00**

***Total Fees Herein***

**\$1,575.00**

*This is my Account Herein - Due and Owing*

**Adam M. Vassos**

**Adam M. Vassos**

/hw

E. & O. E.

GST NO. 891623381 RT

IN ACCOUNT WITH

September 15, 2010

File No. 10641  
Invoice No. 2680

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

**Attention: Ira Gerstein**

**Re: Elora Mill Inn (The)**  
**77 West Mill Street, Elora**

---

For professional services rendered with respect to the above-noted matter, to and including the following:

- TO receipt and review of email communications from Mr. Paul Casey with respect to Application for Liquor Licence on September 3, 2010;
- TO several telephone conferences with Mr. Ira Gerstein regarding the issue of outstanding PST and its effect on a new Applicant;
- TO several telephone conferences with Ms. Donna Pimentel of the Alcohol and Gaming Commission of Ontario with respect to issue of outstanding PST and its effect on the new Applicant;
- TO further telephone conference with Mr. Gerstein;
- TO reporting to you;

**To my Fee Herein**  
13% GST

**\$750.00**  
**\$ 97.50**

**Total Fees Herein**

**\$847.50**

*This is my Account Herein - Due and Owing*

**Adam M. Vassos**

/hw  
E. & O. E.

HST NO. 891623381 RT

IN ACCOUNT WITH

**ADAM M. VASSOS, B.A., LL.B.**  
Barrister and Solicitor

110 Yonge Street, Suite 1100  
Toronto, Ontario  
M5C 1T4

Tel: 416-364-1972  
Fax: 416-862-1869  
Direct Dial: 416-364-2066  
Email: adam@vassoslaw.ca

November 30, 2010

File No. 10641  
Invoice No. 2736

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

**Amended**

**Attention: Ira Gerstein**

**Re: Elora Mill Inn (The)**  
**77 West Mill Street, Elora**  
**Benmiller Inn**  
**R.R. #4, Colborne Twp.**  
**Hidden Valley Resort**  
**1755 Valley Road, Huntsville**

**For professional services rendered with respect to the above-noted matter, to and including the following:**

TO	receipt and review of email communication from Mr. Ira Gerstein with respect to liquor in inventory on November 10, 2010;	.2 hrs
TO	email communication with Mr. Gerstein on November 10, 2010;	.1 hrs
TO	to telephone conference with Alcohol and Gaming Commission of Ontario (AGCO) on November 10, 2010;	.3 hrs
TO	receipt and review of email communication from Mr. Gerstein on November 11, 2010;	.1 hrs
TO	email communication with Mr. Gerstein on November 11, 2010;	.1 hrs



TO	receipt and review of email communications from Mr. Gerstein on November 18, 2010;	.1 hrs
TO	telephone conference with Mr. Gerstein on November 18, 2010;	.2 hrs
TO	telephone conference with Ms. Donna Pimental of the AGCO on November 18, 2010;	.3 hrs
TO	telephone conference with Mr. Gerstein and Purchaser of Elora Inn on November 18, 2010;	.2 hrs
TO	telephone conference with Ms. Pimentel on November 22, 2010;	.1 hrs
TO	telephone conference with Mr. Gerstein on November 22, 2010;	.1 hrs
TO	telephone conference with Ms. Pimentel and Mr. Gerstein on November 22, 2010;	.2 hrs
TO	telephone conference with Mr. Grant Moffatt on November 22, 2010;	.1 hrs
TO	telephone conference with Mr. Moffatt on November 23, 2010;	.1 hrs
TO	telephone conference with Mr. Moffatt on November 24, 2010;	.1 hrs
TO	receipt and review of email from Mr. Moffatt on November 24, 2010;	.1 hrs
TO	receipt and review of email communications from Mr. Paul Rice on November 24, 2010;	.1 hrs
TO	email communication with Mr. Rice on November 25, 2010;	.1 hrs
TO	receipt and review of email communications from Mr. Rice on November 25, 2010;	.1 hrs
TO	receipt and review of email communications from Mr. Paul Casey on November 25, 2010;	.1 hrs
TO	receipt and review of email communications from Mr. Casey on November 26, 2010;	.1 hrs
TO	receipt and review of email communications from Mr. Moffatt on November 26, 2010;	.1 hrs
TO	receipt and review of email communications from Mr. Leonard Rodness on November 26, 2010;	.1 hrs
TO	email communication with Mr. Casey on November 26, 2010;	.1 hrs

TO	receipt and review of email communications from Mr. Casey on November 26, 2010;	.1 hrs
TO	receipt and review of email communications from Mr. Casey on November 26, 2010;	.1 hrs
TO	receipt and review of email communications from Mr. Casey on November 26, 2010;	.1 hrs
TO	receipt and review of email communications from Mr. Moffatt on November 26, 2010;	.1 hrs
TO	email communication with Mr. Moffatt on November 26, 2010;	.1 hrs
TO	receipt and review of email communications from Mr. Casey on November 26, 2010;	.1 hrs
TO	meeting with Mr. Gerstein, Mr. Moffatt, Mr. Casey, Mr. Bill Stone and Mr. Kenneth Laimon November 29, 2010;	2.5 hrs
TO	reporting to you;	_____
		6.3 hrs
	<b>To my Fee Herein (6.3 hrs x \$500.00)</b>	<b>\$3,150.00</b>
	13% HST	<u>\$ 409.50</u>
	<b><i>Total Fees Herein</i></b>	<b><u>\$3,559.50</u></b>

***This is my Account Herein - Due and Owing***

**Adam M. Vassos**

/ns  
E. & O. E.

HST NO. 891623381 RT

## EXHIBIT "B"

### Summary of Invoices of Adam M. Vassos for the period May 19, 2010 to November 30, 2010

Invoice No.	Fees	Disbursements	GST/HST	Total
2633	\$2,500.00	\$0.00	\$125.00	\$2,625.00
2634	\$2,500.00	\$0.00	\$125.00	\$2,625.00
2635	\$2,500.00	\$0.00	\$125.00	\$2,625.00
2646	\$1,500.00	\$0.00	\$75.00	\$1,575.00
2680	\$750.00	\$0.00	\$97.50	\$847.50
2736	\$3,150.00	\$0.00	\$409.50	\$3,559.50
<b>Totals:</b>	<b>\$12,900.00</b>	<b>\$0.00</b>	<b>\$957.00</b>	<b>\$13,857.00</b>

**EXHIBIT "C"**

**Billing Rate of Adam M. Vassos**

For the period May 19, 2010 to November 30, 2010

	<b>RATE</b>	<b>YEAR OF CALL</b>
Adam M. Vassos	<b>\$500.00</b>	<b>1987</b>

**THE EQUITABLE TRIST COMPANY**

and

Applicant(s)

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

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

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

Proceedings commenced at Toronto

**AFFIDAVIT OF ADAM M. VASSOS**  
*(Sworn December 6, 2010)*

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

**Grant B. Moffat (LSUC# 32380L)**  
**Seema Aggarwal (LSUC# 50674J)**  
Tel: 416-304-1616  
Fax: 416-304-1313

Lawyers for the Receiver

**THE EQUITABLE TRIST COMPANY**

Applicant(s)

and

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

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

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

Proceedings commenced at **Toronto**

**THIRD REPORT OF THE RECEIVER**  
*(Dated December 17, 2010)*

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

**Grant B. Moffat** (LSUC# 32380L)  
**Seema Aggarwal** (LSUC# 50674J)  
Tel: 416-304-1616  
Fax: 416-304-1313

Lawyers for the Receiver

# TAB 3

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE ) THURSDAY, THE 30<sup>th</sup>  
 )  
JUSTICE ) DAY OF DECEMBER, 2010

THE EQUITABLE TRUST COMPANY

Applicant

- and -

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

Respondents

**ORDER**

**THIS MOTION**, made by Deloitte & Touche Inc., in its capacity as receiver and manager (in such capacity, the “Receiver”) of all of the assets, undertakings and properties of Tuesday Equities Ltd. and Prince Royal Limited Partnership (together, the “Debtors”), acquired for, or used in relation to the following businesses carried on by the Debtors, including all proceeds thereof: (i) The Benmiller Inn & Spa; (ii) The Elora Mill Inn; and (iii) the Hidden Valley Resort (collectively, the “Property”) for relief with respect to the matters set out in the Notice of Motion dated December 17, 2010, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Third Report of the Receiver dated December 17, 2010 (the “**Third Report**”) and the Exhibits thereto, and on hearing submissions of counsel for the Receiver, the Applicant and any other party appearing,



1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein be and is hereby abridged such that this motion is properly returnable today and that further service thereof upon any other interested party is hereby dispensed with.
2. **THIS COURT ORDERS** that capitalized terms not otherwise defined in this Order shall have the meanings ascribed thereto in the Third Report.
3. **THIS COURT ORDERS** that the Third Report and the activities and conduct of the Receiver described in the Third Report, including, without limitation, the steps taken by the Receiver pursuant to the Revised Marketing Process, are hereby ratified and approved.
4. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to enter into and carry out the terms of the Rice Sale Agreement in respect of the sale of the Receiver's right, title and interest, if any, in and to that part of the Property comprised by the Hidden Valley Resort.
5. **THIS COURT ORDERS** that if the Rice Sale Agreement is terminated in accordance with its terms, the Receiver is authorized and directed to commence negotiations with any other party or parties identified by the Receiver through the Marketing Process, the Revised Marketing Process or otherwise whereby the Receiver shall sell the Hidden Valley Resort to such party or parties.
6. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to continue to offer The Benmiller Inn & Spa for sale pursuant to the Revised Marketing Process.
7. **THIS COURT ORDERS** that, in accordance with the Revised Conditions of Sale, the Receiver is not obligated to accept any offer or offers to purchase The Benmiller Inn & Spa.
8. **THIS COURT ORDERS** that the Receiver's Statement of Receipts and Disbursements, attached as Exhibit "F" to the Third Report, is hereby approved.
9. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its legal counsel, as set out in the Third Report and the Casey Affidavit, the Moffat Affidavit, the Rodness Affidavits and the Vassos Affidavit, all attached as exhibits thereto, are hereby authorized and approved.

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

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

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**THE EQUITABLE TRUST COMPANY**

Applicant(s)

and

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

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

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

Proceedings commenced at Toronto

**ORDER**

**ThorntonGroutFinnigan LLP**  
Barristers and Solicitors  
Suite 3200, P.O. Box 329  
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Toronto-Dominion Centre  
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**Grant B. Moffat (LSUC#32380L)**  
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Lawyers for the Receiver.

# TAB 4

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) THURSDAY, THE 30TH DAY  
 )  
JUSTICE ) OF DECEMBER, 2010

B E T W E E N:

**THE EQUITABLE TRUST COMPANY**

Applicant

- and -

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

Respondents

**APPROVAL AND VESTING ORDER  
(Hidden Valley Resort)**

**THIS MOTION**, made by Deloitte & Touche Inc. in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of Tuesday Equities Ltd. and Prince Royal Limited Partnership (together, the "**Debtors**"), acquired for, or used in relation to the following businesses carried on by the Debtors, including all proceeds thereof: (i) The Benmiller Inn & Spa; (ii) The Elora Mill Inn; and (iii) the Hidden Valley Resort (collectively, the "**Property**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver and Paul D. Rice, in trust for a corporation to be incorporated under the laws of the Province of

Ontario ("Rice") made as of October 13, 2010, as amended by the amending agreement dated November 30, 2010 and as assigned by Rice to 2263480 Ontario Inc. (the "**Purchaser**") by assignment of agreement of purchase and sale, (together, the "**Sale Agreement**") and appended to the Report of the Receiver dated December 17, 2010 (the "**Report**"), and vesting in the Purchaser the Debtors' right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

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

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

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

permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Muskoka (No. 35) 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.

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

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

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

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

- (a) the pendency of these proceedings;

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

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

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

9. **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.

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**Schedule A – Form of Receiver’s Certificate**

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**THE EQUITABLE TRUST COMPANY**

Applicant

- and -

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

Respondents

**RECEIVER’S CERTIFICATE  
(Hidden Valley Resort)**

**RECITALS**

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

B. Pursuant to an Order of the Court dated December 30, 2010, the Court approved the agreement of purchase and sale between the Receiver and Paul D. Rice, in trust for a corporation to be incorporated under the laws of the Province of Ontario ("**Rice**") made as of October 13, 2010, as amended by the amending agreement dated November 30, 2010 and as assigned by Rice

to 2263480 Ontario Inc. (the “**Purchaser**”) by assignment of agreement of purchase and sale (together, the “**Sale Agreement**”) and provided for the vesting in the Purchaser of the Receiver’s and the Debtors’ right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in sections 8, 9 and 10 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in sections 8, 9 and 10 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at [TIME] on [DATE], 2011.

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

Per: \_\_\_\_\_  
Name: ►  
Title: ►

## **Schedule B – Purchased Assets**

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

The Hidden Valley Resort, consisting of the real property located at 1755 Valley Road, Town of Huntsville, Province of Ontario, together with the buildings situate thereon containing 94 guest rooms, 2 hospitality suites, a lobby, restaurant, lounge/bar, meeting rooms, function rooms, administrative offices, parking, swimming pools, recreational facilities, retail components and certain other amenities and related facilities, legally described as:

### **HIDDEN VALLEY RESORT**

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

PIN 48082-0049 (LT) – PCL 32961 SEC MUSKOKA; FIRSTLY: PT LT 1 PL M419 CHAFFEY; PT LT 2 PL M419 CHAFFEY PT 10 35R8715; SECONDLY: PT LT 33 CON 2 CHAFFEY PT 6-8 & 10 35R14094 S/T PT 6, 8, 10 35R14094 AS IN LT162591, S/T PT 8 & 10 35R14094 AS IN LT163267, S/T PT 10 35R14094 AS IN LT163268, S/T PT 8 & 10 35R14094 AS IN LT163512 & LT 163513; THIRDLY: PT 1 FT RESERVE AROUND WLY END OF VALLEY RD PL M419 CHAFFEY PT 14 35R14094 S/T PT 14 35R14094 AS IN LT23495; FOURTHLY: PT LT 33 CON 2 CHAFFEY PT 9 35R8715; FIFTHLY: PT 1 FT RESERVE ADJOINING VALLEY RD PL M419 CHAFFEY PT 12 35R8715 S/T PT 3 35R8712 AS IN LT118308; SIXTHLY: PT VALLEY RD PL M419 CHAFFEY CLOSED BY LT168265 PT 13 35R8715 S/T PT 2 35R8712 AS IN LT163270, T/W PT 23 35R14094 AS IN LT163270 & T/W PT 11, 20 & 22 35R14094 AS IN LT163270 (S/T LT103237, LT 103983, LT122177, LT143636, LT147767, LT148784, LT153713, LT153718, LT147766 & LT153717); HUNTSVILLE; THE DISTRICT MUNICIPALITY OF MUSKOKA

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

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

### **PIN 48082-0346 (LT)**

1. Charge in favour of The Equitable Trust Company (“**Equitable**”) securing the principal amount of \$2,800,000.00 registered as Instrument No. MT6144 on August 26, 2005;
2. Notice of Assignment of Rents – General in favour of Equitable registered as Instrument No. MT6145 on August 26, 2005;
3. Charge in favour of 432567 B.C. Ltd. (“**432567**”) securing the principal amount of \$3,000,000.00 registered as Instrument No. MT44418 on January 10, 2008;
4. Charge in favour of Checkers Properties G.P. Inc. (“**Checkers**”) securing the principal amount of \$3,000,000.00 registered as instrument No. MT44419 on January 10, 2008;
5. Transfer of Charge transferring the Charge registered as Instrument No. MT44419 to and in favour of Ashiana Holdings Ltd. (“**Ashiana**”) and Ballycurkeen Investment Corp. (“**Ballycurkeen**”) registered as Instrument No. MT67042 on June 4, 2009;
6. Construction Lien by Peter Barker, carrying on business as Five Star Painting & Renovations (“**Barker**”), claiming the amount of \$13,188.00 registered as Instrument No. MT78799 on February 18, 2010;
7. Certificate of Action in connection with Construction Lien No. MT78799 registered as Instrument No. MT80634 on April 12, 2010;
8. Application to Register Court Order re Order of the Ontario Superior Court of Justice dated May 26, 2010 appointing Deloitte & Touche Inc. as receiver registered as Instrument No. MT83111 on June 3, 2010.
9. Construction Lien by Muskoka Minerals & Mining Inc. (“**Muskoka Minerals**”), claiming the amount of \$1,395.00 registered as Instrument No. MT84016 on June 21, 2010; and
10. Certificate of Action in connection with Construction Lien No. MT84016 registered as Instrument No. MT86805 on August 16, 2010.

### **PIN 48082-0049 (LT)**

1. Charge in favour of Equitable securing the principal amount of \$2,800,000.00 registered as Instrument No. MT6144 on August 26, 2005;
2. Notice of Assignment of Rents – General in favour of Equitable registered as Instrument No. MT6145 on August 26, 2005;

3. Charge in favour of 432567 securing the principal amount of \$3,000,000.00 registered as Instrument No. MT44418 on January 10, 2008;
4. Charge in favour of Checkers securing the principal amount of \$3,000,000.00 registered as Instrument No. MT44419 on January 10, 2008;
5. Transfer of Charge transferring the Charge registered as Instrument No. MT44419 to and in favour of Ashiana and Ballycurkeen registered as Instrument No. MT67042 on June 4, 2009;
6. Construction Lien by Barker, claiming the amount of \$13,188.00 registered as Instrument No. MT78799 on February 18, 2010;
7. Certificate of Action in connection with Construction Lien No. MT78799 registered as Instrument No. MT80634 on April 12, 2010;
8. Application to Register Court Order re Order of the Ontario Superior Court of Justice dated May 26, 2010 appointing Deloitte & Touche Inc. as receiver registered as Instrument No. MT83111 on June 3, 2010;
9. Construction Lien by Muskoka Minerals, claiming the amount of \$1,395.00 registered as Instrument No. MT84016 on June 21, 2010; and
10. Certificate of Action in connection with Construction Lien No. MT84016 registered as Instrument No. MT86805 on August 16, 2010.

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

Permitted Encumbrances with respect to Hidden Valley Resort (the “Hotel”) means:

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

Without limiting the foregoing, Permitted Encumbrances include the following:

**PIN 48082-0346 (LT)**

1. Agreement registered as Instrument No. DM66578 on October 17, 1968;
2. Order registered as Instrument No. DM70304 on June 9, 1969;
3. Agreement with The District Municipality of Muskoka (the “**District**”) registered as Instrument No. DM157761 on February 4, 1981;
4. Agreement with the District registered as Instrument No. DM158978 on April 13, 1981;
5. Transfer of Easement to and in favour of the District registered as Instrument No. DM182153 on June 18, 1984;
6. Agreement with the District registered as Instrument No. DM187680 on March 8, 1985;
7. Agreement with The Corporation of the Town of Huntsville (the “**Town**”) registered as Instrument No. DM187682 on March 8, 1985;
8. Site Plan Agreement with the Town registered as Instrument No. DM187683 on March 8, 1985;
9. Site Plan Agreement with the Town registered as Instrument No. DM228867 on May 2, 1985;
10. Site Plan Agreement with the Town registered as Instrument No. DM237960 on January 26, 1990;
11. Transfer of Easement to and in favour of the District of Muskoka registered as Instrument No. DM250232 on April 26, 1991;
12. Transfer of Easement to and in favour of the Town of Huntsville registered as Instrument No. DM251180 on May 31, 1991;
13. Transfer of Easement to and in favour of Maclean Hunter Cable TV Limited registered as Instrument No. DM251181 on May 31, 1991;
14. Transfer of Easement to and in favour of Maclean Hunter Cable TV Limited registered as Instrument No. DM251590 on June 14, 1991;
15. Transfer of Easement to and in favour of Bell Canada registered as Instrument No. DM251591 on June 14, 1991; and
16. Agreement registered as Instrument No. DM254476 on September 27, 1991.

**PIN 48082-0049 (LT)**

1. Rights-of-way over Part 14 on Plan 35R-14094 as more particularly described in Instrument No. LT23495 registered on May 19, 1955;
2. Application to Annex Restrictive Covenants registered as Instrument No. LT40622Z on March 30, 1965;
3. Application to Annex Restrictive Covenants registered as Instrument No. LT64649Z on February 18, 1972;
4. Notice in favour of the District registered as Instrument No. LT103237 on February 4, 1981;
5. Notice in favour of the District registered as Instrument No. LT103983 on April 13, 1981;
6. Right-of-way over Part 3 on Plan 35R-8712 as more particularly described in Instrument No. LT118308 registered on June 18, 1984;
7. Notice in favour of the District registered as Instrument No. LT122177 on March 8, 1985;
8. Notice of Agreement with the Town registered as Instrument No. LT122179 on March 8, 1985;
9. Notice of Agreement with the Town registered as Instrument No. LT122180 on March 8, 1985;
10. Notice in favour of the Town registered as Instrument No. LT147766 on May 2, 1989;
11. Document General re Amendment to Site Plan Agreement with the Town registered as Instrument No. LT147767 on May 2, 1989;
12. Document General re Servicing Agreement with the District registered as Instrument No. LT148784 on June 19, 1989;
13. Document General re Site Plan Agreement with the Town registered as Instrument No. LT143636 ON September 22, 1989;
14. Notice in favour of the Town registered as Instrument No. LT153712 on January 26, 1990;
15. Document General re Site Plan Agreement with the Town registered as Instrument No. LT153713 on January 26, 1990;



16. Document General re Agreement with the Town registered as Instrument No. LT153717 on January 26, 1990;
17. Document General re Agreement with the Town registered as Instrument No. LT153718 on January 26, 1990;
18. Transfer of Easement to and in favour of the District registered as Instrument No. LT162591 on April 26, 1991;
19. Transfer of Easement to and in favour of 933704 Ontario Ltd. registered as Instrument No. LT163267 on May 31, 1991;
20. Transfer of Easement to and in favour of Hidden Valley Resort Development Corporation registered as Instrument No. LT163268 on May 31, 1991;
21. Transfer of Easement to and in favour of Hidden Valley Resort Hotel Limited registered as Instrument No. LT163270 on May 31, 1991;
22. Transfer of Easement to and in favour of Maclean Hunter Cable TV Limited registered as Instrument No. LT163512 on June 14, 1991;
23. Transfer of Easement to and in favour of Bell Canada registered as Instrument No. LT163513 on June 14, 1991; and
24. Notice registered as Instrument No. LT165456 on September 27, 1991.

THE EQUITABLE TRUST COMPANY

Applicant

and

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

Respondent(s)

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

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

Proceedings commenced at Toronto

**APPROVAL AND VESTING ORDER  
(Hidden Valley Resort)**

**ThorntonGroutFinnigan LLP**  
Barristers and Solicitors  
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Toronto, ON M5K 1K7

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

Lawyers for the Receiver.

**THE EQUITABLE TRIST COMPANY**

and

Applicant(s)

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

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

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

Proceedings commenced at **Toronto**

**MOTION RECORD**  
*(Returnable December 30, 2010)*

**ThorntonGroutFinnigan LLP**  
Barristers and Solicitors  
Suite 3200, P. O. Box 329  
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