

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

**IN THE MATTER OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, c. C.43, AS AMENDED**

**AND IN THE MATTER OF THE ADMINISTRATION
PROCEEDINGS OF CARRIAGE HILLS VACATION
OWNERS ASSOCIATION (the “Applicant”)**

**MOTION RECORD
(Returnable December 11, 2020 at 11:00 a.m.)**

December 1, 2020

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TAB 1

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

IN THE MATTER OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, c. C.43, AS AMENDED

AND IN THE MATTER OF THE PROCEEDINGS OF
**CARRIAGE HILLS VACATION OWNERS
ASSOCIATION**

Applicant

NOTICE OF MOTION

Carriage Hills Vacation Owners Association (the “**Applicant**”) will make a motion to Madame Justice Conway on December 11, 2020, at 11:00 a.m. (Eastern Time), or as soon after that time as the motion can be heard, by judicial video conference via Zoom at Toronto, Ontario. Please refer to the conference details attached as Schedule “A” hereto in order to attend the motion and advise if you intend to join the motion by emailing Mitch Grossell at mgrossell@tgf.ca.

PROPOSED METHOD OF HEARING:

This Motion is to be heard orally by video conference.

THIS MOTION IS FOR:

1. An Order (the “**Amended and Restated Appointment Order**”), substantially in the form attached at Tab 3 of this Motion Record, *inter alia*:
 - (a) appointing BDO Canada Limited (“**BDO**”) as receiver (the “**Proposed Receiver**”) over all of the assets, properties and undertakings of the Applicant and the Carriage Hills timeshare resort (the “**Carriage Hills Resort**”) acquired for, or used in relation to the business carried on by the Applicant, including all proceeds thereof

(the “**Property**”) and all the lands and premises on which the Applicant operates the Carriage Hills Resort, collectively owned by the members of the Applicant (the “**Members**”) as tenants-in-common, as recorded in the Land Registry Office for the Land Titles Division of Simcoe (No. 51) (collectively, the “**Lands**”) (the Property and the Lands, including all proceeds thereof collectively, the “**Resort Assets**”) effective January 6, 2021 (the “**Resort Closure Date**”);

- (b) authorizing the Proposed Receiver to take possession of and exercise control over the Resort Assets and any and all proceeds, receipts and disbursements arising out of or from the Resort Assets;
- (c) authorizing the Proposed Receiver to receive, preserve, and protect the Resort Assets;
- (d) authorizing the Proposed Receiver to manage, operate, and carry on the business of the Applicant, including the power to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Applicant;
- (e) authorizing the Proposed Receiver to retain such persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Proposed Receiver's powers and duties;
- (f) authorizing and directing the Proposed Receiver to obtain property, general liability, and vehicle insurance coverage over the Property effective on the Resort Closure Date in accordance with the insurance agreement negotiated with the Lawrie Insurance Group;

- (g) approval for the Resort Assets to stand as security for the fees and disbursements of the Proposed Receiver and its counsel and special counsel incurred before and after the Resort Closing Date in these proceedings, such that the Lands shall stand as security for the Receiver's Charge; and
 - (h) authorizing the Proposed Receiver to enter into one or more lending agreements with one or more lenders in order to finance the carrying costs of the Carriage Hills Resort during the Sales Process (as hereinafter defined) on terms and conditions acceptable to the Proposed Receiver and as approved by further order of this Court.
2. An Order (the "**Transition Order**"), substantially in the form attached at Tab 5 of this Motion Record, *inter alia*:
- (a) approving the marketing and sales process in respect of the Carriage Hills Resort (the "**Sales Process**");
 - (b) authorizing the Applicant to fund the severance obligations owed to the terminated employees of the Carriage Hills Resort;
 - (c) directing the liquidation of the investment savings account of the Applicant and payment of funds in such account to the Proposed Receiver immediately upon its appointment as receiver of the Applicant;
 - (d) approving the activities of BDO, in its capacity as the Administrator (the "**Administrator**") of the Applicant and the Carriage Hills Resort, as set out in the Third Report of the Administrator dated December 1, 2020 (the "**Third Report**");
 - (e) approving the fees and disbursements of the Administrator and its counsel; and

- (f) releasing the Board of Directors of the Applicant (the “**Board**”) from any and all liability relating to matters that were raised, or which could have been raised, during these proceedings.
3. Such other relief as necessary.

THE GROUNDS FOR THIS MOTION ARE:

A. *Capitalized Terms*

4. Capitalized terms not expressly defined herein have the meanings ascribed to them in the Third Report.

B. *Overview*

5. The Applicant is a not-for-profit corporation vested with the operation, maintenance, alteration, improvement and protection of a timeshare resort located in Horseshoe Valley, Ontario. The Board is comprised of volunteer owners.
6. The Carriage Hills Resort is governed pursuant to a time-share agreement (the “**TSA**”). Pursuant to the TSA, purchasers of the time-share intervals also purchased a proportionate ownership interest as tenants-in-common in the real property on which the Carriage Hills Resort is situated.
7. Currently, the only way for a Member to terminate its ownership is to sell their Interval to a third party. Due to a decreasing market for timeshare intervals, many Members have abandoned their Intervals and simply stopped paying their share of the operating costs, which increases the annual dues required to be paid by Members that remain in good standing.

8. The large increase in unpaid fees by Delinquent Members in conjunction with an increase in required capital expenditures due to the age of the Carriage Hills Resort has led to a significant and steep deterioration in the Applicant's financial position.
9. As a result, on May 15, 2020, the Applicant sought and obtained the Order of Madame Justice Conway (the "**Appointment Order**") that, among other things, appointed the Administrator in respect of the assets of the Applicant and the real property owned by the Members on which the Carriage Hills Resort is situated.
10. The Carriage Hills Resort has a neighbouring "sister" resort, known as the Carriage Ridge Resort (collectively with the Carriage Hills Resort, the "**Resorts**"), which obtained identical relief in a separate proceeding pursuant to an Order of Madame Justice Conway dated May 15, 2020.
11. In accordance with the terms of the Appointment Order, the preliminary focus of these proceedings was to:
 - (a) create a procedure to ascertain the interests of the Members whereby they would be able to indicate, among other things, if they wished to terminate or continue their relationship with the Resorts; and
 - (b) develop an exit strategy for those Members wishing to exit, subject to appropriate terms and conditions.

C. *The Member Survey*

12. In order to carry out the mandate of the Administrator, the Orders of Madame Justice Conway dated July 2, 2020 approved the form, content, eligibility to participate and

method of delivery of a survey of the Members (the “**Member Survey**”) to determine which Members wanted to remain and which Members wanted to exit the Resorts.

13. Based on the results of the Member Survey, the Administrator determined that the Carriage Hills Resort was not viable. As a result, the Administrator recommended to the Applicant that the Carriage Hills Resort be sold at the end of the 2020 season to maximize value for its Members. After consideration of the Administrator’s recommendations, they were unanimously approved by the Board of the Applicant.

E. Steps to Facilitate Resort Closure

14. The Orders of Madame Justice Conway dated October 15, 2020 (the “**Resort Closure Orders**”), *inter alia*, (i) authorized the closure of the Resorts, effective January 6, 2021, (ii) directed the Administrator, in consultation with the Applicants, to develop a strategy for the closure and sale of the Resorts; and (iii) authorized the Administrator to investigate the availability and terms of possible third party funding in the event that same is required to fund the ongoing costs of maintaining the Resorts.
15. Pursuant to the Resort Closure Orders, the Proposed Receiver has since engaged the services of professional real estate appraisal firms to prepare real estate valuations which will be used by the Proposed Receiver to assist in assessing the offers received in the Sales Process.
16. As a result of the impending resort closure, the Resort Employees were provided with working notice of their termination on November 4, 2020 by the manager of the Carriage Hills Resort, Carriage Hills Hospitality Inc. The Applicant is responsible for all

compensation paid to employees of the Carriage Hills Resort (the “**Resort Employees**”). Pursuant to Ontario law, the Resort Employees are entitled to termination and severance payments which the Applicant proposes to pay its proportion on January 5, 2021, their last day of employment.

17. The Applicant issued contract termination notices on November 6, 2020 to certain parties who supply goods and services to the Carriage Hills Resort which will no longer be needed after the Resort Closure Date.

F. Appointment of Receiver

18. Pursuant to the Resort Closure Orders, the Carriage Hills Resort is to be closed on the Resort Closure Date for the purposes of realizing on the Resort Assets. Given the complex and unique nature of the situation, a transparent and court-supervised recovery process is recommended by the Administrator and supported by the Board.
19. The Administrator further recommends the appointment of the Proposed Receiver to carry out the mandate contained in the Amended and Restated Appointment Order, which predominately authorizes the Proposed Receiver to complete the Sales Process and distribute the proceeds from same to stakeholders through a court-supervised process.

G. Sales Process

20. Pursuant to the Resort Closure Orders, the Administrator obtained real estate listing proposals from four commercial realty brokerages. The Administrator has developed, after a thorough review of the listing proposals and discussions with realtors, the Sales Process, which will include:

- (i) a six-month listing agreement with a professional realty agency;
- (ii) a marketing period of four to eight weeks;
- (iii) an offer bid date set 45-90 days into the listing period;
- (iv) listing the Resorts unpriced;
- (v) a commission structure inclusive of a co-operating brokerage fee;
- (vi) marketing of the Resorts on both a separate and on a combined basis;
- (vii) marketing to a multitude of prospective purchasers from a broad range of industries and potential target markets;
- (viii) a robust marketing plan including: (a) brochures and flyers, (b) videography, (c) a confidential information memorandum, (d) email and direct mailing campaigns, (e) online advertising, (f) national newspaper advertising, (g) listings on MLS, (h) virtual and on-site tours, and (i) direct meetings with potential buyers; and
- (ix) bi-weekly reporting to the Proposed Receiver.

21. This Sales Process represents a reasonable and commercially efficient process, which allows sufficient opportunity to optimize the chances of securing the best possible price for the Resorts for the benefit of all stakeholders.

H. Board Release

22. The members of the Board of the Applicant intend to resign from their positions, effective as of the Resort Closure Date as they will no longer have a role after the appointment of the Proposed Receiver.
23. The Applicant is requesting a release for the members of the Board upon their resignation. The Administrator supports the release given the volunteer nature of the Board and the oversight of the Administrator.

I. Approval of Activities and Accounts

24. Following the issuance of the Resort Closure Orders, the Administrator has engaged in various activities to facilitate the closure of the Carriage Hills Resort and the transition to the receivership as detailed in the Third Report.
25. The Administrator is seeking approval of its accounts and its counsel's accounts through the period of September 16, 2020 to November 29, 2020. The fees incurred are reasonable in the circumstances.
26. Rules 1.04, 1.05, 2.03, 3.02 16, and 37 of the *Rules of Civil Procedure* (Ontario);
27. Section 101 of the *Courts of Justice Act* (Ontario); and
28. Such further and other grounds as counsel may advise and this Court may permit.

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

- (a) the Third Report of the Administrator dated December 1, 2020, filed; and

- (b) such further and other evidence as counsel may advise and this Court may permit.

December 1, 2020

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TO: ATTACHED SERVICE LIST

**Schedule “A”
Conference Details to join Motion via YouTube and Zoom**

All parties wishing to attend the hearing but not make submissions may do so by using the following link:

https://youtu.be/GqYSZZ_5GGE

Please be advised that the preceding link will not allow you to be seen or heard by the Court. If you intend to make submissions to the Court, please contact Mitch Grossell at mgrossell@tgf.ca to be provided with a Zoom link.

Schedule “B”

Court File No. CV-20-00640266-00CL

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

**IN THE MATTER OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, c.C-43, AS AMENDED**

**AND IN THE MATTER OF THE PROCEEDINGS OF
CARRIAGE RIDGE OWNERS ASSOCIATION (the
“Applicant”)**

**SERVICE LIST
(as at December 1, 2020)**

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IN THE MATTER OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED AND IN THE MATTER OF THE
ADMINISTRATION PROCEEDINGS OF **CARRIAGE HILLS VACATION OWNERS ASSOCIATION**

Court File No. CV-20-00640265-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

NOTICE OF MOTION

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TAB 2

Court File No. CV-20-00640265-00CL
Court File No. CV-20-00640266-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE
ACT, R.S.O 1990, c. C. 43, AS AMENDED

AND IN THE MATTER OF THE ADMINISTRATION OF
CARRIAGE HILLS VACATION OWNERS ASSOCIATION

AND IN THE MATTER OF THE PROCEEDINGS OF
CARRIAGE RIDGE OWNERS ASSOCIATION

(together, the "Applicants")

THIRD REPORT OF THE ADMINISTRATOR
BDO CANADA LIMITED

December 1, 2020

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1.0 INTRODUCTION AND PURPOSE OF REPORT

1.1 Introduction

- 1.1.1 The Carriage Hills Resort (the "**Hills Resort**") and the Carriage Ridge Resort (the "**Ridge Resort**") and collectively with the Hills Resort, the "**Resorts**") are time-share resorts located in Horseshoe Valley, Township Oro (now part of Barrie), Ontario. The Hills Resort consists of 172 residential resort units in eight residential buildings, while the Ridge Resort consists of 78 Units in three residential buildings. Both the Hills Resort and Ridge Resort have various common recreational facilities including, but not limited to, an indoor and outdoor pool, a gym and a management building. The Hills Resort was built in three phases on approximately twenty acres of real property and the Ridge Resort was built in one phase on approximately eight acres of real property (the buildings and real property of the Resorts are collectively referred to as the "**Resort Assets**").
- 1.1.2 The Resorts are governed pursuant to a time-share agreement (the "**TSA**"). Pursuant to the TSA, purchasers of the time-share intervals (the "**Members**") also purchased a proportionate ownership interest as tenants-in-common in the land on which the Resorts are situated.
- 1.1.3 The Carriage Hills Vacation Owners Association (the "**Hills Association**") was established as a not-for-profit entity and incorporated by letters patent on August 6, 1996, as a corporation without share capital under the *Corporations Act* (Ontario) to operate the Hills Resort.
- 1.1.4 The Carriage Ridge Owners Association (the "**Ridge Association**" and together with the Hills Association, the "**Associations**") was established as a not-for-profit entity and incorporated by letters patent on August 7, 2003, as a corporation without share capital under the *Corporations Act* (Ontario) to operate the Ridge Resort.
- 1.1.5 The day-to-day operations of the Resorts are carried out by Carriage Hills Hospitality Inc. ("**CHHI**" or the "**Manager**"), a subsidiary of Wyndham Worldwide Corporation (together with its affiliates, "**Wyndham**") pursuant to similar management agreements (collectively, the "**Management Agreement**") between the Associations and CHHI. CHHI's employees act as the hospitality, management and maintenance staff at the Resorts (the "**Resort Employees**").
- 1.1.6 Each Member purchased at least one timeshare interval (an "**Interval**") in one of the Resorts and many Members purchased more than one Interval at one of, or both, Resorts. There are six types of Intervals, as summarized in the chart below:

	Hills Resort		Ridge Resort	
	Red Interval	White Interval	Red Interval	White Interval
Every Year Interval	4,703	798	2,288	303
Odd Year Interval	2,521	750	988	399
Even Year Interval	2,521	750	988	399
	9,745	2,298	4,264	1,101

Below is a description of the different interval types that each of the Resorts has (collectively the "**Interval Types**").

Every Year Interval - Those with the right to use a Unit for one week every year.

Odd Year Interval - Those with the right to use a Unit for one week every other year on the odd years.

Even Year Interval - Those with the right to use a Unit for one week every other year on the even years.

Red Interval - More popular interval which coincides with the weeks spanning mid-December through March and mid-May through mid-November.

White Interval - Less popular interval which coincides with the weeks spanning April to mid-May and mid-November to mid-December.

- 1.1.7 The Associations have a combined total of approximately 11,400 individual Members who own a total of 17,408 Intervals. The Associations also have 1,647 Members who own Intervals at both Resorts. Wyndham also owns a combined total of 1,581 Intervals in the Resorts.
- 1.1.8 Pursuant to the TSA, a Member remains contractually bound for liabilities and obligations associated with their Intervals indefinitely unless the Member sells their interest in an Interval to another person in accordance with the terms of the TSA. Pursuant to the terms of the TSA, Members are liable to pay annual fees ("**Charges**") in perpetuity. Over the last number of years, a growing number of Members have not paid their Charges (the "**Delinquent Members**").
- 1.1.9 The large increase in unpaid Charges by Delinquent Members ("**Delinquent Accounts**") in conjunction with an increase in required capital expenditures due to the age of the Resorts has led to a significant and steep deterioration in the Association's financial position. Increasing Delinquent Accounts and increasing capital expenditures have necessitated increases in Charges year-over-year to the non-Delinquent Members, which in turn resulted in more Delinquent Accounts.
- 1.1.10 Accordingly, each of the Associations sought and obtained an Order from the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on May 15, 2020 appointing BDO Canada Limited ("**BDO**") as Administrator of each of the Associations and the Resorts, copies of which are attached as **Appendices "A"** and "**B"** (the "**Appointment Orders**").

- 1.1.11 On June 22, 2020, the Administrator filed its first report to the Court (the "**First Report**"), which dealt primarily with the form, content, eligibility to participate in and method of delivery of a survey of the Members (the "**Member Survey**") as well as the Exit Fee and Delinquency Fee (as defined therein). The purpose of the Member Survey was to determine which Members wanted to stay and which Members wanted to exit the Resorts. On June 29, 2020, the Administrator filed a supplement to the First Report, which clarified specific elements of the requested relief set out in the First Report and responded to certain inquiries from Members since the filing of the First Report.
- 1.1.12 The relief sought was approved by Orders of Madame Justice Conway dated July 2, 2020 (the "**Member Survey Orders**"), copies of which are attached as **Appendices "C"** and **"D"**.
- 1.1.13 As outlined in the First Report, the real property abstracts for the Resorts are the only ones in the Province of Ontario not transferred into the electronic Teraview system. Given the number of Members, the title documents are voluminous and remain only in paper format. Certified copies of the real property records have been obtained from the registry office by counsel for the Associations and are currently under review to ensure that all of the Interval sales transactions and related transfers have been properly recorded and any discrepancies identified.
- 1.1.14 On September 30, 2020, the Administrator filed its second report to the Court (the "**Second Report**"), which dealt primarily with the Member Survey results, the Resorts' viability, proposed next steps and issues based upon the Member Survey results. The Second Report was filed in support of the relief sought by the Applicants which included, among other things: (i) authorizing the closure of the Resorts, effective January 6, 2021, or such other date as mutually agreed upon by the Administrator and the board of directors of the Applicants (the "**Boards**"); (ii) directing the Administrator, in consultation with the Applicants, to develop a strategy for the closure and sale of the Resorts; and (iii) investigating the availability and terms of possible third party funding in the event that same is required to fund the ongoing costs of maintaining the Resorts. The relief was approved by Orders of Madame Justice Conway dated October 15, 2020 (the "**Resort Closure Orders**"), copies of which are attached as **Appendices "E"** and **"F"**.

1.2 Purpose of this Report

- 1.2.1 This report is the Administrator's third report to the Court (the "**Third Report**") and is filed in support of:
- a) an Order (the "**Amended and Restated Appointment Order**"), among other things:
 - Appointing BDO as receiver (the "**Proposed Receiver**") over all of the assets, properties and undertakings of the Applicants (the "**Property**") and the Resort Assets (the "**Receivership Order**") effective January 6, 2021 (the "**Resort Closure Date**");

- Authorizing the Proposed Receiver to retain such persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Proposed Receiver's powers and duties;
- Authorizing the Proposed Receiver to engage the Associations' current auditing firm, under mutually agreeable terms, to complete the year end audit and income tax work for the Associations. Should the Proposed Receiver be unable to engage the current auditing firm for any reason, the Proposed Receiver is requesting authorization to retain another qualified and non-conflicted auditor to complete the necessary work;
- Authorizing and directing the Proposed Receiver to obtain property, general liability, and vehicle insurance coverage over the Resort Assets effective on the Resort Closure Date in accordance with the insurance agreement negotiated with the Lawrie Insurance Group;
- Authorizing the Proposed Receiver to arrange with Wyndham for continued support for and access to the Associations' accounting software, books and records, and related information technology;
- Approval for the addition of the Resort Assets to stand as security for the fees and disbursements of the Proposed Receiver and its counsel incurred after the Resort Closing Date in these proceedings, such that the real property comprising the Resort Assets stands as security for the Receiver's Charge; and
- Authorizing the Proposed Receiver to enter into one or more lending agreements with one or more lenders in order to finance the carrying costs of the Resorts during the Sales Process (as hereinafter defined) on terms and conditions acceptable to the Proposed Receiver and as approved by further order of this Court.

b) an Order (**the "Transition Order"**), among other things:

- Approving the marketing and sales process in respect of the Resorts (the "**Sales Process**");
- Authorizing and directing the Associations to pay the severance obligations to CCHI related to the Resort Employees in the amount of \$747,738 on January 5, 2021 pursuant to the terms of the Management Agreement;
- Approving this Third Report and the activities of the Administrator described herein;
- Approving the fees and disbursements of the Administrator and its counsel as described in this Third Report;
- Directing Wyndham to liquidate the Associations' capital reserve accounts as soon as practical, excluding a reserve in the operating accounts of the Associations to allow for outstanding cheques to clear those accounts, and directing Wyndham to transfer those funds to the Proposed Receiver's trust

accounts immediately upon the Proposed Receiver's appointment. Once all cheques have cleared, the Associations are requesting that the Court direct that Wyndham transfer those remaining funds to the Proposed Receiver's trust accounts; and

- Releasing the Board of Directors of the Associations from liability during the course of these proceedings.

1.3 Disclaimer

1.3.1 In preparing this Third Report and in conducting its analysis and recommendations, the Administrator has obtained and relied upon information provide to it by the Associations and other relevant parties. The Administrator's procedures did not constitute an audit or review engagement of the Associations financial reporting or other verification of such information.

1.3.2 Unless otherwise stated, all monetary amounts continued in this Third Report are expressed in Canadian dollars.

2.0 ACTIVITIES OF THE ADMINISTRATOR

2.1 Real Estate Appraisals

- 2.1.1** The Administrator has engaged the services of two professional real estate appraisal firms, Colliers International Realty Advisory Inc. and Avison Young Valuations & Advisory Services Ontario Inc. (collectively the “**Appraisers**”), to prepare real estate appraisals for each of the Resorts. Each of the Appraisers has been engaged to prepare two valuations for each Resort as follows: (i) on an ‘as-is’ basis, and (ii) on a ‘highest and best use’ basis. The Administrator anticipates receipt of the appraisals in or around the beginning of December 2020.
- 2.1.2** The purpose of the real estate appraisals is to provide the Proposed Receiver with professional guidance with respect to the estimated valuations of the Resorts under different scenarios. This information will be used by the Proposed Receiver to assist in assessing the offers received in the Sales Process.

2.2 Real Estate Listing Proposals

- 2.2.1** Pursuant to the Resort Closure Orders the Administrator was authorized and directed to engage such persons as the Administrator deems necessary to assist with the development of a marketing and sales process of the Resort Assets. To that end the Administrator has obtained real estate listing proposals from four large commercial realty brokerages.
- 2.2.2** Each of the listing proposals contained a sale commission structure, proposed marketing efforts and relevant experience. The Administrator has developed, after a thorough review of the listing proposals and discussions with realtors, the Sales Process, which shall include:
- a) A six-month listing agreement with a professional realty agency;
 - b) A marketing period of four to eight weeks;
 - c) A offer bid date following the listing of the Resorts to be determined by the agent selected in consultation with the Proposed Receiver;
 - d) A offer acceptance date to be set a minimum of 30 days after the Resorts are exposed to the market or any other date determined by the agent selected in consultation with the Proposed Receiver;
 - e) Listing the Resorts unpriced;
 - f) A commission structure inclusive of a co-operating brokerage fee;
 - g) Marketing of the Resorts on both a separate and on a combined basis;
 - h) Marketing to a multitude of prospective purchasers from a broad range of industries and potential target markets;

- i) A robust marketing plan including: (i) brochures and flyers, (ii) videography, (iii) a confidential information memorandum, (iv) email and direct mailing campaigns, (v) online advertising, (vi) national newspaper advertising, (vii) listings on MLS, (viii) virtual and on-site tours, (ix) a secured online data room; and (x) direct meetings with potential buyers; and
- j) Bi-weekly reporting to the Proposed Receiver.

2.2.3 The Administrator has been approached by a number of parties interested in purchasing the Resorts. The Administrator will provide the approved listing agent with these contacts. The Administrator also considered a stalking-horse sales process, however, the Administrator has concluded that the Sales Process represents a reasonable and commercially efficient process, which allows sufficient opportunity to optimize the chances of securing the best possible price for the Resorts for the benefit of all stakeholders.

2.3 Resort Employees

2.3.1 The Administrator has obtained information from CHHI with respect to the termination and severance costs of the Resort Employees who managed, maintained and operated the Resorts.

2.3.2 Pursuant to the Management Agreements, the Associations are responsible for all of CHHI's costs and liabilities relating to the Resorts, including those related to the Resort Employees. CHHI obtained the advice of Canadian employment counsel to determine the appropriate severance obligations of CHHI in respect of the Resort Employees. The Administrator has been advised that CHHI has agreed to pay the Resort Employees the aggregate sums of \$1,234,866 for termination pay and \$747,738 for severance pay. Both these amounts were based on Ontario employment law standards such as length of service, age of employee and level of seniority. Each employee was required to release CHHI and Wyndham upon acceptance of the settlement.

2.3.3 The Resort Employees were provided working notice of their termination on November 4, 2020 to limit the amount of termination pay actually payable. While the termination pay liability will be fully satisfied by January 6, 2021, due to the timing of payroll to the Resort Employees, the final amounts under the termination pay obligations (approx. 6 days of liability) will be paid to the Resort Employees on or around January 22, 2021. CHHI kept the Administrator apprised of the situation with the employees and developments throughout the process.

2.3.4 Further, the Administrator has been informed of accrued vacation pay owing to the Resort Employees in the amount of approximately \$90,000, however, the precise amount of accrued vacation remaining owing to Resort Employees as at the Resort Closure Date will be undeterminable until such date. The Associations are seeking this Court's approval and authorization for the Proposed Receiver to pay the vacation obligations remaining owing to the Resort Employees subsequent to the Resort Closure Date.

2.3.5 The Associations are seeking this Court's approval and authorization to pay the severance obligation in the amount of \$747,738 on January 5, 2021, one day prior

to the Resort Closure Date pursuant to its contractual obligations under the Management Agreements.

2.4 Cash Flow Projection

2.4.1 The Administrator, with the assistance of the Resorts' management, has prepared a cash flow projection for:

- The remainder of the 2020 calendar year; and
- The 2021 calendar year, based upon a both a twelve months (worse-case) sales process, and a shorter sales process with a closing after six months (better-case) scenario, for both Resorts.

2.4.2 The primary purposes of the cash flow projections were: (i) to ascertain how long each Association's existing cash resources would be able to support the ongoing holding costs and expenses associated with the Resort after the Resort Closure Date; and (ii) to estimate, the potential and quantum of a cash flow shortfall which would require the Proposed Receiver to secure funding to maintain the Resort(s) during the Sales Process.

2.4.3 Major assumptions in the 2021 calendar year cash flows include:

- All liabilities related to the operation of the Resorts up to the Resort Closure Date will be paid by the Associations in the ordinary course. All liabilities incurred by the Proposed Receiver subsequent to the Resort Closure Date will also be paid by the Proposed Receiver in the ordinary course;
- Contracts not required to be maintained after the Resort Closing Date have been terminated by the Associations and any creditors with a claim related to the termination of their respective contract are required to submit a claim as part of the Creditor Claims Process;
- All employee related liabilities, including wages, vacation pay, other accrued compensation, termination and severance liabilities are paid by the Associations in accordance with the proposed Order;
- The only source of cash inflows is from GST/HST refunds; and
- It is anticipated that the Proposed Receiver will retain eight to ten independent contractors to maintain and care for the Resorts until such time that the Proposed Receiver completes the Sales Process.

2.4.4 The Hills Association cash flow projection for calendar 2021 shows total net disbursements over receipts of \$4.06 million, resulting in a projected \$1.46 million cash shortfall as at December 31, 2021. The Hills Association calendar 2021 cash flow projection is attached hereto as **Appendix "G"**, and a summary is presented below.

Hills Association 2021 Cash Flow Projection	Forecast Q1	Forecast Q2	Forecast Q3	Forecast Q4	Total 2021
Cash Inflows	\$ 41,300	\$ 61,100	\$ 49,400	\$ 48,300	\$ 200,100
Operating Cash Outflows					
Payroll	323,000	-	-	-	323,000
Contract labour	111,000	101,300	115,900	132,500	460,700
Property taxes	136,700	136,700	273,400	-	546,800
Utilities	180,900	143,600	135,000	144,000	603,500
Insurance	143,900	86,400	86,400	28,800	345,500
HST on disbursements	89,800	49,900	48,400	48,300	236,400
Other operating expenses	210,400	129,300	125,100	116,100	580,900
Total Operating Cash Outflows	1,195,700	647,200	784,200	469,700	3,096,800
Net Cash Outflow from	(1,154,400)	(586,100)	(734,800)	(421,400)	(2,896,700)
Restructuring Costs					
Professional fees	303,400	114,000	114,000	114,000	645,400
Severance pay	515,900	-	-	-	515,900
Total Restructuring Costs	819,300	114,000	114,000	114,000	1,161,300
Net Cash Outflow	(1,973,700)	(700,100)	(848,800)	(535,400)	(4,058,000)
Opening Bank Balance	2,596,500	622,800	(77,300)	(926,100)	2,596,500
Closing Bank Balance	\$ 622,800	\$ (77,300)	\$ (926,100)	\$ (1,461,500)	\$ (1,461,500)

2.4.5 The Ridge Association cash flow projection for calendar 2021 projects total net disbursements over receipts of \$1.85 million, resulting in a projected \$0.62 million cash balance as at December 31, 2021. The Ridge Association calendar 2021 cash flow projection is attached hereto as **Appendix "H"**, and a summary presented below.

Ridge Association 2021 Cash Flow Projection	Forecast Q1	Forecast Q2	Forecast Q3	Forecast Q4	FY2021 TOTAL
Cash Inflows	\$ 19,000	\$ 27,900	\$ 22,900	\$ 22,100	\$ 91,900
Cash Outflows					
Payroll	145,100	-	-	-	145,100
Contract labour	49,800	45,600	52,100	59,500	207,000
Property taxes	62,000	62,000	124,000	-	248,000
Utilities	77,100	61,300	58,700	62,700	259,800
Insurance	64,600	38,700	38,700	12,900	154,900
HST on disbursements	41,300	22,900	22,200	22,100	108,500
Other operating expenses	105,000	65,700	62,400	57,800	290,900
Operating Cash Outflows	544,900	296,200	358,100	215,000	1,414,200
Net Cash Outflow from	(525,900)	(268,300)	(335,200)	(192,900)	(1,322,300)
Restructuring Costs					
Professional fees	137,600	51,200	51,200	51,200	291,200
Severance pay	231,800	-	-	-	231,800
Total Restructuring Costs	369,400	51,200	51,200	51,200	523,000
Net Cash Outflow	(895,300)	(319,500)	(386,400)	(244,100)	(1,845,300)
Opening Bank Balance	2,468,800	1,573,500	1,254,000	867,600	2,468,800
Closing Bank Balance	\$ 1,573,500	\$ 1,254,000	\$ 867,600	\$ 623,500	\$ 623,500

2.5 Third Party Funding

2.5.1 Pursuant to the Resort Closure Orders, the Administrator was to investigate the availability and terms of third-party financing to fund the ongoing costs of maintaining the Resorts in case such funding is necessary.

- 2.5.2 Based upon the above noted assumptions and resulting projected cash flow for calendar 2021, the Hills Association is projected to exhaust all of its cash and will require funding to support ongoing carrying costs and expenses in or around June 2021 with the cash deficit reaching approximately \$1.46 million by the end of 2021. Accordingly, the Proposed Receiver may require third-party funding to maintain the Hills Resort during the Sales Process, particularly if the Sales Process extends to July 2021.
- 2.5.3 Based upon the above noted assumptions and resulting projected cash flow for calendar 2021, the Ridge Association is expected to have sufficient cash resources throughout 2021. Accordingly, it does not appear that the Proposed Receiver will require third-party funding to maintain the Ridge Resort during the Sales Process.
- 2.5.4 The Administrator is aware of two sources of available funding for the Hills Resort: (i) borrowing against the value of the Resort Assets, and (ii) charging all Members a revised Exit Fee (as defined in the Second Report). The Administrator is continuing its investigation into the possibility of obtaining third-party funding.
- 2.5.5 The Administrator requests that the Receivership Order permit the Proposed Receiver to obtaining financing consistent with the cash flow forecast for the Hills Resort and permitting the Receiver to borrow up to \$2.0 million by way of Receiver's Certificates (as defined in the Receivership Order) to allow for a contingency compared to the cash flow forecast.

2.6 Insurance

- 2.6.1 The current insurance policies for the Resorts are maintained by Wyndham. Once the Resorts are closed and the management agreement with Wyndham is terminated, Wyndham's insurance policy will no longer be available to the Resorts. The Administrator requested that Wyndham inquire whether the current insurer would continue insurance coverage to the Proposed Receiver on the same terms and conditions as currently in place. Wyndham advised that the insurer has declined to provide coverage after the Resort Closure Date. The Administrator has made inquiries of insurance brokers to obtain coverage for the Resorts Assets including property, general liability and vehicle insurance.
- 2.6.2 Due to current prevailing issues in the insurance industry, the Administrator is experiencing challenges in obtaining property insurance quotes for the Resorts. However, the Administrator is optimistic that it will be able to secure property insurance coverage, although the insurance premiums are anticipated to be expensive.
- 2.6.3 The Administrator requests that this Court empower the Proposed Receiver to obtain property, general liability and vehicle insurance coverage over the Resort Assets effective as of the Resort Closure Date, if possible, or continue to engage Wyndham as manager under the existing Management Agreements until a suitable alternative can be obtained.

3.0 OTHER MATTERS

3.1 Contract Terminations

- 3.1.1 There are numerous contracts with parties who supply goods or services to the Resorts (the “**Supply Contracts**”). The Associations, through legal counsel, issued contract termination notices in accordance with the termination provisions in the Supply Contracts on November 6, 2020 to certain of the Resorts’ suppliers in cases where the services will no longer be required after the Resort Closure Date.
- 3.1.2 The Associations, on a combined basis, issued twenty-five contract termination notice letters to the respective counter-parties. Twelve termination notices were issued by the Hills Association, ten were issued by the Ridge Association and three were issued for both Associations.
- 3.1.3 The termination date for the majority of the terminated Supply Contracts is set for the Resort Closure Date, being January 6, 2021, however, two contracts have a termination date of January 13, 2021.
- 3.1.4 The terminated contracts, in certain cases, require the Associations to pay early termination fee penalties. The Proposed Receiver proposes that any party with a claim against the Associations for contract termination fees file a claim with the Proposed Receiver in the Creditor Claims Process.

3.2 Prepaid Deeds

- 3.2.1 Certain of the Members had prepaid their maintenance fees for calendar 2021. There are also Members who have previously overpaid their maintenance fees. The Administrator has been made aware of approximately \$156,000 in prepaid and overpaid accounts for the Hills Resort and approximately \$26,000 in prepaid and overpaid accounts for the Ridge Resort. The Administrator understands that any prepaid 2021 maintenance fees will be refunded by Wyndham and other overpayments will be refunded if it is economically feasible to do so.

3.3 Boards of Directors

- 3.3.1 The Administrator has been informed that the members of the boards of directors of the Associations intend to resign as at the Resort Closure Date as they will no longer have a role after the appointment of the Proposed Receiver.
- 3.3.2 The Associations are seeking a release for the members of the Boards of Directors of the Associations (the “**Boards**”). Given the volunteer nature of the Boards and the oversight of the Administrator, the Administrator is of the opinion that the requested relief is appropriate in the circumstances.

3.4 Books and Records

- 3.4.1 Although the normal course operations of the Resorts will cease as at the Resort Closure Date, it will be necessary to maintain and update the accounting books and records subsequently in order to complete the proposed fiscal 2020 financial audit and file all required government returns.

- 3.4.2** Accordingly, the Administrator will need to make arrangements with Wyndham to continue to provide support and access to the accounting software, books and records, and related information technology used for the Associations.
- 3.4.3** The Associations are presently using Powell Jones LLP as their external accountant. The Administrator believes that it will be most efficient to the same accountants to complete the audit and income tax work for fiscal 2020. However, should it not be possible or impractical to engage the current auditing firm, the Administrator proposes to engage another qualified and auditor.

4.0 APPOINTMENT OF THE PROPOSED RECEIVER

4.1 Purpose of Receivership

4.1.1 Pursuant to the Resort Closure Orders, the Resorts are to be closed on the Resort Closure Date for the purposes of realizing on the Resort Assets. Given the complex and unique nature of the situation, a transparent and court-supervised recovery process is recommended by the Administrator and supported by the Boards.

4.1.2 The Administrator further recommends the appointment of the Proposed Receiver to carry out the mandate contained in the Receivership Order, which predominately authorizes the Proposed Receiver to complete the Sales Process and distribute the proceeds from same to stakeholders through a court-supervised process.

4.2 Initial Activities

4.2.1 Upon its appointment, the Proposed Receiver would commence the following initial activities:

- Prepare and issue the prescribed notice and statement of receiver pursuant to sections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*, as amended, which will be filed with the Office of the Superintendent of Bankruptcy and mailed to the Applicant's known creditors;
- Through the Proposed Receiver's legal counsel, register the Receivership Order against title to the Resort Assets at the land registry offices for the Township of Oro;
- Take possession of and transfer all funds remaining in the operating and capital reserve bank accounts of the Associations, which we understand are held with the Bank of Nova Scotia ("**BNS**") and RBC Dominion Securities Inc. ("**RBC**"), to the Receiver's trust accounts for each of the Hills Association and the Ridge Association. The Administrator proposes to have all funds in the BNS operating accounts transferred to the Proposed Receiver upon its appointment with the exception of \$175,000 in the Hills Association BNS accounts and \$75,000 in the Ridge Association BNS accounts, which amounts will remain in the respective BNS accounts to allow issued and outstanding cheques to clear. The Associations have requested an order directing that Wyndham liquidate the reserve RBC accounts as soon as practical so that the proceeds are available for transfer to the Proposed Receiver immediately upon the Proposed Receiver's appointment;
- Commencement of the Sales Process for the Resorts;
- Develop a creditor claim process; and
- Develop a collections process in respect of the Delinquent Accounts.

4.3 **Creditor Claims Process**

- 4.3.1 Certain of the Associations' creditors may have claims that were not known or were not incurred in the ordinary course of business (such as claims for breach of contract). In order to allow creditors to make their claims known and to ascertain their value, the Administrator proposes the Proposed Receiver develop and administer a creditor claims process subject to further Order of this Court.

4.4 **Delinquent Accounts Collection Plan**

- 4.4.1 There are currently approximately 3,000 delinquent accounts outstanding totaling approximately \$25 million owing to the Associations. Given the large number of the Delinquent Accounts, commencing individual court actions against each Delinquent Member to collect each Delinquent Account is cost prohibitive, would be time consuming and would be taxing on the Court system. Accordingly, the Proposed Receiver will develop a process for pursuing collections of the Delinquent Accounts on an on-mass basis. Once the collection process is fully developed it will be presented to this Court for approval, which is anticipated to occur in early 2021.

4.5 **Proposed Receiver's Charge**

- 4.5.1 Pursuant to the Appointment Orders, the Administrator was granted a charge (the "**Administration Charge**") over the Property, as security for such fees and disbursements incurred in respect of these proceedings, and that the Administration Charge formed a first charge on the Property in the maximum amount of \$350,000 inclusive of all fees, disbursements and taxes, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any person. The Property consisted of the cash in the BNS and RBC accounts. Accordingly, the Administration Charge does not include a charge on the Resort Assets. The Administration Charge is proposed to be expanded and changed into the Receiver's Charge upon the appointment of the Proposed Receiver. Any amounts owing under the Administration Charge upon the appointment of the Proposed Receiver, shall remain secured by the Receiver's Charge.
- 4.5.2 The Associations propose that the Proposed Receiver be granted a first charge on the Property and the Resort Assets upon its appointment, as security for such fees and disbursements incurred with respect to its mandate under the Receivership Order, and that the Proposed Receiver's Charge shall form a first charge on the Property and the Resort Assets inclusive of all fees, disbursements and taxes of the Proposed Receiver, its counsel and its special counsel, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any person, save and except for the Administration Charge.
- 4.5.3 For efficiency and to minimize costs, the Proposed Receiver intends to maintain the same counsel as the Administrator and shall engage counsel to the Associations as its special counsel due to the extensive work performed and knowledge of such counsel. The Proposed Receiver believes that the engagement of special counsel will avoid duplication of time spent and create efficiencies of services.

5.0 PROFESSIONAL FEES

- 5.1 The fees and disbursements of the Administrator and its counsel for the period September 16, 2020 to November 29, 2020 for the Administrator and for the period September 16, 2020 to November 28, 2020 for Aird & Berlis LLP are detailed in the affidavits of Matthew Marchand, sworn November 30, 2020 and Sam Babe, sworn November 30, 2020, attached as **Appendices "H" and "I"**, respectively.
- 5.2 The Administrator's fees for the period September 16, 2020 to November 29, 2020 encompass 381.15 hours at an average hourly rate of \$398.62, for a total of \$151,935.50, prior to disbursements of \$18,098.44 and applicable taxes of \$22,104.41. BDO is requesting that the Court approve its total fees and disbursements, inclusive of disbursements and applicable taxes, in the amount of \$192,138.35.
- 5.3 The fees of Aird & Berlis LLP for the period September 16, 2020 to November 28, 2020 encompass 58.3 hours at an average hourly rate of \$655.20 and disbursements of \$189.75 for a total of \$38,387.75 prior to applicable taxes. The Administrator is requesting that the Court approve its counsel's total fees and disbursements, inclusive of taxes, in the amount of \$43,378.16.
- 5.4 The Administrator has reviewed its fees with the Applicants who have no objection to the approval of the fees and expenses noted herein. The Administrator has reviewed the fees of Aird and Berlis LLP and is of the opinion that they are reasonable in the circumstances.

6.0 RECOMMENDATIONS

6.1 The Administrator requests that the Court grant:

- a) the Amended and Restated Appointment Order, among other things:
- Appointing BDO as Proposed Receiver over all of the Property of the Applicants and the Resort Assets pursuant to the Receivership Order effective January 6, 2021;
 - Authorizing the Proposed Receiver to retain such persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Proposed Receiver's powers and duties;
 - Authorizing the Proposed Receiver to engage the Associations' current auditing firm, under mutually agreeable terms, to complete the year end audit and income tax work for the Associations. Should the Proposed Receiver be unable to engage the current auditing firm for any reason, the Proposed Receiver is requesting authorization to retain another qualified and non-conflicted auditor to complete the necessary work;
 - Authorizing and directing the Proposed Receiver to obtain property, general liability, and vehicle insurance coverage over the Resort Assets effective on the Resort Closure Date in accordance with the insurance agreement negotiated with the Lawrie Insurance Group;
 - Authorizing the Proposed Receiver to arrange with Wyndham for continued support for and access to the Associations' accounting software, books and records, and related information technology;
 - Approval for the addition of the Resort Assets to stand as security for the fees and disbursements of the Proposed Receiver and its counsel incurred after the Resort Closing Date in these proceedings, such that the real property comprising the Resort Assets stands as security for the Receiver's Charge; and
 - Authorizing the Proposed Receiver to enter into one or more lending agreements with one or more lenders in order to finance the carrying costs of the Resorts during the Sales Process on terms and conditions acceptable to the Proposed Receiver and as approved by further order of this Court.
- b) the Transition Order, among other things:
- Approving the Sales Process;
 - Authorizing and directing the Associations to pay the severance obligations to CCHI related to the Resort Employees in the amount of \$747,738 on January 5, 2021 pursuant to the terms of the Management Agreement;

- Approving this Third Report and the activities of the Administrator described herein;
- Approving the fees and disbursements of the Administrator and its counsel as described in this Third Report;
- Directing Wyndham to liquidate the Associations' capital reserve accounts as soon as practical, excluding a reserve in the operating accounts of the Associations to allow for outstanding cheques to clear those accounts, and directing Wyndham to transfer those funds to the Proposed Receiver's trust accounts immediately upon the Proposed Receiver's appointment. Once all cheques have cleared, the Associations are requesting that the Court direct that Wyndham transfer those remaining funds to the Proposed Receiver's trust accounts; and
- Releasing the Board of Directors of the Associations from liability during the course of these proceedings.

All of which is respectfully submitted this 1st day of December, 2020.

**BDO CANADA LIMITED
ADMINISTRATOR OF
CARRIAGE HILLS VACATION OWNERS ASSOCIATION &
CARRIAGE RIDGE OWNERS ASSOCIATION
and without personal or corporate liability**



Per: Josie Parisi, CA, CPA, CBV, CIRP, LIT
Senior Vice-President

Appendix A

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

THE HONOURABLE) FRIDAY, THE 15TH
)
MADAM JUSTICE CONWAY) DAY OF MAY, 2020
)

**IN THE MATTER OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, c. C.43, AS AMENDED**

**AND IN THE MATTER OF THE ADMINISTRATION
PROCEEDINGS OF CARRIAGE HILLS VACATION
OWNERS ASSOCIATION (the “Applicant”)**

**ORDER
(appointing Administrator)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “CJA”) appointing BDO Canada Limited (“**BDO**”) as administrator (the “**Administrator**”) without security, in respect of:

- (a) the Applicant and all the Applicant’s present and future assets, undertakings and properties (collectively, the “**Property**”), and
- (b) all the lands and premises on which the Applicant operates the timeshare resort known as Carriage Hills Resort, legally described in Schedule “A” hereto, collectively owned by the members of the Applicant (the “**Members**”) as tenants in common, as recorded in the Land Registry Office for the Land Titles Division of Simcoe (No. 51) (collectively, the “**Lands**”),

was heard this day via Zoom judicial video conference due to the COVID-19 pandemic.

ON READING the Notice of Application, the affidavit of Darren Chapelle, sworn April 30, 2020 (the “**Chapelle Affidavit**”) and the Exhibits thereto, the pre-filing report of BDO and the appendices thereto and the consent of BDO to act as Administrator, and on hearing the submissions of counsel for the Applicant, counsel for BDO, counsel for Lori Smith, Karen Levins and Bruce Fleming, counsel for David and Phyllis Lennox, Christopher Diana, representing himself, and Catherine Hristow, representing herself, and no one appearing for any other parties on the service list set out in the Notice of Application, although duly served as appears from the affidavit of service of Mitchell Grossell, sworn April 30, 2020,

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 101 of the CJA, BDO is hereby appointed as Administrator, without security, in respect of:

(a) the Applicant and the Property, including all proceeds thereof, and

(b) the Lands, including all proceeds thereof.

(the Property and the Lands, including all proceeds thereof collectively, the “**Resort Assets**”).

3. **THIS COURT ORDERS** that the Administrator is not and shall not be deemed to be a “receiver” within the meaning of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) and shall not be required to comply with the provisions of the BIA applicable to receivers including, without limiting the generality of the foregoing, any requirement to provide notice of its appointment or any statements or reports to any Persons (as defined below), including the Office of the Superintendent in Bankruptcy, in accordance with sections 245 and 246 of the BIA.

4. **THIS COURT ORDERS** that the Applicant, its members, officers, directors, agents and advisors shall advise the Administrator and the Members (in accordance with the protocol established in paragraph 36 of this Order) of all material steps taken by the Applicant pursuant to

this Order, and shall co-operate fully with the Administrator in the exercise of its powers and discharge of its obligations and provide the Administrator with the assistance that is necessary to enable the Administrator to adequately carry out the Administrator's functions.

ADMINISTRATOR'S POWERS

5. **THIS COURT ORDERS** that the Administrator shall, as soon as reasonably practicable after its appointment:

- (a) make reasonable best efforts to create an updated Member contact list (the "**Updated Member Contact List**") that shall include (but is not limited to) both the last known physical mailing addresses for the Members and their email addresses, if any, and as part of its effort to create the Updated Member Contact List, shall contact any third party service providers that have been retained by the Applicant, including but not limited to Equiant, Wyndham Worldwide Corporation, and Carriage Hills Hospitality Inc., to obtain the most recent available contact information for the Members;
- (b) subject to Court approval, plan and propose a procedure to ascertain the interests of the Members going forward with respect to the Resort, whereby Members of the Applicant will be able to indicate, among other things, whether they wish to terminate their relationship with the Resort or continue their relationship with the Resort if a satisfactory restructuring solution can be developed; and
- (c) subject to Court approval for implementation, develop an exit strategy (the "**Exit Option**") for those Members that wish to relinquish their membership with the Applicant and obtain a release of all future obligations to the Applicant, subject to certain terms and conditions to be developed by the Administrator, in consultation with the Applicant and the Consultative Committee (as defined below).

6. **THIS COURT ORDERS** that the Administrator is hereby empowered and authorized, but not obligated, to act at once in respect of the Resort Assets as provided in this Order and,

without in any way limiting the generality of the foregoing, the Administrator is hereby expressly empowered and authorized to do any of the following where the Administrator considers it necessary or desirable, in consultation with the Applicant:

- (a) to review, research and consider potential options to market, redevelop or restructure any or all of the Resort Assets and/or the Applicant and the terms of any agreements governing same in a manner consistent with the Exit Option, and to advise the Applicant and the Members thereon but, not to implement same without further Order of this Court;
- (b) to advise the Applicant in its preparation of its cash flow statements;
- (c) to review and monitor the Applicant's cash receipts and disbursements;
- (d) to advise the Applicant in connection with possible options to meet any cash flow deficiencies;
- (e) to advise the Applicant in connection with the restructuring of the operations of the Applicant, including the restructuring of the ownership of the Resort Assets and the Exit Option;
- (f) to report to this Court at such times and intervals as the Administrator may deem appropriate with respect to matters relating to the Resort Assets, the Applicant and its business and operations (the "**Business**"), the Exit Option and such other matters as may be relevant to the proceedings herein;
- (g) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Administrator's powers and duties, including without limitation those conferred by this Order;
- (h) to assist the Applicant, to the extent required by the Applicant, with disseminating information to the Members, creditors or other interested Persons;

- (i) to contact, communicate with and discuss the Applicant's business and affairs and the Resort Assets with applicable municipal, provincial, and federal governments and their boards, agencies, commissions, and similar bodies, regarding matters within the Applicant's powers pursuant to this Order;
- (j) to report to, and meet, communicate and discuss with such affected Persons as the Administrator deems appropriate, on all matters relating to the Applicant, the Resort Assets, the Business, the Exit Option and the administration ordered herein, and to share information, documents and other material with such Persons, subject to such terms as to confidentiality as the Administrator, in consultation with the Applicant, deems advisable and provided that the Administrator shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph; and
- (k) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations and to perform such other duties as are required by this Order or by this Court from time to time;

and in each case where the Administrator takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons except the Applicant, where applicable pursuant to this Order.

7. **THIS COURT ORDERS** that the Administrator is authorized to register a copy of this Order against title to any of or all the Lands.

CONSULTATIVE COMMITTEE OF MEMBERS

8. **THIS COURT ORDERS** that there shall be a consultative committee of Members (the "**Consultative Committee**") formed as soon as reasonably practical, whose structure and mandate shall be as follows, but notwithstanding anything in the foregoing, shall be initially limited to consultation in respect of the Exit Option and which will subsequently be expanded to include consultation in respect of other aspects of the restructuring as may be later determined by the Administrator in consultation with the Consultative Committee or as directed by the Court:

- (a) the Consultative Committee shall be provided the opportunity to consult with the Administrator and to provide non-binding input to the Administrator regarding the items described in paragraphs 5(a) to (c), 6(a), (e) and (j) of this Order;
- (b) the Consultative Committee shall be comprised of at least five (5) Members who are each in good standing, which may include the following:
 - i. one Member from the Board of Directors of the Carriage Hills Vacation Owners Association;
 - ii. one Member from the Board of Directors of the Carriage Ridge Owners Association;
 - iii. Michael Deegan, or such other Member who has an interest in terminating a relationship with the Resort and the Association irrespective of any restructuring;
 - iv. Chris Diana, or such other Member who has an interest in continuing a relationship with the Resort;
 - v. a fifth member to be chosen by the other Consultative Committee members; and
 - vi. a sixth member who may be appointed by Wyndham Worldwide Corporation in the event that they choose to participate on the Consultative Committee;
- (c) the Consultative Committee is intended to be an evolving representation of the various and differing interests of the Members and the constitution of the Consultative Committee shall be reflective and balanced in respect of those interests to the extent practicable (the “**Member Interests**”);
- (d) if any member of the Consultative Committee ceases to remain in good standing, is no longer a Member or is not reflective of the intention of the Consultative Committee as noted above, that member of the Consultative Committee shall be

immediately removed from the Consultative Committee and shall be replaced by a Member who is in good standing and reflective of the Member Interests. The replacement member shall be selected by the other then current members of the Consultative Committee;

- (e) in the event that any Consultative Committee member wishes to resign from the Consultative Committee, they may do so on fourteen (14) days advance written notice to the Consultative Committee and the Administrator, and in that case, a new Consultative Committee member shall be appointed in the same manner as described in sub-paragraph 8(b) above;
- (f) the Consultative Committee is hereby authorized and directed to establish its own procedures and protocols for meetings, related notices and communications and the Consultative Committee shall provide written communication of same to the Administrator once established;
- (g) each member of the Consultative Committee shall be required to execute a non-disclosure agreement in form and substance satisfactory to the Administrator and the members of the Consultative Committee (the “NDA”); and
- (h) the Administrator and the Consultative Committee shall meet and/or confer from time to time as reasonably requested by the Consultative Committee.

9. **THIS COURT ORDERS** that the Consultative Committee and the members of the Consultative Committee shall incur no liability or obligation as a result of their appointment to the Consultative Committee or the activities of the Consultative Committee, or the carrying out the provisions of this Order, save and except for honouring the terms of their contractual obligations (including the terms of the NDA) as a result of being a member of the Consultative Committee, gross negligence or wilful misconduct.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE ADMINISTRATOR

10. **THIS COURT ORDERS** that (i) the Applicant, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and members, and all other

persons acting or having acted on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Administrator of the existence of any Property in such Person’s possession or control, and shall grant immediate and continued access to the Resort Assets to the Administrator if so requested by the Administrator.

11. **THIS COURT ORDERS** that all Persons shall forthwith advise the Administrator 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 the Resort Assets, 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 at the request of the Administrator provide to the Administrator or permit the Administrator to make, retain and take away copies thereof and grant to the Administrator unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 11 or in paragraph 12 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 Administrator due to privilege, including privilege attaching to solicitor-client communications, or to statutory provisions prohibiting such disclosure.

12. **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 Administrator for the purpose of allowing the Administrator 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 Administrator in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Administrator. Further, for the purposes of this paragraph, all Persons shall provide the Administrator with all such assistance in gaining immediate access to the information in the Records as the Administrator may in its discretion require including providing the Administrator with

instructions on the use of any computer or other system and providing the Administrator with any and all access codes, account names and account numbers that may be required to gain access to the information.

POSSESSION OF PROPERTY AND OPERATIONS

13. **THIS COURT ORDERS** that subject to the terms of this Order and further Orders of this Court, the Applicant:

- (a) shall remain in possession and control of the Property and continue to manage the Resort Assets under the supervision of the Administrator and the Applicant's board of directors, subject to and pursuant to the terms of all applicable agreements in connection therewith;
- (b) shall continue to carry on the Business in a manner consistent with the preservation of the Business and the Resort Assets;
- (c) is authorized and empowered to continue to use funds in its Savings Account(s) (as that term is defined in the Chappelle Affidavit) for the purposes set out therein or as may be reasonably necessary for the ongoing operations of the Resort Assets or the carrying out of the Business, and all uses of such funds by the Applicant during the period in which the Administrator is appointed are hereby approved by this Court such that no cause of action shall lie against the Applicant or any of its former, current or future directors or officers solely by reason of making such uses in contravention of any agreement, whether express or implied and whether or not such agreement predates the date of this Order; and
- (d) is authorized and empowered to continue to retain and employ consultants, agents, experts, accountants, counsel and such other persons (collectively, the "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of its Business or for the carrying out of the terms of this Order.

14. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicant shall be entitled, but not required to pay, or cause to be paid on its behalf, all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) in the event that the Applicant employs any Persons, all outstanding and future wages, salaries, employee benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges;
- (c) all expenses and capital expenditures reasonably necessary for the preservation of the Resort Assets or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services, provided that the Applicant shall not make, or enter into any agreement in respect of, any capital expenditures exceeding \$100,000 in the aggregate after the date of this Order except with the written consent of the Administrator or pursuant to further Order of this Court; and
- (d) payment for goods or services actually supplied to the Applicant, whether prior or subsequent to the time of the granting of this Order.

15. **THIS COURT ORDERS** that the Applicant shall, in accordance with legal requirements, remit or pay, or cause to be remitted or paid on its behalf:

- (a) in the event that the Applicant employs any Persons, any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;

- (b) all goods and services, harmonized sales or other applicable sales taxes (collectively, “**Sales Taxes**”) required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the time of the granting of this Order, or where such Sales Taxes were accrued or collected prior to the time of the granting of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

RESTRUCTURING

16. **THIS COURT ORDERS** that subject to the terms of this Order and further Orders of this Court, the Applicant shall have the right to:

- (a) meet, communicate and discuss with such affected Persons as the Applicant deems appropriate, on all matters relating to the Applicant, the Resort Assets, the Business and the administration ordered herein, provided that the Applicant or its counsel notifies the Administrator regarding any communication that the Applicant has with any affected Persons prior to issuing any communications; and
- (b) with the consent of the Administrator, dispose of redundant or non-material Property not exceeding \$1 million in any one transaction or \$4 million in the aggregate.

NO PROCEEDINGS AGAINST THE ADMINISTRATOR

17. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Administrator without leave of this Court pursuant to motion brought on at least 7 days’ notice.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

18. **THIS COURT ORDERS** that no Proceeding against or in respect of the Applicant or the Resort Assets shall be commenced or continued, and any and all Proceedings currently under way against or in respect of the Applicant or the Resort Assets are hereby stayed and suspended pending further Order of this Court, except with the written consent of the Applicant and the Administrator, or with leave of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

19. **THIS COURT ORDERS** that all rights and remedies against the Applicant, the Administrator, or affecting the Business or the Resort Assets, are hereby stayed and suspended, except with the written consent of the Applicant and the Administrator, 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 Administrator or the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) exempt the Administrator or the Applicant 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 APPLICANT

20. **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 Applicant, without written consent of the Applicant and Administrator or leave of this Court.

CONTINUATION OF SERVICES

21. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Applicant 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 Applicant, and that the Applicant shall be entitled to the continued use of its current telephone numbers, facsimile numbers, internet addresses and domain names, 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 Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and the Applicant and the Administrator, or as may be ordered by this Court.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. **THIS COURT ORDERS** that no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until the Administrator is discharged without leave of the Court.

EMPLOYEES

23. **THIS COURT ORDERS** that all employees of the Applicant, if any, shall remain the employees of the Applicant until such time as the Applicant may terminate the employment of such employees, as applicable. The Administrator shall not be liable for any employee-related liabilities, including any successor employer liabilities.

LIMITATIONS ON THE ADMINISTRATOR'S LIABILITY

24. **THIS COURT ORDERS** that the Administrator shall not, unless permitted by further Order of this Court and consented to by the Administrator, take possession of the Resort Assets and shall take no part whatsoever in the management or supervision of the management of the Business, save and except for the Administrator's duties and obligations within this Order, and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Resort Assets, or any part thereof.

25. **THIS COURT ORDERS** that nothing in this Order shall be construed in resulting in the Administrator being or being deemed to be an officer, director, responsible person or operator of

the Applicant or the Resort Assets within the meaning of any statute, regulation, rule or law for any purpose whatsoever.

26. **THIS COURT ORDERS** that, pursuant to clauses 7(1)(a) and 7(2)(d) of the *Canada Personal Information Protection and Electronic Documents Act*, the Administrator may collect and use personal information of Members and other identifiable individuals, but only in a manner which is in all material respects identical to the prior use of such information by the Applicant or otherwise to the extent desirable or required to fulfil the Administrator's duties as are required by this Order or by this Court from time to time.

27. **THIS COURT ORDERS** that nothing herein shall require the Administrator to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Resort Assets 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 *Environmental Protection Act* (Ontario), the *Ontario Water Resources Act*, or the *Occupational Health and Safety Act* (Ontario) and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Administrator from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Administrator shall not, as a result of this Order or anything done in pursuance of the Administrator's duties and powers under this Order, be deemed to be in Possession of any of the Resort Assets within the meaning of any Environmental Legislation, unless it is actually in possession.

28. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Administrator under this Order or as an officer of this Court, the Administrator 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.

ADMINISTRATOR'S AND OTHERS' ACCOUNTS

29. **THIS COURT ORDERS** that the Administrator, counsel to the Administrator and counsel to the Applicant shall be paid:

- (a) in respect of services relating to both the Applicant and Carriage Ridge Owners Association in its administration, 69% of, and
- (b) in respect of services for the benefit of, or relating virtually entirely to, the Applicant alone, 100% of

their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings unless otherwise ordered by the Court. The Applicant is hereby authorized and directed to pay from time to time the interim accounts of the Administrator, counsel to the Administrator and counsel to the Applicant in accordance with the foregoing.

30. **THIS COURT ORDERS** that the Administrator, counsel to the Administrator and counsel to the Applicant shall be entitled to and are hereby granted a charge (the “**Administration Charge**”) on the Property, as security for such fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order in respect of these proceedings, and that the Administration Charge shall form a first charge on the Property in the maximum amount of \$350,000 inclusive of all fees, disbursements (including all fees payable to Assistants) and taxes, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person.

31. **THIS COURT ORDERS** that the Administrator and counsel to the Administrator shall pass their accounts from time to time, and for this purpose the accounts of the Administrator and counsel to the Administrator are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

VALIDITY AND PRIORITY OF CHARGE CREATED BY THIS ORDER

32. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable

for all purposes, including as against any right, title or interest filed, registered, recorded or perfected prior or subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

33. **THIS COURT ORDERS** that the Administration Charge shall constitute a charge on the Property and such Administration Charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.

34. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the Administration Charge, unless the Applicant also obtains the prior written consent of the Administrator or further Order of this Court.

35. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge (collectively, the “**Chargees**”) shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (each, an “**Agreement**”) which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any alleged breach of any Agreement caused by or resulting from the creation of the Administration Charge; and

- (c) the payments made by the Applicant pursuant to this Order, and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

SERVICE AND NOTICE

36. **THIS COURT ORDERS** that the Applicant shall make commercially reasonable efforts to inform the Members of this Order, any reports filed in these proceedings, and any upcoming motions in these proceedings by issuing a notice substantially in the form attached hereto as Schedule “B” (the “**Member Notice**”) to the Members by:

- (a) causing the Manager (as defined in the Chappelle Affidavit) or another third party service provider to send the Member Notice via electronic mail to all of those Members on the Updated Member Contact List; and
- (b) posting the notice and any other subsequent notices with respect to these proceedings, on the Applicant’s website.

37. **THIS COURT ORDERS THAT** the Administrator shall provide notice of the Exit Option to the Members by sending such notice, once such notice is prepared and the Exit Option is approved by the Court, to all Members by regular mail at each Members’ last known mailing address.

38. **THIS COURT ORDERS** that the Applicant, the Administrator and their respective counsel are at liberty to serve or distribute this Order, any Member Notice, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Members, the Applicant’s creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

39. **THIS COURT ORDERS** that the sending and posting of the Member Notice in accordance with this Order, and the completion of the other requirements of this Order, shall constitute good and sufficient delivery of notice of this Order on all the Members who may be entitled to receive notice, and no other notice need be given or made and no other document or material need be sent to or served upon any Member in respect of this Order.

40. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the “**Guide**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established by the Administrator in accordance with the Guide with the following URL: www.bdo.ca/en-ca/extranets/carriage.

41. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Applicant and the Administrator are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, and any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the intended recipient, including the Applicant’s creditors or other interested parties, at their respective addresses as last shown in the Applicants’ records and, in the case of a Member, in accordance with paragraph 36, and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

42. **THIS COURT ORDERS** that each of the Applicant and the Administrator may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

43. **THIS COURT ORDERS** that nothing in this Order shall prevent the Administrator from acting as an interim receiver, a receiver, a receiver and manager, a monitor, a proposal trustee, or a trustee in bankruptcy in respect of the Applicant, the Business or the Resort Assets.

44. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

45. **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 Applicant, the Administrator and their respective 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 Applicant and to the Administrator, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Administrator in any foreign proceeding, or to assist the Applicant and the Administrator and their respective agents in carrying out the terms of this Order.

46. **THIS COURT ORDERS** that the Applicant and the Administrator be at liberty and are 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 Administrator 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.

47. **THIS COURT ORDERS** that the Applicant or the Administrator or any other interested party may apply to this Court to vary or amend this Order on not less than fourteen (14) days' notice to the Applicant and the Administrator 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.

48. **THIS COURT ORDERS** that, unless impracticable or otherwise ordered by further Order of this Court, all motions in this administration may be heard together with motions in the administration of Carriage Ridge Owners Association (Court file no. CV-20-00640266-00CL) seeking substantially similar relief.

A handwritten signature in blue ink, appearing to read "Conway J.", is written over a horizontal line.

SCHEDULE "A"
LEGAL DESCRIPTION OF CARRIAGE HILLS PROPERTY

Parcel 1-16 Section 51-Oro-3

SUBJECT TO an easement over Part of Lots 2 and 3 Concession 4, Township of Oro, Part 5 Plan 51r-26764 as set out in Instrument Number 323091 in favour of Part of Lot 2 Concession 4, Township of Oro, designated as Parts 11, 12, 13 and 14 on Plan 51r-26764 being Parcel 1-17 Section 51-Oro-3, and, in favour of Part of Lot 2 Concession 4, Township of Oro, designated as Parts 1, 2, 3, 4, 15, 16 and 17 on Plan 51r-26764 being Parcel 1-18 Section 51-Oro-3.

TOGETHER WITH an easement over Part Lot 2 Concession 4, Township of Oro, being Part of Parcel 1-17 Section 51-Oro-3 being Part 11 Plan 51r-26764 as set out in Instrument Number 323092.

TOGETHER WITH an easement over Part of Lot 2 Concession 4, Township of Oro, being Part of Parcel 1-18 Section 51-Oro-3 being Parts 1 and 16 Plan 51r26764 as set out in Instrument Number 323093.

SCHEDULE “B”

NOTICE TO MEMBERS OF CARRIAGE RIDGE RESORT AND CARRIAGE HILLS RESORT

PLEASE TAKE NOTICE that on May 7, 2020, Carriage Ridge Owners Association and Carriage Hills Vacation Owners Association (collectively, the “**Applicants**”), commenced independent, but parallel, administration proceedings under the *Courts of Justice Act*, R.S.O. 1990 c. C. 43, as amended (the “**Administration Proceedings**”) and BDO Canada Limited was appointed as administrator of the Applicants (in such capacity, the “**Administrator**”) by Orders of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated May 7, 2020 (the “**Administration Orders**”)

PLEASE TAKE FURTHER NOTICE that the Applicants have brought a motion seeking [BRIEFLY DESCRIBE RELIEF SOUGHT] which is to be heard by the Court on [DATE].

Copies of the Motion Record for the upcoming proceeding, the Administration Orders and the other documents related to these Administration Proceedings will be posted on the Administrator’s website at: www.bdo.ca/en-ca/extranets/carriage.

In the event that your contact information is out of date, we ask that you update your information on the Administrator’s website on the link noted above. If you have any other questions or concerns please feel free to contact the Administrator at either BDOCarriageHills@bdo.ca and BDOCarriageRidge@bdo.ca.

IN THE MATTER OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED AND IN THE MATTER OF THE
ADMINISTRATION PROCEEDINGS OF **CARRIAGE HILLS VACATION OWNERS ASSOCIATION**

Court File No.: CV-20-00640265-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ADMINISTRATION ORDER

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Lawyers for the Applicant

Appendix B

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

THE HONOURABLE)	FRIDAY, THE 15TH
)	
MADAM JUSTICE CONWAY)	DAY OF MAY, 2020

**IN THE MATTER OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, c. C.43, AS AMENDED**

**AND IN THE MATTER OF THE ADMINISTRATION
PROCEEDINGS OF CARRIAGE RIDGE OWNERS
ASSOCIATION (the “Applicant”)**

**ORDER
(appointing Administrator)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “CJA”) appointing BDO Canada Limited (“**BDO**”) as administrator (the “**Administrator**”) without security, in respect of:

- (a) the Applicant and all the Applicant’s present and future assets, undertakings and properties (collectively, the “**Property**”), and
- (b) all the lands and premises on which the Applicant operates the timeshare resort known as Carriage Ridge Resort, legally described in Schedule “A” hereto, collectively owned by the members of the Applicant (the “**Members**”) as tenants-in-common, as recorded in the Land Registry Office for the Land Titles Division of Simcoe (No. 51) (collectively, the “**Lands**”),

was heard this day via Zoom judicial video conference due to the COVID-19 pandemic.

ON READING the Notice of Application, the affidavit of Martin Ginsberman, sworn April 30, 2020 (the “**Ginsberman Affidavit**”) and the Exhibits thereto, the pre-filing report of BDO and the appendices thereto, and the consent of BDO to act as Administrator, and on hearing the submissions of counsel for the Applicant, counsel for BDO, counsel for Lori Smith, Karen Levins and Bruce Fleming, counsel for David and Phyllis Lennox, Christopher Diana, representing himself, and Catherine Hristow, representing herself, and no one appearing for any other parties on the service list set out in the Notice of Application, although duly served as appears from the affidavit of service of Mitchell Grossell, sworn April 30, 2020,

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 101 of the CJA, BDO is hereby appointed as Administrator, without security, in respect of:

- (a) the Applicant and the Property, including all proceeds thereof, and
- (b) the Lands, including all proceeds thereof.

(the Property and the Lands, including all proceeds thereof collectively, the “**Resort Assets**”).

3. **THIS COURT ORDERS** that the Administrator is not and shall not be deemed to be a “receiver” within the meaning of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) and shall not be required to comply with the provisions of the BIA applicable to receivers including, without limiting the generality of the foregoing, any requirement to provide notice of its appointment or any statements or reports to any Persons (as defined below), including the Office of the Superintendent in Bankruptcy, in accordance with sections 245 and 246 of the BIA.

4. **THIS COURT ORDERS** that the Applicant, its members, officers, directors, agents and advisors shall advise the Administrator and the Members (in accordance with the protocol

established pursuant to paragraph 36 of this Order) of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Administrator in the exercise of its powers and discharge of its obligations and provide the Administrator with the assistance that is necessary to enable the Administrator to adequately carry out the Administrator's functions.

ADMINISTRATOR'S POWERS

5. **THIS COURT ORDERS** that the Administrator shall, as soon as reasonably practicable after its appointment:

- (a) make reasonable efforts to create an updated Members contact list (the "**Updated Members Contact List**") that shall include (but is not limited to) both the last known physical mailing addresses for the Members and their email addresses, if any, and as part of its effort to create the Updated Members Contact List, shall contact any third party service providers that have been retained by the Applicant, including but not limited to Equiant, Wyndham Worldwide Corporation, and Carriage Hills Hospitality Inc., to obtain the most recent available contact information for the Members;
- (b) subject to Court approval, plan and propose a procedure to ascertain the interests of the Members going forward with respect to the Resort, whereby Members of the Applicant will be able to indicate, among other things, whether they wish to terminate their relationship with the Resort or continue their relationship with the Resort if a satisfactory restructuring solution can be developed; and
- (c) subject to Court approval for implementation, develop an exit strategy (the "**Exit Option**") for those Members that wish to relinquish their membership with the Applicant and obtain a release of all future obligations to the Applicant, subject to certain terms and conditions to be developed by the Administrator, in consultation with the Applicant and the Consultative Committee (as defined below).

6. **THIS COURT ORDERS** that the Administrator is hereby empowered and authorized, but not obligated, to act at once in respect of the Resort Assets as provided in this Order and, without in any way limiting the generality of the foregoing, the Administrator is hereby expressly empowered and authorized to do any of the following where the Administrator considers it necessary or desirable, in consultation with the Applicant:

- (a) to review, research and consider potential options to market, redevelop or restructure any or all of the Resort Assets and/or the Applicant and the terms of any agreements governing same in a manner consistent with the Exit Option, and to advise the Applicant and the Members thereon but, not to implement same without further Order of this Court;
- (b) to advise the Applicant in its preparation of its cash flow statements;
- (c) to review and monitor the Applicant's cash receipts and disbursements;
- (d) to advise the Applicant in connection with possible options to meet any cash flow deficiencies;
- (e) to advise the Applicant in connection with the restructuring of the operations of the Applicant, including the restructuring of the ownership of the Resort Assets and the Exit Option;
- (f) to report to this Court at such times and intervals as the Administrator may deem appropriate with respect to matters relating to the Resort Assets, the Applicant and its business and operations (the "**Business**"), the Exit Option, and such other matters as may be relevant to the proceedings herein;
- (g) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Administrator's powers and duties, including without limitation those conferred by this Order;

- (h) to assist the Applicant, to the extent required by the Applicant, with disseminating information to the Members, creditors or other interested Persons;
- (i) to contact, communicate with and discuss the Applicant's business and affairs and the Resort Assets with applicable municipal, provincial, and federal governments and their boards, agencies, commissions, and similar bodies, regarding matters within the Applicant's powers pursuant to this Order;
- (j) to report to, and meet, communicate and discuss with such affected Persons as the Administrator deems appropriate, on all matters relating to the Applicant, the Resort Assets, the Business, the Exit Option and the administration ordered herein, and to share information, documents and other material with such Persons, subject to such terms as to confidentiality as the Administrator, in consultation with the Applicant, deems advisable and provided that the Administrator shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph; and
- (k) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations and to perform such other duties as are required by this Order or by this Court from time to time;

and in each case where the Administrator takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons except the Applicant, where applicable pursuant to this Order.

7. **THIS COURT ORDERS** that the Administrator is authorized to register a copy of this Order against title to any of or all the Lands.

CONSULTATIVE COMMITTEE OF MEMBERS

8. **THIS COURT ORDERS** that there shall be a consultative committee of Members (the "**Consultative Committee**") formed as soon as reasonably practical, whose structure and mandate shall be as follows, but notwithstanding anything in the foregoing, shall be initially limited to consultation in respect of the Exit Option and which will subsequently be expanded to

include consultation in respect of other aspects of the restructuring as may be later determined by the Administrator in consultation with the Consultative Committee or as directed by the Court:

- (a) the Consultative Committee shall be provided the opportunity to consult with the Administrator and to provide non-binding input to the Administrator regarding the items described in paragraphs 5(a) to (c), 6(a), (e) and (j) of this Order;
- (b) the Consultative Committee shall be comprised of at least five (5) Members who are each in good standing, which may include the following:
 - i. one Member from the Board of Directors of the Carriage Hills Vacation Owners Association;
 - ii. one Member from the Board of Directors of the Carriage Ridge Owners Association;
 - iii. Michael Deegan, or such other Member who has an interest in terminating a relationship with the Resort and the Association irrespective of any restructuring;
 - iv. Chris Diana, or such other Member who has an interest in continuing a relationship with the Resort;
 - v. a fifth member to be chosen by the other Consultative Committee members; and
 - vi. a sixth member who may be appointed by Wyndham Worldwide Corporation in the event that they choose to participate on the Consultative Committee;
- (c) the Consultative Committee is intended to be an evolving representation of the various and differing interests of the Members and the constitution of the Consultative Committee shall be reflective and balanced in respect of those interests to the extent practicable (the “**Member Interests**”);

- (d) if any member of the Consultative Committee ceases to remain in good standing, is no longer a Member or is not reflective of the intention of the Consultative Committee as noted above, that member of the Consultative Committee shall be immediately removed from the Consultative Committee and shall be replaced by a Member who is in good standing and reflective of the Member Interests. The replacement member shall be selected by the other then current members of the Consultative Committee;
- (e) in the event that any Consultative Committee member wishes to resign from the Consultative Committee, they may do so on fourteen (14) days advance written notice to the Consultative Committee and the Administrator, and in that case, a new Consultative Committee member shall be appointed in the same manner as described in sub-paragraph 8(b) above;
- (f) the Consultative Committee is hereby authorized and directed to establish its own procedures and protocols for meetings, related notices and communications and the Consultative Committee shall provide written communication of same to the Administrator once established;
- (g) each member of the Consultative Committee shall be required to execute a non-disclosure agreement in form and substance satisfactory to the Administrator and the members of the Consultative Committee (the “NDA”); and
- (h) the Administrator and the Consultative Committee shall meet and/or confer from time to time as reasonably requested by the Consultative Committee.

9. **THIS COURT ORDERS** that the Consultative Committee and the members of the Consultative Committee shall incur no liability or obligation as a result of their appointment to the Consultative Committee or the activities of the Consultative Committee, or the carrying out the provisions of this Order, save and except for honouring the terms of their contractual obligations (including the terms of the NDA) as a result of being a member of the Consultative Committee, gross negligence or wilful misconduct.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE ADMINISTRATOR

10. **THIS COURT ORDERS** that (i) the Applicant, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and members, and all other persons acting or having acted on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Administrator of the existence of any Property in such Person’s possession or control, and shall grant immediate and continued access to the Resort Assets to the Administrator if so requested by the Administrator.

11. **THIS COURT ORDERS** that all Persons shall forthwith advise the Administrator 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 the Resort Assets, 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 at the request of the Administrator provide to the Administrator or permit the Administrator to make, retain and take away copies thereof and grant to the Administrator unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 11 or in paragraph 12 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 Administrator due to privilege, including privilege attaching to solicitor-client communications, or to statutory provisions prohibiting such disclosure.

12. **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 Administrator for the purpose of allowing the Administrator 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 Administrator in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Administrator.

Further, for the purposes of this paragraph, all Persons shall provide the Administrator with all such assistance in gaining immediate access to the information in the Records as the Administrator may in its discretion require including providing the Administrator with instructions on the use of any computer or other system and providing the Administrator with any and all access codes, account names and account numbers that may be required to gain access to the information.

POSSESSION OF PROPERTY AND OPERATIONS

13. **THIS COURT ORDERS** that subject to the terms of this Order and further Orders of this Court, the Applicant:

- (a) shall remain in possession and control of the Property and continue to manage the Resort Assets under the supervision of the Administrator and the Applicant's board of directors, subject to and pursuant to the terms of all applicable agreements in connection therewith;
- (b) shall continue to carry on the Business in a manner consistent with the preservation of the Business and the Resort Assets;
- (c) is authorized and empowered to continue to use funds in its Savings Account(s) (as that term is defined in the Ginsherman Affidavit) for the purposes set out therein or as may be reasonably necessary for the ongoing operations of the Resort Assets or the carrying out of the Business, and all uses of such funds by the Applicant during the period in which the Administrator is appointed are hereby approved by this Court such that no cause of action shall lie against the Applicant or any of its former, current or future directors or officers solely by reason of making such uses in contravention of any agreement, whether express or implied and whether or not such agreement predates the date of this Order; and
- (d) is authorized and empowered to continue to retain and employ consultants, agents, experts, accountants, counsel and such other persons (collectively, the "**Assistants**") currently retained or employed by it, with liberty to retain such

further Assistants as it deems reasonably necessary or desirable in the ordinary course of its Business or for the carrying out of the terms of this Order.

14. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicant shall be entitled, but not required to pay, or cause to be paid on its behalf, all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) in the event that the Applicant employs any Persons, all outstanding and future wages, salaries, employee benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges;
- (c) all expenses and capital expenditures reasonably necessary for the preservation of the Resort Assets or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services, provided that the Applicant shall not make, or enter into any agreement in respect of, any capital expenditures exceeding \$100,000 in the aggregate after the date of this Order except with the written consent of the Administrator or pursuant to further Order of this Court; and
- (d) payment for goods or services actually supplied to the Applicant, whether prior or subsequent to the time of the granting of this Order.

15. **THIS COURT ORDERS** that the Applicant shall, in accordance with legal requirements, remit or pay, or cause to be remitted or paid on its behalf:

- (a) in the event that the Applicant employs any Persons, any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees'

wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;

- (b) all goods and services, harmonized sales or other applicable sales taxes (collectively, “**Sales Taxes**”) required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the time of the granting of this Order, or where such Sales Taxes were accrued or collected prior to the time of the granting of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

RESTRUCTURING

16. **THIS COURT ORDERS** that subject to the terms of this Order and further Orders of this Court, the Applicant shall have the right to:

- (a) meet, communicate and discuss with such affected Persons as the Applicant deems appropriate, on all matters relating to the Applicant, the Resort Assets, the Business and the administration ordered herein, provided that the Applicant or its counsel notifies the Administrator regarding any communication that the Applicant has with any affected Persons prior to issuing any communications; and
- (b) with the consent of the Administrator, dispose of redundant or non-material Property not exceeding \$500,000 in any one transaction or \$2 million in the aggregate.

NO PROCEEDINGS AGAINST THE ADMINISTRATOR

17. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Administrator without leave of this Court pursuant to motion brought on at least 7 days’ notice.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

18. **THIS COURT ORDERS** that no Proceeding against or in respect of the Applicant or the Resort Assets shall be commenced or continued, and any and all Proceedings currently under way against or in respect of the Applicant or the Resort Assets are hereby stayed and suspended pending further Order of this Court, except with the written consent of the Applicant and the Administrator, or with leave of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

19. **THIS COURT ORDERS** that all rights and remedies against the Applicant, the Administrator, or affecting the Business or the Resort Assets, are hereby stayed and suspended, except with the written consent of the Applicant and the Administrator, 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 Administrator or the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) exempt the Administrator or the Applicant 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 APPLICANT

20. **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 Applicant, without written consent of the Applicant and Administrator or leave of this Court.

CONTINUATION OF SERVICES

21. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Applicant 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 Applicant, and that the Applicant shall be entitled to the continued use of its current telephone numbers, facsimile numbers, internet addresses and domain names, 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 Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and the Applicant and the Administrator, or as may be ordered by this Court.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. **THIS COURT ORDERS** that no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until the Administrator is discharged without leave of the Court.

EMPLOYEES

23. **THIS COURT ORDERS** that all employees of the Applicant, if any, shall remain the employees of the Applicant until such time as the Applicant may terminate the employment of such employees, as applicable. The Administrator shall not be liable for any employee-related liabilities, including any successor employer liabilities.

LIMITATIONS ON THE ADMINISTRATOR'S LIABILITY

24. **THIS COURT ORDERS** that the Administrator shall not, unless permitted by further Order of this Court and consented to by the Administrator, take possession of the Resort Assets

and shall take no part whatsoever in the management or supervision of the management of the Business, save and except for the Administrator's duties and obligations within this Order, and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Resort Assets, or any part thereof.

25. **THIS COURT ORDERS** that nothing in this Order shall be construed as resulting in the Administrator being or being deemed to be an officer, director, responsible person or operator of the Applicant or the Resort Assets within the meaning of any statute, regulation, rule or law for any purpose whatsoever.

26. **THIS COURT ORDERS** that, pursuant to clauses 7(1)(a) and 7(2)(d) of the *Canada Personal Information Protection and Electronic Documents Act*, the Administrator may collect and use personal information of Members and other identifiable individuals, but only in a manner which is in all material respects identical to the prior use of such information by the Applicant or otherwise to the extent desirable or required to fulfil the Administrator's duties as are required by this Order or by this Court from time to time.

27. **THIS COURT ORDERS** that nothing herein shall require the Administrator to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Resort Assets 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 *Environmental Protection Act* (Ontario), the *Ontario Water Resources Act*, or the *Occupational Health and Safety Act* (Ontario) and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Administrator from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Administrator shall not, as a result of this Order or anything done in pursuance of the Administrator's duties and powers under this Order, be deemed to be in Possession of any of the Resort Assets within the meaning of any Environmental Legislation, unless it is actually in possession.

28. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Administrator under this Order or as an officer of this Court, the Administrator 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.

ADMINISTRATOR'S AND OTHERS' ACCOUNTS

29. **THIS COURT ORDERS** that the Administrator, counsel to the Administrator and counsel to the Applicant shall be paid:

- (a) in respect of services relating to both the Applicant and Carriage Hills Owners Association in its administration, 31% of, and
- (b) in respect of services for the benefit of, or relating virtually entirely to, the Applicant alone, 100% of

their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings unless otherwise ordered by the Court. The Applicant is hereby authorized and directed to pay from time to time the interim accounts of the Administrator, counsel to the Administrator and counsel to the Applicant in accordance with the foregoing.

30. **THIS COURT ORDERS** that the Administrator, counsel to the Administrator and counsel to the Applicant shall be entitled to and are hereby granted a charge (the "**Administration Charge**") on the Property, as security for such fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order in respect of these proceedings, and that the Administration Charge shall form a first charge on the Property in the maximum amount of \$150,000 inclusive of all fees, disbursements (including all fees payable to Assistants) and taxes in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person.

31. **THIS COURT ORDERS** that the Administrator and counsel to the Administrator shall pass their accounts from time to time, and for this purpose the accounts of the Administrator and

counsel to the Administrator are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

VALIDITY AND PRIORITY OF CHARGE CREATED BY THIS ORDER

32. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected prior or subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

33. **THIS COURT ORDERS** that the Administration Charge shall constitute a charge on the Property and such Administration Charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.

34. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the Administration Charge, unless the Applicant also obtains the prior written consent of the Administrator or further Order of this Court.

35. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge (collectively, the “**Chargees**”) shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (each, an “**Agreement**”) which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any alleged breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
- (c) the payments made by the Applicant pursuant to this Order, and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

SERVICE AND NOTICE

36. **THIS COURT ORDERS** that the Applicant shall make commercially reasonable efforts to inform the Members of this Order, any reports filed in these proceedings, and any upcoming motions in these proceedings by issuing a notice substantially in the form attached hereto as Schedule “B” (the “**Member Notice**”) to the Members by:

- (a) causing the Manager (as defined in the Ginsberman Affidavit) or another third party service provider to send the Member Notice via electronic mail to all of those Members on the Updated Member Contact List; and
- (b) posting the notice and any other subsequent notices with respect to these proceedings, on the Applicant’s website.

37. **THIS COURT ORDERS** that the Administrator shall provide notice of the Exit Option to the Members by sending such notice, once such notice is prepared and the Exit Option is approved by the Court, to all Members by regular mail at each Members’ last known mailing address.

38. **THIS COURT ORDERS** that the Applicant, the Administrator and their respective counsel are at liberty to serve or distribute this Order, any Member Notice, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Members, the

Applicant's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

39. **THIS COURT ORDERS** that the sending and posting of the Member Notice in accordance with this Order, and the completion of the other requirements of this Order, shall constitute good and sufficient delivery of notice of this Order on all the Members who may be entitled to receive notice, and no other notice need be given or made and no other document or material need be sent to or served upon any Member in respect of this Order.

40. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established by the Administrator in accordance with the Guide with the following URL: www.bdo.ca/en-ca/extranets/carriage.

41. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Applicant and the Administrator are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, and any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the intended recipient, including the Applicant's creditors or other interested parties, at their respective addresses as last shown in the Applicants' records and, in the case of a Member, in accordance with paragraph 36, and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

42. **THIS COURT ORDERS** that each of the Applicant and the Administrator may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

43. **THIS COURT ORDERS** that nothing in this Order shall prevent the Administrator from acting as an interim receiver, a receiver, a receiver and manager, a monitor, a proposal trustee, or a trustee in bankruptcy in respect of the Applicant, the Business or the Resort Assets.

44. **THIS COURT ORDERS** that this Order is effective from the date that it is made, and is enforceable without any need for entry and filing.

45. **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 Applicant, the Administrator and their respective 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 Applicant and to the Administrator, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Administrator in any foreign proceeding, or to assist the Applicant and the Administrator and their respective agents in carrying out the terms of this Order.

46. **THIS COURT ORDERS** that the Applicant and the Administrator be at liberty and are 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 Administrator 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.

47. **THIS COURT ORDERS** that the Applicant or the Administrator or any other interested party may apply to this Court to vary or amend this Order on not less than fourteen (14) days' notice to the Applicant and the Administrator 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.

48. **THIS COURT ORDERS** that, unless impracticable or otherwise ordered by further Order of this Court, all motions in this administration may be heard together with motions in the administration of Carriage Hills Vacation Owners Association (Court file no. CV-20-00640265-00CL) seeking substantially similar relief.

Conway J.

SCHEDULE "A"
LEGAL DESCRIPTION OF CARRIAGE RIDGE PROPERTY

Parcel 1-27 Section 51-Oro-3, being Part of Lots 1 and 2 Concession 3, designated as Part 1 on Plan 51r-31409 Township of Oro-Medonte

County of Simcoe.

Land Titles Division of Simcoe (No. 51)

SCHEDULE “B”

NOTICE TO MEMBERS OF CARRIAGE RIDGE RESORT AND CARRIAGE HILLS RESORT

PLEASE TAKE NOTICE that on May 7, 2020, Carriage Ridge Owners Association and Carriage Hills Vacation Owners Association (collectively, the “**Applicants**”), commenced independent, but parallel, administration proceedings under the *Courts of Justice Act*, R.S.O. 1990 c. C. 43, as amended (the “**Administration Proceedings**”) and BDO Canada Limited was appointed as administrator of the Applicants (in such capacity, the “**Administrator**”) by Orders of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated May 7, 2020 (the “**Administration Orders**”)

PLEASE TAKE FURTHER NOTICE that the Applicants have brought a motion seeking [BRIEFLY DESCRIBE RELIEF SOUGHT] which is to be heard by the Court on [DATE].

Copies of the Motion Record for the upcoming proceeding, the Administration Orders and the other documents related to these Administration Proceedings will be posted on the Administrator’s website at: www.bdo.ca/en-ca/extranets/carriage.

In the event that your contact information is out of date, we ask that you update your information on the Administrator’s website on the link noted above. If you have any other questions or concerns please feel free to contact the Administrator at either BDOCarriageHills@bdo.ca and BDOCarriageRidge@bdo.ca.

IN THE MATTER OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED AND IN THE MATTER OF THE
ADMINISTRATION PROCEEDINGS OF **CARRIAGE RIDGE OWNERS ASSOCIATION**

Court File No.: CV-20-00640266-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ADMINISTRATION ORDER

Thornton Grout Finnigan LLP

Barristers and Solicitors
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Lawyers for the Applicant

Appendix C

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

THE HONOURABLE MADAM) THURSDAY, THE 2ND
)
JUSTICE CONWAY) DAY OF JULY, 2020

IN THE MATTER OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, c. C.43, AS AMENDED

AND IN THE MATTER OF THE ADMINISTRATION
PROCEEDINGS OF **CARRIAGE HILLS VACATION
OWNERS ASSOCIATION** (the “**Applicant**”)

ORDER

THIS MOTION made by the Applicant for an Order that, *inter alia*: (i) approving the form, content and method of delivery of the Member Survey and the Member Survey Deadline, (ii) confirming that delinquent Members shall not be permitted to vote with respect to the Member Survey, (iii) approving the Exit Fee; (iv) approving the Delinquency Fee; (v) approving the First Report of BDO Canada Limited dated June 22, 2020 (the “**First Report**”), in its capacity as administrator of the Applicant (the “**Administrator**”), and the activities of the Administrator as set out therein, and (vi) approving the fees and disbursements of the Administrator and counsel to the Administrator, was heard this day via Zoom judicial video conference due to the COVID-19 pandemic.

ON READING the Motion Record of the Applicant dated June 22, 2020 (the “**Motion Record**”), including the affidavit of Darren Chapelle, sworn June 22, 2020 (the “**Chapelle Affidavit**”) and the Exhibit thereto, the First Report and the appendices thereto, and on hearing the submissions of counsel for the Applicant, counsel for BDO, counsel for Lori Smith, Karen Levins and Bruce Fleming, Christopher Diana on behalf of himself and counsel for David and Phyllis Lennox, no one else appearing for any other parties on the Service List, although duly served as appears from the affidavit of service of Mitch Grossell, sworn June 30, 2020, filed.

SERVICE AND DEFINED TERMS

1. **THIS COURT ORDERS** that the time for service of the Motion Record is hereby validated so that this Motion is properly returnable today and further service thereof is hereby dispensed with.
2. **THIS COURT ORDERS** that all capitalized terms used herein that are not otherwise defined shall have the meaning ascribed to them in the First Report.

APPROVAL OF THE MEMBER SURVEY AND NOTICING PROCEDURE

3. **THIS COURT ORDERS** that the Member Survey substantially in the form and content attached as Schedule "A" to this Order, including but not limited to the amount of the Exit Fee, is hereby approved and the Administrator is authorized and directed to have the Member Survey issued in accordance with the terms of this Order.
4. **THIS COURT ORDERS** that the Administrator be and is hereby authorized and directed to retain Votenet to manage the online Member Survey, including sending email notifications and reminders to the Members, provide phone and email support services to the Members and provide the certified voting results and statistical reporting to the Administrator at an estimated cost of U.S. \$7,714.00.
5. **THIS COURT ORDERS** that within ten (10) days of the date of this Order:

- (a) the Administrator shall cause Votenet to send a link to the Member Survey via email to every Member that has provided a working email address; and
- (b) the Administrator shall send a paper copy of the Member Survey by regular mail to every Member that has not provided a working email address

provided that, the Administrator shall have no obligation to send the Member Survey to any Member with a Delinquent Account. In the event that the Delinquent Account of such Member is rectified before the Member Survey Deadline, the Administrator shall cause the Member Survey to be delivered to the Member. For greater certainty, notwithstanding the foregoing, the date of the

Member Survey Deadline shall not be extended beyond August 31, 2020 without the written consent of the Administrator.

RESPONSES TO THE MEMBER SURVEY

6. **THIS COURT ORDERS** that responses to the Member Survey shall be received by the Administrator by no later than August 31, 2020 (“**Member Survey Deadline**”). The Administrator shall not be required to consider any Member Survey received after the Member Survey Deadline.

7. **THIS COURT ORDERS** that Members with Delinquent Accounts (a “**Delinquent Member**”) shall not be entitled to participate or vote in the Member Survey. In the event that a Delinquent Member responds to the Member Survey, the Administrator shall disregard and not take into consideration the response of any such Delinquent Member. For greater certainty, Delinquent Members shall be treated as Members voting to exit.

8. **THIS COURT AUTHORIZES AND APPROVES** the nature and amount of the Delinquency Fee as set out in the First Report.

9. **THIS COURT ORDERS AND DIRECTS** the Administrator to send by email, to those Delinquent Members who have provided a valid email address, a notice to the Delinquent Members substantially in the form and content attached as Schedule “**B**” notifying the Delinquent Owners of the Delinquency Fee and that the Delinquent Owners are not entitled to participate in the Member Survey unless they bring their account current.

10. **THIS COURT ORDERS** that, in the case of any Member responding to the Member Survey indicating that he or she wishes to exit the Association, such decision shall be binding on such Member and that Member shall not be permitted to change their decision to exit after the Member Survey Deadline.

11. **THIS COURT ORDERS** that any Members (other than Delinquent Members) that do not respond to the Member Survey shall be deemed to have responded that the Member wishes to stay in the Resort.

NO LIABILITY OF THE ADMINISTRATOR

12. **THIS COURT ORDERS** that the Administrator shall incur no liability or obligation as a result of the terms of this Order or the carrying out by it of the provisions of this Order, save and except for gross negligence or wilful misconduct on its part, and nothing in this Order shall derogate from the protections afforded to the Administrator pursuant to the Administration Order.

CORPORATE GOVERNANCE

13. **THIS COURT ORDERS AND DECLARES** that the annual general meeting of the Applicant (the “AGM”) and the nomination and election process for directors of the Applicant is hereby suspended and deferred for a period of six months. Until the AGM is held in accordance with this Order, all current directors of the Applicant shall remain as directors of the Applicant.

APPROVAL OF FEES AND ACTIVITIES OF THE ADMINISTRATOR

14. **THIS COURT ORDERS** that the First Report filed in these proceedings and the Administrator’s activities as set out therein are hereby approved.

15. **THIS COURT ORDERS** that the professional fees and disbursements of the Administrator for (i) the period ending June 15, 2020 in the amount of \$63,156.00 plus HST of \$8,210.28 for a total of \$71,366.28 as set out in the Affidavit of Brad Newton sworn June 22, 2020 and attached as Appendix “L” to the First Report, are hereby approved.

16. **THIS COURT ORDERS** that the professional fees and disbursements of Aird & Berlis, counsel to the Administrator, for (i) the period ending June 17, 2020 in the amount of \$62,060.25 plus HST of \$8,067.83 for a total of \$70,128.08 as set out in the Affidavit of Sam Babe sworn June 22, 2020 and attached as Appendix “M” to the First Report, are hereby approved and the Association is authorized to pay its proportionate share of such fees in accordance with the terms of the Administration Order.

GENERAL

17. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

18. **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 Applicant, the Administrator and their respective 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 Applicant and to the Administrator, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Administrator in any foreign proceeding, or to assist the Applicant and the Administrator and their respective agents in carrying out the terms of this Order.

19. **THIS COURT ORDERS** that the Applicant and the Administrator be at liberty and are 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 Administrator 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.

Conway J.

SCHEDULE "A"
MEMBER SURVEY

CARRIAGE RIDGE AND CARRIAGE HILLS MEMBER SURVEY

PURPOSE OF SURVEY

The purpose of this survey is to determine which owners wish to immediately exit their resort intervals and which owners may wish to maintain at least one of their intervals in a “restructured resort”. The basic parameters of a “restructured resort” are found below. The Administrator needs to gauge the interest in exiting immediately versus remaining in a restructured resort in order to determine if a restructured resort is a viable option.

TIME TO COMPLETE SURVEY

This survey will be available to be completed for 45 days only commencing **July __** and ending **August __**, 2020.

EFFECT OF SURVEY

This survey will be binding on those voting to exit. If this survey were not binding on those wanting to exit now, the Administrator would be forced to conduct multiple surveys involving numerous restructuring options which would take many months and be very expensive. Most importantly, such a delay would mean that an exit for owners would not be available before the next annual payment is due. The Administrator has heard directly from many owners that they want to exit before the next payment is due and we are trying to accommodate that request. Therefore, if you do not choose to exit now, you will be invoiced for next year’s fees, which will need to be paid to be eligible to continue in this process.

The survey will not be binding on those voting to stay. Until the results of this survey are available, we are unable to determine what a restructured resort will look like or whether a restructured resort is possible as we will not know how many owners wish to remain. Once this is known and assuming a restructuring is possible, we will be able to prepare a projection of what a restructured resort will look like and what the ongoing maintenance fees are likely to be. Those owners who indicated that they wanted to stay will then have 45 days to decide if they wish to remain or exit based on those terms. The owners choosing to exit after the second survey will go through the same exit process and fee as those who exited earlier.

If you choose to exit: Choosing the exit option below does not mean you have actually exited the time share or given up your interval(s). You will receive further information on precisely how to exit and the implications of exiting after the survey is completed and a final exit plan is approved by the Court. An Exit Fee (as set out in the chart below) will have to be paid by all those wishing to exit at this time or if you exit as discussed in the “If you choose to stay” paragraph below. After all or any portion of the resort is sold, there may be a payment made to all exiting owners (whether they exit under this survey or after the next). However, the exact amount of that payment will not be known until a sale is completed.

Total Cancellation Fee per Interval (including HST)	Every Year Interval		Even/Odd Year Interval	
	Red	White	Red	White
Carriage Hills	\$ 2,300.33	\$ 2,417.74	\$ 1,150.16	\$ 1,208.87
Carriage Ridge	\$ 2,282.38	\$ 2,399.17	\$ 1,141.19	\$ 1,199.58

If you choose to stay: Choosing to stay in a restructured resort does not mean you will automatically be part of a restructured resort in the future. The Administrator is simply trying to gauge your desire to do so. You will be provided with further information on what a future restructured resort will look like, together with the annual cost, after the survey is completed and the exit plan for those wishing to exit is approved by the Court. Depending on the results of the survey, it may be that a restructured resort is not feasible if not enough owners wish to remain in a restructured resort. It is anticipated that, once the exact terms and conditions of a restructured resort are determined, those terms will be shared with owners who voted to stay and you will again be able to choose to stay or to exit based on those exact terms.

If you do not reply to the survey: If you do not reply to the survey the Administrator will have to assume that you are voting to STAY in the resort. The Administrator CANNOT assume owners want to break a legal contract.

Please note, we require you to vote separately for each interval you own and only one vote per interval will be permitted

Please enter the following information:

Name of the owner of the time share _____

Please choose one of the following two options:

- Carriage Hills Interval
- Carriage Ridge interval

Please choose one of the following three options:

- Every year Interval
- Odd year Interval
- Even year Interval

Please choose one of the following two options.

- Do you want to exit now (this would include declaring the resort “obsolete”)?
- Do you want to remain in a “restructured resort”?

Pursuant to the time share agreement, in order for the resort to be determined to be “**obsolete**”, 75% of all intervals must be voted in favour of obsolescence. If more than 75% of intervals are voted in favour of obsolescence, then the **entire** resort must be sold. If less than 75% of all intervals are voted in favour of exiting, then it is possible that a portion of the resort will be sold to accommodate a smaller future resort. The process for the sale and the distribution of the proceeds of that sale will be proposed by the Administrator and have to be approved by the Court.

A “**restructured resort**” requires that, at a minimum, the time share agreement be altered to eliminate the perpetual nature of the Owners’ obligations. In other words, a mechanism would need to be created to provide Owners with the option to opt-out of the resort in the future (on terms to be determined) in the event that they are unable to sell their intervals. A successful restructured resort would also not see any significant escalation in annual maintenance fees. What exactly a restructured resort will look like and what the maintenance fees will be is uncertain and cannot be determined until the results of this survey are known.

No decisions have been made on what will happen with the resorts at this time. The results of the survey will help to inform all owners, the boards of directors, the Administrator and the Court as to what the next steps should be.

SCHEDULE “B”
NOTICE TO DELINQUENT MEMBERS

Proposed Email to Delinquent Members:

Pursuant to the records of Carriage Ridge Owners Association (“**CROA**”) and/or Carriage Hills Vacation Owners Association (“**CHVOA**”), you are a member of CROA and/or CHVOA (“**Member**”) and have outstanding fees owing to CROA and/or CHVOA (a “**Delinquent Account**”). Pursuant to the Order of the Ontario Superior Court of Justice dated July 2, 2020, as a Member with a Delinquent Account, you will not be permitted to vote in the Court-ordered Member Survey. In addition, a delinquency fee of \$1,000 (the “**Delinquency Fee**”) will be added to your account effective October 1, 2020.

However, if you pay your entire outstanding Delinquent Account before the Member Survey Deadline of August 31, 2020, you will be permitted to vote in the Member Survey. If you pay your outstanding account in full before September 30, 2020, you will not be assessed the Delinquency Fee.

IN THE MATTER OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED AND IN THE MATTER OF THE
ADMINISTRATION PROCEEDINGS OF **CARRIAGE HILLS VACATION OWNERS ASSOCIATION**

Court File No.: CV-20-00640265-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER

Thornton Grout Finnigan LLP

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Lawyers for the Applicant, Carriage Hills Vacation Owners
Association

Appendix D

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

THE HONOURABLE MADAM) THURSDAY, THE 2ND
)
JUSTICE CONWAY) DAY OF JULY, 2020

IN THE MATTER OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, c. C.43, AS AMENDED

AND IN THE MATTER OF THE ADMINISTRATION
PROCEEDINGS OF **CARRIAGE RIDGE OWNERS
ASSOCIATION** (the “**Applicant**”)

ORDER

THIS MOTION made by the Applicant for an Order that, *inter alia*: (i) approving the form, content and method of delivery of the Member Survey and the Member Survey Deadline, (ii) confirming that delinquent Members shall not be permitted to vote with respect to the Member Survey, (iii) approving the Exit Fee; (iv) approving the Delinquency Fee; (v) approving the First Report of BDO Canada Limited dated June 22, 2020 (the “**First Report**”), in its capacity as administrator of the Applicant (the “**Administrator**”), and the activities of the Administrator as set out therein, and (vi) approving the fees and disbursements of the Administrator and counsel to the Administrator, was heard this day via Zoom judicial video conference due to the COVID-19 pandemic.

ON READING the Motion Record of the Applicant dated June 22, 2020 (the “**Motion Record**”), including the affidavit of Laurie Kennedy, sworn June 22, 2020 (the “**Kennedy Affidavit**”) and the Exhibit thereto, the First Report and the appendices thereto, and on hearing the submissions of counsel for the Applicant, counsel for BDO, counsel for Lori Smith, Karen Levins and Bruce Fleming, Christopher Diana on behalf of himself and counsel for David and Phyllis Lennox, no one else appearing for any other parties on the Service List, although duly served as appears from the affidavit of service of Mitch Grossell, sworn June 30, 2020, filed.

SERVICE AND DEFINED TERMS

1. **THIS COURT ORDERS** that the time for service of the Motion Record is hereby validated so that this Motion is properly returnable today and further service thereof is hereby dispensed with.
2. **THIS COURT ORDERS** that all capitalized terms used herein that are not otherwise defined shall have the meaning ascribed to them in the First Report.

APPROVAL OF THE MEMBER SURVEY AND NOTICING PROCEDURE

3. **THIS COURT ORDERS** that the Member Survey substantially in the form and content attached as Schedule "A" to this Order, including but not limited to the amount of the Exit Fee, is hereby approved and the Administrator is authorized and directed to have the Member Survey issued in accordance with the terms of this Order.
4. **THIS COURT ORDERS** that the Administrator be and is hereby authorized and directed to retain Votenet to manage the online Member Survey, including sending email notifications and reminders to the Members, provide phone and email support services to the Members and provide the certified voting results and statistical reporting to the Administrator at an estimated cost of U.S. \$7,714.00.
5. **THIS COURT ORDERS** that within ten (10) days of the date of this Order:

- (a) the Administrator shall cause Votenet to send a link to the Member Survey via email to every Member that has provided a working email address; and
- (b) the Administrator shall send a paper copy of the Member Survey by regular mail to every Member that has not provided a working email address

provided that, the Administrator shall have no obligation to send the Member Survey to any Member with a Delinquent Account. In the event that the Delinquent Account of such Member is rectified before the Member Survey Deadline, the Administrator shall cause the Member Survey to be delivered to the Member. For greater certainty, notwithstanding the foregoing, the date of the

Member Survey Deadline shall not be extended beyond August 31, 2020 without the written consent of the Administrator.

RESPONSES TO THE MEMBER SURVEY

6. **THIS COURT ORDERS** that responses to the Member Survey shall be received by the Administrator by no later than August 31, 2020 (“**Member Survey Deadline**”). The Administrator shall not be required to consider any Member Survey received after the Member Survey Deadline.

7. **THIS COURT ORDERS** that Members with Delinquent Accounts (a “**Delinquent Member**”) shall not be entitled to participate or vote in the Member Survey. In the event that a Delinquent Member responds to the Member Survey, the Administrator shall disregard and not take into consideration the response of any such Delinquent Member. For greater certainty, Delinquent Members shall be treated as Members voting to exit.

8. **THIS COURT AUTHORIZES AND APPROVES** the nature and amount of the Delinquency Fee as set out in the First Report.

9. **THIS COURT ORDERS AND DIRECTS** the Administrator to send by email, to those Delinquent Members who have provided a valid email address, a notice to the Delinquent Members substantially in the form and content attached as Schedule “**B**” notifying the Delinquent Owners of the Delinquency Fee and that the Delinquent Owners are not entitled to participate in the Member Survey unless they bring their account current.

10. **THIS COURT ORDERS** that, in the case of any Member responding to the Member Survey indicating that he or she wishes to exit the Association, such decision shall be binding on such Member and that Member shall not be permitted to change their decision to exit after the Member Survey Deadline.

11. **THIS COURT ORDERS** that any Members (other than Delinquent Members) that do not respond to the Member Survey shall be deemed to have responded that the Member wishes to stay in the Resort.

NO LIABILITY OF THE ADMINISTRATOR

12. **THIS COURT ORDERS** that the Administrator shall incur no liability or obligation as a result of the terms of this Order or the carrying out by it of the provisions of this Order, save and except for gross negligence or wilful misconduct on its part, and nothing in this Order shall derogate from the protections afforded to the Administrator pursuant to the Administration Order.

CORPORATE GOVERNANCE

13. **THIS COURT ORDERS AND DECLARES** that the annual general meeting of the Applicant (the “AGM”) and the nomination and election process for directors of the Applicant is hereby suspended and deferred for a period of six months. Until the AGM is held in accordance with this Order, all current directors of the Applicant shall remain as directors of the Applicant.

APPROVAL OF FEES AND ACTIVITIES OF THE ADMINISTRATOR

14. **THIS COURT ORDERS** that the First Report filed in these proceedings and the Administrator’s activities as set out therein are hereby approved.

15. **THIS COURT ORDERS** that the professional fees and disbursements of the Administrator for (i) the period ending June 15, 2020 in the amount of \$63,156.00 plus HST of \$8,210.28 for a total of \$71,366.28 as set out in the Affidavit of Brad Newton sworn June 22, 2020 and attached as Appendix “L” to the First Report, are hereby approved.

16. **THIS COURT ORDERS** that the professional fees and disbursements of Aird & Berlis, counsel to the Administrator, for (i) the period ending June 17, 2020 in the amount of \$62,060.25 plus HST of \$8,067.83 for a total of \$70,128.08 as set out in the Affidavit of Sam Babe sworn June 22, 2020 and attached as Appendix “M” to the First Report, are hereby approved and the Association is authorized to pay its proportionate share of such fees in accordance with the terms of the Administration Order.

GENERAL

17. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

18. **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 Applicant, the Administrator and their respective 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 Applicant and to the Administrator, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Administrator in any foreign proceeding, or to assist the Applicant and the Administrator and their respective agents in carrying out the terms of this Order.

19. **THIS COURT ORDERS** that the Applicant and the Administrator be at liberty and are 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 Administrator 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.

Conway J.

SCHEDULE "A"
MEMBER SURVEY

CARRIAGE RIDGE AND CARRIAGE HILLS MEMBER SURVEY

PURPOSE OF SURVEY

The purpose of this survey is to determine which owners wish to immediately exit their resort intervals and which owners may wish to maintain at least one of their intervals in a “restructured resort”. The basic parameters of a “restructured resort” are found below. The Administrator needs to gauge the interest in exiting immediately versus remaining in a restructured resort in order to determine if a restructured resort is a viable option.

TIME TO COMPLETE SURVEY

This survey will be available to be completed for 45 days only commencing **July __** and ending **August __**, 2020.

EFFECT OF SURVEY

This survey will be binding on those voting to exit. If this survey were not binding on those wanting to exit now, the Administrator would be forced to conduct multiple surveys involving numerous restructuring options which would take many months and be very expensive. Most importantly, such a delay would mean that an exit for owners would not be available before the next annual payment is due. The Administrator has heard directly from many owners that they want to exit before the next payment is due and we are trying to accommodate that request. Therefore, if you do not choose to exit now, you will be invoiced for next year’s fees, which will need to be paid to be eligible to continue in this process.

The survey will not be binding on those voting to stay. Until the results of this survey are available, we are unable to determine what a restructured resort will look like or whether a restructured resort is possible as we will not know how many owners wish to remain. Once this is known and assuming a restructuring is possible, we will be able to prepare a projection of what a restructured resort will look like and what the ongoing maintenance fees are likely to be. Those owners who indicated that they wanted to stay will then have 45 days to decide if they wish to remain or exit based on those terms. The owners choosing to exit after the second survey will go through the same exit process and fee as those who exited earlier.

If you choose to exit: Choosing the exit option below does not mean you have actually exited the time share or given up your interval(s). You will receive further information on precisely how to exit and the implications of exiting after the survey is completed and a final exit plan is approved by the Court. An Exit Fee (as set out in the chart below) will have to be paid by all those wishing to exit at this time or if you exit as discussed in the “If you choose to stay” paragraph below. After all or any portion of the resort is sold, there may be a payment made to all exiting owners (whether they exit under this survey or after the next). However, the exact amount of that payment will not be known until a sale is completed.

Total Cancellation Fee per Interval (including HST)	Every Year Interval		Even/Odd Year Interval	
	Red	White	Red	White
Carriage Hills	\$ 2,300.33	\$ 2,417.74	\$ 1,150.16	\$ 1,208.87
Carriage Ridge	\$ 2,282.38	\$ 2,399.17	\$ 1,141.19	\$ 1,199.58

If you choose to stay: Choosing to stay in a restructured resort does not mean you will automatically be part of a restructured resort in the future. The Administrator is simply trying to gauge your desire to do so. You will be provided with further information on what a future restructured resort will look like, together with the annual cost, after the survey is completed and the exit plan for those wishing to exit is approved by the Court. Depending on the results of the survey, it may be that a restructured resort is not feasible if not enough owners wish to remain in a restructured resort. It is anticipated that, once the exact terms and conditions of a restructured resort are determined, those terms will be shared with owners who voted to stay and you will again be able to choose to stay or to exit based on those exact terms.

If you do not reply to the survey: If you do not reply to the survey the Administrator will have to assume that you are voting to STAY in the resort. The Administrator CANNOT assume owners want to break a legal contract.

Please note, we require you to vote separately for each interval you own and only one vote per interval will be permitted

Please enter the following information:

Name of the owner of the time share _____

Please choose one of the following two options:

- Carriage Hills Interval
- Carriage Ridge interval

Please choose one of the following three options:

- Every year Interval
- Odd year Interval
- Even year Interval

Please choose one of the following two options:

- Do you want to exit now (this would include declaring the resort “obsolete”)?
- Do you want to remain in a “restructured resort”?

Pursuant to the time share agreement, in order for the resort to be determined to be “**obsolete**”, 75% of all intervals must be voted in favour of obsolescence. If more than 75% of intervals are voted in favour of obsolescence, then the **entire** resort must be sold. If less than 75% of all intervals are voted in favour of exiting, then it is possible that a portion of the resort will be sold to accommodate a smaller future resort. The process for the sale and the distribution of the proceeds of that sale will be proposed by the Administrator and have to be approved by the Court.

A “**restructured resort**” requires that, at a minimum, the time share agreement be altered to eliminate the perpetual nature of the Owners’ obligations. In other words, a mechanism would need to be created to provide Owners with the option to opt-out of the resort in the future (on terms to be determined) in the event that they are unable to sell their intervals. A successful restructured resort would also not see any significant escalation in annual maintenance fees. What exactly a restructured resort will look like and what the maintenance fees will be is uncertain and cannot be determined until the results of this survey are known.

No decisions have been made on what will happen with the resorts at this time. The results of the survey will help to inform all owners, the boards of directors, the Administrator and the Court as to what the next steps should be.

**SCHEDULE “B”
NOTICE TO DELINQUENT MEMBERS**

Proposed Email to Delinquent Members:

Pursuant to the records of Carriage Ridge Owners Association (“**CROA**”) and/or Carriage Hills Vacation Owners Association (“**CHVOA**”), you are a member of CROA and/or CHVOA (“**Member**”) and have outstanding fees owing to CROA and/or CHVOA (a “**Delinquent Account**”). Pursuant to the Order of the Ontario Superior Court of Justice dated July 2, 2020, as a Member with a Delinquent Account, you will not be permitted to vote in the Court-ordered Member Survey. In addition, a delinquency fee of \$1,000 (the “**Delinquency Fee**”) will be added to your account effective October 1, 2020.

However, if you pay your entire outstanding Delinquent Account before the Member Survey Deadline of August 31, 2020, you will be permitted to vote in the Member Survey. If you pay your outstanding account in full before September 30, 2020, you will not be assessed the Delinquency Fee.

IN THE MATTER OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED AND IN THE MATTER OF THE
ADMINISTRATION PROCEEDINGS OF **CARRIAGE RIDGE OWNERS ASSOCIATION**

Court File No.: CV-20-00640266-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER

Thornton Grout Finnigan LLP

Barristers and Solicitors
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Association

Appendix E

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

THE HONOURABLE MADAM) THURSDAY, THE 15TH
)
JUSTICE CONWAY) DAY OF OCTOBER, 2020
)

IN THE MATTER OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, c. C.43, AS AMENDED

AND IN THE MATTER OF THE ADMINISTRATION
PROCEEDINGS OF **CARRIAGE HILLS VACATION
OWNERS ASSOCIATION** (the “**Applicant**”)

ORDER

THIS MOTION made by the Applicant for an Order, *inter alia*: (i) approving the decision of the board of directors of Carriage Hills Vacation Owners Association (“**Carriage Hills**”) and authorizing the closure of the Carriage Hills timeshare resort (the “**Carriage Hills Resort**”), (ii) authorizing and directing BDO Canada Limited, in its capacity as the Administrator of the Applicant (the “**Administrator**”), to engage such persons as it deems necessary to assist the Administrator in developing a marketing and sales process in respect of the Carriage Hills Resort, (iii) authorizing and directing the Administrator to investigate the availability and terms of third-party financing to fund the ongoing costs of maintaining the Carriage Hills Resort, if necessary, (iv) approving the Second Report of the Administrator dated October 1, 2020 (the “**Second Report**”), and the activities of the Administrator as described therein, and (v) approving the fees and disbursements of the Administrator and its counsel as described in the Second Report, was heard this day via Zoom judicial video conference due to the COVID-19 pandemic.

ON READING the Motion Record of the Applicant dated October 2, 2020 (the “**Motion Record**”), including the affidavit of Darren Chapelle, sworn October 2, 2020 (the “**Chapelle Affidavit**”) and the Exhibit thereto, the Second Report and the appendices thereto, and on

hearing the submissions of counsel for the Applicant, counsel for the Administrator, counsel for Lori Smith, Karen Levins and Bruce Fleming, Christopher Diana on behalf of himself, and counsel for David and Phyllis Lennox, no one else appearing for any other parties on the Service List, although duly served as appears from the affidavit of service of Derek Harland sworn October 14, 2020, filed.

SERVICE AND DEFINED TERMS

1. **THIS COURT ORDERS** that the time for service of the Motion Record is hereby validated so that this Motion is properly returnable today and further service thereof is hereby dispensed with.
2. **THIS COURT ORDERS** that all capitalized terms used herein that are not otherwise defined shall have the meaning ascribed to them in the Second Report.

CLOSURE OF THE RESORT

3. **THIS COURT ORDERS** that the decision by the board of directors of the Applicant to close the Carriage Hills Resort effective January 6, 2021, or such other date as mutually agreed upon by the Administrator and the board of directors of the Applicant, including the minutes of the Board of Directors meeting dated September 22, 2020, is hereby authorized and approved.
4. **THIS COURT DIRECTS** the Administrator, in consultation with the Applicant, to develop a strategy for the closure and sale of the Carriage Hills Resort.

POWERS OF THE ADMINISTRATOR

5. **THIS COURT ORDERS** that in addition to the powers and duties as set out in the Order of Madam Justice Conway dated May 15, 2020 (the “**Administration Order**”), or any other Order of this Court in these proceedings, the Administrator is hereby expressly empowered and authorized to do any of the following where the Administrator considers it necessary or desirable:

- (a) direct the Applicant to engage consultants, appraisers, agents, experts, brokers and such other persons from time to time and on whatever basis,

including on a temporary basis, to assist the Administrator in developing a marketing and sales process in respect of the Carriage Hills Resort; and

- (b) investigate the availability and terms of possible third-party funding in the event that same is required to fund the ongoing costs of maintaining the Carriage Hill Resort.

6. **THIS COURT ORDERS** that the Administrator shall continue to have the benefit of all of the indemnities, charges, protections and priorities as set out in the Administration Order and any other Order of this Court and all such indemnities, charges, protections and priorities shall apply and extend to the Administrator and the fulfillment of its duties or the carrying out of the provisions of this Order.

7. **THIS COURT ORDERS** that the Applicant shall cooperate fully with the Administrator and any directions it may provide pursuant to this Order and shall provide such assistance as the Administrator may reasonably request from time to time to enable the Administrator to carry out its duties and powers as set out in the Administration Order, this Order, or any other Order of this Court.

APPROVAL OF FEES AND ACTIVITIES OF THE ADMINISTRATOR

8. **THIS COURT ORDERS** that the Second Report filed in these proceedings and the Administrator's activities as set out therein are hereby approved.

9. **THIS COURT ORDERS** that the professional fees and disbursements of the Administrator for (i) the period ending September 15, 2020 in the amount of \$273,476.00 plus HST of \$35,551.89 for a total of \$309,027.89, as set out in the Affidavit of Brad Newton sworn September 25, 2020 and attached as Appendix "U" to the Second Report, are hereby approved and the Association is authorized to pay its proportionate share of such fees in accordance with the terms of the Administration Order.

10. **THIS COURT ORDERS** that the professional fees and disbursements of Aird & Berlis, counsel to the Administrator, for (i) the period ending September 15, 2020 in the amount of \$57,023.25 plus HST of \$7,413.29 for a total of \$64,438.54 as set out in the Affidavit of Sam

Babe sworn September 30, 2020 and attached as Appendix "V" to the Second Report, are hereby approved and the Association is authorized to pay its proportionate share of such fees in accordance with the terms of the Administration Order.

GENERAL

11. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

A handwritten signature in blue ink, appearing to read "Conway J.", is written over a horizontal line.

IN THE MATTER OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED AND IN THE MATTER OF THE
ADMINISTRATION PROCEEDINGS OF **CARRIAGE HILLS VACATION OWNERS ASSOCIATION**

Court File No.: CV-20-00640265-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER

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Lawyers for the Applicant, Carriage Hills Vacation Owners
Association

Appendix F

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

THE HONOURABLE MADAM) THURSDAY, THE 15TH
)
JUSTICE CONWAY) DAY OF OCTOBER, 2020
)

IN THE MATTER OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, c. C.43, AS AMENDED

AND IN THE MATTER OF THE ADMINISTRATION
PROCEEDINGS OF **CARRIAGE RIDGE OWNERS
ASSOCIATION** (the “**Applicant**”)

ORDER

THIS MOTION made by the Applicant for an Order, *inter alia*: (i) approving the decision of the board of directors of Carriage Ridge Owners Association (“**Carriage Ridge**”) and authorizing the closure of the Carriage Ridge timeshare resort (the “**Carriage Ridge Resort**”), (ii) authorizing and directing BDO Canada Limited, in its capacity as the Administrator of the Applicant (the “**Administrator**”), to engage such persons as it deems necessary to assist the Administrator in developing a marketing and sales process in respect of the Carriage Ridge Resort, (iii) authorizing and directing the Administrator to investigate the availability and terms of third-party financing to fund the ongoing costs of maintaining the Carriage Ridge Resort, if necessary, (iv) approving the Second Report of the Administrator dated October 1, 2020 (the “**Second Report**”), and the activities of the Administrator as described therein, and (v) approving the fees and disbursements of the Administrator and its counsel as described in the Second Report, was heard this day via Zoom judicial video conference due to the COVID-19 pandemic.

ON READING the Motion Record of the Applicant dated October 2, 2020 (the “**Motion Record**”), including the affidavit of Martin Ginsherman, sworn September 30, 2020 (the “**Ginsherman Affidavit**”) and the Exhibit thereto, the Second Report and the appendices

thereto, and on hearing the submissions of counsel for the Applicant, counsel for the Administrator, counsel for Lori Smith, Karen Levins and Bruce Fleming, Christopher Diana on behalf of himself, and counsel for David and Phyllis Lennox, no one else appearing for any other parties on the Service List, although duly served as appears from the affidavit of service of Derek Harland sworn October 14, 2020, filed.

SERVICE AND DEFINED TERMS

1. **THIS COURT ORDERS** that the time for service of the Motion Record is hereby validated so that this Motion is properly returnable today and further service thereof is hereby dispensed with.
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CLOSURE OF THE RESORT

3. **THIS COURT ORDERS** that the decision by the board of directors of the Applicant to close the Carriage Ridge Resort effective January 6, 2021, or such other date as mutually agreed upon by the Administrator and the board of directors of the Applicant, including the minutes of the Board of Directors meeting dated September 22, 2020, is hereby authorized and approved.
4. **THIS COURT DIRECTS** the Administrator, in consultation with the Applicant, to develop a strategy for the closure and sale of the Carriage Ridge Resort.

POWERS OF THE ADMINISTRATOR

5. **THIS COURT ORDERS** that in addition to the powers and duties as set out in the Order of Madam Justice Conway dated May 15, 20220 (the “**Administration Order**”), or any other Order of this Court in these proceedings, the Administrator is hereby expressly empowered and authorized to do any of the following where the Administrator considers it necessary or desirable:

- (a) direct the Applicant to engage consultants, appraisers, agents, experts, brokers and such other persons from time to time and on whatever basis,

including on a temporary basis, to assist the Administrator in developing a marketing and sales process in respect of the Carriage Ridge Resort; and

- (b) investigate the availability and terms of possible third-party funding in the event that same is required to fund the ongoing costs of maintaining the Carriage Ridge Resort.

6. **THIS COURT ORDERS** that the Administrator shall continue to have the benefit of all of the indemnities, charges, protections and priorities as set out in the Administration Order and any other Order of this Court and all such indemnities, charges, protections and priorities shall apply and extend to the Administrator and the fulfillment of its duties or the carrying out of the provisions of this Order.

7. **THIS COURT ORDERS** that the Applicant shall cooperate fully with the Administrator and any directions it may provide pursuant to this Order and shall provide such assistance as the Administrator may reasonably request from time to time to enable the Administrator to carry out its duties and powers as set out in the Administration Order, this Order, or any other Order of this Court.

APPROVAL OF FEES AND ACTIVITIES OF THE ADMINISTRATOR

8. **THIS COURT ORDERS** that the Second Report filed in these proceedings and the Administrator's activities as set out therein are hereby approved.

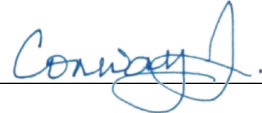
9. **THIS COURT ORDERS** that the professional fees and disbursements of the Administrator for (i) the period ending September 15, 2020 in the amount of \$273,476.00 plus HST of \$35,551.89 for a total of \$309,027.89, as set out in the Affidavit of Brad Newton sworn September 25, 2020 and attached as Appendix "U" to the Second Report, are hereby approved and the Association is authorized to pay its proportionate share of such fees in accordance with the terms of the Administration Order.

10. **THIS COURT ORDERS** that the professional fees and disbursements of Aird & Berlis, counsel to the Administrator, for (i) the period ending September 15, 2020 in the amount of \$57,023.25 plus HST of \$7,413.29 for a total of \$64,438.54 as set out in the Affidavit of Sam

Babe sworn September 30, 2020 and attached as Appendix "V" to the Second Report, are hereby approved and the Association is authorized to pay its proportionate share of such fees in accordance with the terms of the Administration Order.

GENERAL

11. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

A handwritten signature in blue ink, appearing to read "Conway J.", is written above a horizontal line.

IN THE MATTER OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED AND IN THE MATTER OF THE
ADMINISTRATION PROCEEDINGS OF **CARRIAGE RIDGE OWNERS ASSOCIATION**

Court File No.: CV-20-00640266-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER

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Lawyers for the Applicant, Carriage Ridge Owners
Association

Appendix G

Hills Association 2021 Cash Flow Projection	Forecast January	Forecast February	Forecast March	Forecast April	Forecast May	Forecast June	Forecast July	Forecast August	Forecast September	Forecast October	Forecast November	Forecast December	FY2021 TOTAL
Cash Inflows													
HST refund	\$ -	\$ -	\$ 41,300	\$ 34,100	\$ 14,400	\$ 12,600	\$ 24,600	\$ 12,700	\$ 12,100	\$ 24,400	\$ 11,800	\$ 12,000	\$ 200,000
Total Cash Inflows	-	-	41,300	34,100	14,400	12,600	24,600	12,700	12,100	24,400	11,800	12,000	200,000
Cash Outflows													
Payroll	298,800	24,200	-	-	-	-	-	-	-	-	-	-	323,000
Contract labour	18,500	37,000	55,500	35,100	33,100	33,100	49,700	33,100	33,100	49,700	33,100	49,700	460,700
WSIB	-	-	-	1,900	-	-	1,700	-	-	1,900	-	-	5,500
Office expense	1,300	1,300	-	-	-	-	-	-	-	-	-	-	2,600
Repairs and maintenance	16,100	9,500	9,600	10,800	10,600	9,800	13,000	9,900	10,000	10,800	9,800	10,300	130,200
Supplies	5,400	100	100	100	100	100	100	100	100	100	100	100	6,500
Outdoor maintenance	16,900	17,100	16,700	16,900	16,900	23,300	20,200	19,800	18,300	16,800	17,300	17,300	217,500
Property taxes	-	136,700	-	136,700	-	-	136,700	-	136,700	-	-	-	546,800
Utilities	36,100	125,600	19,100	21,000	106,300	16,100	11,200	109,300	14,300	16,000	110,500	17,200	602,700
Telephone and communication	2,300	300	300	300	300	300	300	300	300	300	300	300	5,600
Insurance	86,300	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	-	-	345,500
Accounting fees	-	7,000	-	-	7,000	-	-	-	-	-	-	-	14,000
Management fees	36,400	36,400	-	-	-	-	-	-	-	-	-	-	72,800
Bank charges	3,000	200	200	200	200	200	200	200	200	200	200	200	5,200
Contingency	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
HST on disbursements	41,300	34,100	14,400	12,600	24,600	12,700	12,100	24,400	11,800	12,000	24,200	12,100	236,300
Total Cash Outflows	572,400	468,300	154,700	274,400	237,900	134,400	284,000	235,900	263,600	146,600	205,500	117,200	3,094,900
Net Cash Inflow / (Outflow) Before Restructuring Costs	(572,400)	(468,300)	(113,400)	(240,300)	(223,500)	(121,800)	(259,400)	(223,200)	(251,500)	(122,200)	(193,700)	(105,200)	(2,894,900)
Restructuring Costs													
Professional fees	193,000	55,200	55,200	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000	645,400
Severance pay	515,900	-	-	-	-	-	-	-	-	-	-	-	515,900
Total Restructuring Costs	708,900	55,200	55,200	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000	1,161,300
Net Cash Inflow / (Outflow)	\$ (1,281,300)	\$ (523,500)	\$ (168,600)	\$ (278,300)	\$ (261,500)	\$ (159,800)	\$ (297,400)	\$ (261,200)	\$ (289,500)	\$ (160,200)	\$ (231,700)	\$ (143,200)	\$ (4,056,200)
Opening Bank Balance	2,596,500	1,315,200	791,700	623,100	344,800	83,300	(76,500)	(373,900)	(635,100)	(924,600)	(1,084,800)	(1,316,500)	2,596,500
Closing Bank Balance	\$ 1,315,200	\$ 791,700	\$ 623,100	\$ 344,800	\$ 83,300	\$ (76,500)	\$ (373,900)	\$ (635,100)	\$ (924,600)	\$ (1,084,800)	\$ (1,316,500)	\$ (1,459,700)	\$ (1,459,700)

Appendix H

Ridge Association 2021 Cash Flow Projection	Forecast January	Forecast February	Forecast March	Forecast April	Forecast May	Forecast June	Forecast July	Forecast August	Forecast September	Forecast October	Forecast November	Forecast December	FY2021 TOTAL
Cash Inflows													
HST refund	\$ -	\$ -	\$ 19,000	\$ 15,500	\$ 6,800	\$ 5,600	\$ 11,400	\$ 6,000	\$ 5,600	\$ 11,100	\$ 5,600	\$ 5,600	\$ 92,200
Total Cash Inflows	-	-	19,000	15,500	6,800	5,600	11,400	6,000	5,600	11,100	5,600	5,600	92,200
Cash Outflows													
Payroll	134,200	10,900	-	-	-	-	-	-	-	-	-	-	145,100
Contract labour	8,300	16,600	24,900	15,700	14,900	14,900	22,300	14,900	14,900	22,300	14,900	22,300	206,900
WSIB	-	-	-	800	-	-	800	-	-	900	-	-	2,500
Office expense	600	600	-	-	-	-	-	-	-	-	-	-	1,200
Repairs and maintenance	7,900	4,200	4,400	4,500	4,500	4,600	4,800	4,500	4,500	5,000	4,300	4,300	57,500
Supplies	2,200	100	100	100	100	100	100	100	100	100	100	100	3,300
Outdoor maintenance	8,600	8,600	8,600	8,600	8,600	13,000	10,700	10,700	10,200	9,200	8,900	8,900	114,600
Property taxes	-	62,000	-	62,000	-	-	62,000	-	62,000	-	-	-	248,000
Utilities	14,500	52,800	9,500	7,900	47,500	5,800	5,100	47,500	6,000	6,100	50,000	6,500	259,200
Telephone and communication	1,100	200	200	200	200	200	200	200	200	200	200	200	3,300
Insurance	38,800	12,900	12,900	12,900	12,900	12,900	12,900	12,900	12,900	12,900	-	-	154,900
Accounting fees	-	4,900	-	-	4,900	-	-	-	-	-	-	-	9,800
Management fees	18,000	18,000	-	-	-	-	-	-	-	-	-	-	36,000
Bank charges	1,500	200	200	200	200	200	200	200	200	200	200	200	3,700
Contingency	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
HST on disbursements	19,000	15,500	6,800	5,600	11,400	6,000	5,600	11,100	5,600	5,600	11,100	5,500	108,800
Total Cash Outflows	259,700	212,500	72,600	123,500	110,200	62,700	129,700	107,100	121,600	67,500	94,700	53,000	1,414,800
Net Cash Inflow / (Outflow)	(259,700)	(212,500)	(53,600)	(108,000)	(103,400)	(57,100)	(118,300)	(101,100)	(116,000)	(56,400)	(89,100)	(47,400)	(1,322,600)
Before Restructuring Costs													
Restructuring Costs													
Professional fees	88,000	24,800	24,800	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	291,500
Severance pay	231,800	-	-	-	-	-	-	-	-	-	-	-	231,800
Total Restructuring Costs	319,800	24,800	24,800	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	523,300
Net Cash Inflow / (Outflow)	\$ (579,500)	\$ (237,300)	\$ (78,400)	\$ (125,100)	\$ (120,500)	\$ (74,200)	\$ (135,400)	\$ (118,200)	\$ (133,100)	\$ (73,500)	\$ (106,200)	\$ (64,500)	\$ (1,845,900)
Opening Bank Balance	2,468,800	1,889,300	1,652,000	1,573,600	1,448,500	1,328,000	1,253,800	1,118,400	1,000,200	867,100	793,600	687,400	2,468,800
Closing Bank Balance	\$ 1,889,300	\$ 1,652,000	\$ 1,573,600	\$ 1,448,500	\$ 1,328,000	\$ 1,253,800	\$ 1,118,400	\$ 1,000,200	\$ 867,100	\$ 793,600	\$ 687,400	\$ 622,900	\$ 622,900

Appendix I

Court File No. CV-20-00640265-00CL

Court File No. CV-20-00640266-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST**

**IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE
ACT, R.S.O 1990, C. 43, AS AMENDED**

**AND IN THE MATTER OF THE ADMINISTRATION OF
CARRIAGE HILLS VACATION OWNERS ASSOCIATION
AND
CARRIAGE RIDGE OWNERS ASSOCIATION**

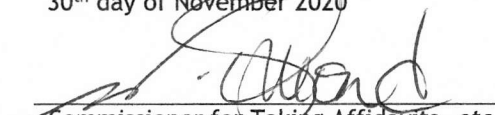
**AFFIDAVIT OF MATTHEW MARCHAND
(sworn November 30, 2020)**

I, **MATTHEW MARCHAND**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY** that:

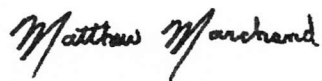
1. I am a Vice President of BDO Canada Limited (“**BDO**”), Court appointed administrator of Carriage Hills Vacation Owners Association (“**Carriage Hills**”) and Carriage Ridge Owners Association (“**Carriage Ridge**”) (Collectively the “**Carriage Resorts**”), and as such have knowledge of the matters hereinafter deposed.
2. On May 15, 2020, BDO was appointed as Administrator of the Carriage Resorts pursuant to an order of the Honourable Madam Justice Conway.
3. I confirm the amount of \$192,138.35 accurately reflects the time charges, fees and disbursements inclusive of applicable taxes incurred by BDO in its capacity as Administrator from September 16, 2020 to November 29, 2020. Attached hereto, as **Exhibit “A”** and **Exhibit “B”**, are true copies of the accounts rendered for the above period by BDO in its capacity as Administrator.
4. I consider the amounts disclosed for BDO’s fees and expenses to be fair and reasonable considering the circumstance connected with this administration.

5. This affidavit is sworn in support of the Administrator's motion for, among other things, approval of its fees and disbursements and those of its legal representatives and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto,)
in the Province of Ontario, this)
30th day of November 2020)



Commissioner for Taking Affidavits, etc)



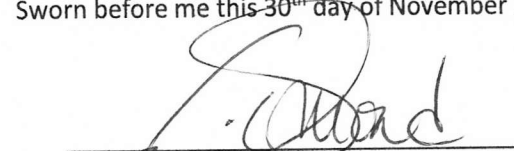
Matthew Marchand, CPA, CMA, CIRP, LIT)

Nicole Marie Ormond, a Commissioner, etc.,
Province of Ontario, for BDO Canada Limited.
Expires August 21, 2021.

This is **Exhibit "A"** referred to in the affidavit of

Matthew Marchand

Sworn before me this 30th day of November 2020



A COMMISSIONER FOR TAKING AFFIDAVITS

Nicole Marie Ormond, a Commissioner, etc.,
Province of Ontario, for BDO Canada Limited.
Expires August 21, 2021.



Tel: 416 865 0210
 Fax: 416 865 0904
 www.bdo.ca

BDO Canada Limited
 20 Wellington Street E, Suite 500
 Toronto ON M5E 1C5 Canada

INVOICE

Carriage Hills Vacation Owners Association
 90 Highland Drive, RR#1
 Shanty Bay, Ontario
 L0L 2L0

Attention: Esa Paltanen

Date

9 November 2020

Invoice No.

CINV0859058 & CINV0859854

Re Carriage Hills and Carriage Ridge

FOR PROFESSIONAL SERVICES RENDERED in connection with our Consulting Engagement for the period from 16 September 2020 to 30 October 2020 as per the details below. (Please note that the time charges for September 13, 14 and 15, 2020 were omitted on prior invoice).

Our Fee		\$ 66,744.00
Disbursements		
Appraisal of Avison Young	8,750.00	
Retainer - Colliers International	9,250.00	18,000.00
		<u>84,744.00</u>
HST - 13.0% (#R101518124)		11,016.72
Total Due		<u><u>\$ 95,760.72</u></u>

Summary of Time Charges:	Hours	Rate	Amount
B. Newton, Consultant	42.60	495.00	21,087.00
J. Parisi, Partner	41.80	495.00	20,691.00
M. Marchand, Sr. Manager	8.10	410.00	3,321.00
S. Burrowes, Manager	36.70	350.00	12,845.00
D. Zheng, Analyst	2.45	300.00	735.00
M. Berinpalingam, Analyst	15.30	300.00	4,590.00
N. Tse Tat Hiung, Administrator	6.20	200.00	1,240.00
Administrative Support	14.90	150.00	2,235.00
TOTAL	<u>168.05</u>		<u><u>\$ 66,744.00</u></u>



Date	Professional	Description	Hrs.
13-Sep-20	Stephanie Burrowes	Attend to organizing and analyzing survey results; ensure delinquent members accounted for.	1.5
14-Sep-20	Stephanie Burrowes	Respond to emails regarding survey results and compiling same; update results spreadsheet; discussions regarding results, preparing cash flow and preparing court report; provide member with copy of voting receipt; start draft of court report.	1.6
15-Sep-20	Matthew Marchand	Phone call with J. Parisi re updates.	0.2
16-Sep-20	Mithushaa Berinpalingam	Edits to cash flow template.	0.5
16-Sep-20	Vanessa Flis	Comparing owner complaint list with our email inboxes; call with M. Berinpalingam.	1.0
16-Sep-20	Brad Newton	Drafting of second court report; review and discuss with counsel the notice to delinquent owners on Sept 30 deadline; set up call with Wyndham to discuss points systems; follow up with Wyndham on summary of all contracts for both resorts to understand potential liabilities and notice periods.	4.5
16-Sep-20	Stephanie Burrowes	Draft court report.	5.0
17-Sep-20	Brad Newton	Drafting of Court report; emails with counsel re Ridge board meeting set up; set up meeting with Wyndham to discuss summary of contracts; review Wyndham summary of contracts.	2.0
17-Sep-20	Stephanie Burrowes	Draft Court Report.	5.0
18-Sep-20	Stephanie Burrowes	Review Carriage contracts and sort by notice period and review which to keep and which to cancel; email to Esa at Wyndham regarding access to portal to upload contracts. Add users to global portal.	2.3
18-Sep-20	Brad Newton	Review summary of Ridge and Hills contracts and discuss same with Wyndham management staff; discuss summary of contracts with S Burrowes regarding which will need to be kept and which could be terminated; conference call with Wyndham and counsels to discuss affect of possible shut down on SVC and RCI points; drafting of court report; review of emails received from Members and discuss responses.	4.0
21-Sep-20	Josie Parisi	Review and respond to various emails.	0.5
22-Sep-20	Vanessa Flis	Updating and compiling email list for notice being sent out next week.	0.5



Date	Professional	Description	Hrs.
22-Sep-20	Josie Parisi	Prepare for and attend meetings with the boards of directors and counsel.	2.1
22-Sep-20	Brad Newton	Prepare for and attend meetings with the boards of directors and counsel; drafting of court report.	3.8
23-Sep-20	Stephanie Burrowes	Prepare fee affidavit; email legal counsel for information needed for court report; make changes to court report and charts for the report.	1.3
23-Sep-20	Brad Newton	Drafting of court report.	6.3
24-Sep-20	Matthew Marchand	Telephone call with B. Newton re updates.	0.1
24-Sep-20	Josie Parisi	Call with Skyline re their interest in the properties and management of the property; subsequent conversation with B. Newton; review email correspondence with board regarding communicating results to members.	1.0
24-Sep-20	Stephanie Burrowes	Coordination of providing access to certain users to the global portal to access documentation; telephone discussion with member; emailed her contact information for CICR and provided her information on receiving her vote; requested V. Flis to update contact information; email to Esa regarding cash flow.	0.6
24-Sep-20	Brad Newton	Preparation for and attendance on conference call with Skyline/Horseshoe Valley; review of draft communication to owners prepared by TGF and provide comments; review of current emails received in Carriage email inboxes; follow up on 2020 and 2021 cash flow status.	1.8
25-Sep-20	Matthew Marchand	Review email correspondence re survey results and next steps.	0.1
25-Sep-20	Josie Parisi	Review various correspondence re next steps.	0.2
25-Sep-20	Stephanie Burrowes	Prepare appendices for court report; call regarding cash flow for remainder of year and 2021.	0.5
25-Sep-20	Vanessa Flis	Update email list for Tuesday notice; look at incoming emails; forward bankruptcy notice to CICR.	0.5
25-Sep-20	Mithushaa Berinpalingam	Call with B. Newton and S. Burrowes regarding cash flow forecasts; preparation of draft cash flow template for FY2020 and FY2021 using documents received.	1.6
25-Sep-20	Brad Newton	Discussions with team regarding updated 2020 budget information received from Wyndham and conversion of same to 2020 and 2021 cash flow forecast; follow up with Wyndham on employee cost information and severance	2.7



Date	Professional	Description	Hrs.
		calculations; review various emails from boards and their counsel regarding notice to be sent to Members and finalize same; send notice to marketing group for e-blast on Tuesday; emails with counsel and Wyndham regarding notice to employees on Tuesday.	
28-Sep-20	Josie Parisi	Review various emails regarding next steps; review letter from Hamilton Law Group.	0.5
28-Sep-20	Stephanie Burrowes	Review appraisals and contact Avison Young regarding appraising the property in October; attend to arrangements for court report; attend to changes to charts for court report.	1.6
28-Sep-20	Brad Newton	Review of legal comments on draft report and make additional edits and updates to the court report and related charts; review draft of communication to Members on survey results and make edits and send back to marketing for issuing tomorrow; send Member communication to head of FRS to discuss distribution to all offices in anticipation of Member calls; emails with Wyndham regarding communication to staff of resorts.	4.5
29-Sep-20	Matthew Marchand	Review email correspondence re survey results, expanded powers and next steps.	0.3
29-Sep-20	Mithushaa Berinpalingam	Call with Company, B. Newton and S. Burrowes regarding high level cash flow overview.	0.5
29-Sep-20	Josie Parisi	Review report to prep for call with counsel; call with counsel to walk through report.	2.6
29-Sep-20	Brad Newton	Conference call with Wyndham and team to discuss 2020 cash flow and 2021 shut down cash flow; edits to court report; discussion with Member re payment of delinquent account; conference call with counsels to discuss outstanding questions and issues on court report and make additional edits based on same; emails re charging of \$1,000 delinquency fee.	3.0
29-Sep-20	Stephanie Burrowes	Conference call with Wyndham regarding cash flow for remainder of 2020 and 2021; attend to appendices of court report and changes to court report; email to CICR regarding September collections; put together list of potential realtors; call with counsel regarding finalizing court report and next steps.	3.3
30-Sep-20	Mithushaa Berinpalingam	Preparation of cash flow summary (2020) from detailed forecast updated on call; discussion with N. Tse Tat Hiung regarding categorization; discussion with company to prepare 2021 forecast.	3.4



Date	Professional	Description	Hrs.
30-Sep-20	Josie Parisi	Call with Aird & Berlis and TGF to discuss proposal from the board; review and respond to numerous emails.	1.7
30-Sep-20	Mithushaa Berinpalingam	Review of updated forecast; discussion with Company in regards to Carriage 2020 forecast edits for remaining months; discussion with Company to prepare 2021 forecast.	2.0
30-Sep-20	Stephanie Burrowes	Attend to appendices for court report.	2.7
30-Sep-20	Brad Newton	Discussions with counsel on completing court report; provide draft to boards and review comments from boards on same and respond; gathering appendices for court report; final edits to court report and send signed report to counsel; follow up on engineering report on stairs; responding to emails from board of directors members regarding next steps.	5.7
30-Sep-20	Nicolas Tse Tat Hiung	Cash flow forecast draft	2.0
1-Oct-20	Matthew Marchand	Review email correspondence re party interested in acquiring properties.	0.1
1-Oct-20	Stephanie Burrowes	Email response to the association regarding legal fee invoices; attend to updating potential realtor; followed up with Esa regarding the engineer report; discussion regarding preparation of cash flow; attend to Appendices.	0.6
1-Oct-20	Mithushaa Berinpalingam	Discussion with N. Tse Tat Hiung regarding cash flow; call with Company to discuss cash flow adjustments; updates to cash flow 2020 and 2021.	1.8
1-Oct-20	Josie Parisi	Read and respond to numerous emails.	1.4
1-Oct-20	Nicolas Tse Tat Hiung	Preparation of cash flow forecast January 2020 to June 2021; revision of cash flow as per feedback.	3.0
2-Oct-20	Mithushaa Berinpalingam	Update cash flow payments and timing based on new information received from Company (ie prepaids, timing of special compensation, insurance policies etc); discussion with J. Parisi regarding cash flow; discussion with Company regarding cash flow updates.	2.4
2-Oct-20	Stephanie Burrowes	Attend to various emails; review engineer report regarding the stairs and estimates; call with Esa regarding repairs; attend to delinquent owners and additional fee charged; discussion with CICR regarding delinquent fee; email to counsel regarding Wyndham request.	2.4
2-Oct-20	Josie Parisi	Review draft order for Carriage Ridge and provide comments to TGF; call with member with delinquency; call with M. Berinpalingam re cash flow; call with Esa re staircase; send	3.8



Date	Professional	Description	Hrs.
		email to Esa re staircases; review and respond to numerous emails related to Carriage.	
5-Oct-20	Matthew Marchand	Correspondence with J. Parisi re updates and matters relating to listing proposals; correspondence with S. Burrowes re same; review email correspondence re contact lists.	0.3
5-Oct-20	Nicolas Tse Tat Hiung	Cash flow forecast amendments.	1.2
5-Oct-20	Stephanie Burrowes	Attend to having documents uploaded to website and draft new welcome message; discussion regarding potential realtors; email response to Wyndham; emails regarding the delinquency fee.	0.7
5-Oct-20	Mithushaa Berinpalingam	Compare voting results notice list to those who emailed in; call with N. Tse Tat Hiung regarding cash flow summary; review cash flow summaries (2020, 2021); call with Company (Pat) to discuss cash flow edits; update cash flow based on discussion with Pat; add in September actual bank balances.	2.3
5-Oct-20	Josie Parisi	Review and respond to numerous emails.	1.8
6-Oct-20	Mithushaa Berinpalingam	Cash flow discussion with S. Burrowes; cash flow review; call with Company and team.	0.8
6-Oct-20	Matthew Marchand	Correspondence with S. Burrowes re status updates and next steps; teleconference with B. Newton, S. Burrowes and S. Mitra re issues with creditors and property management; review email from counsel.	0.9
6-Oct-20	Josie Parisi	Call with Skyline; call with Wyndham to discuss cash flow; review and respond to various emails.	1.4
6-Oct-20	Brad Newton	Prepare for and attendance at Ridge board meeting with board counsel; subsequent call with Administrator counsel to discuss correspondence with Wyndham.	1.5
6-Oct-20	Stephanie Burrowes	Change to court report materials and emails with legal counsel; draft new welcome message; review cash flows for conference call and discuss certain aspects of same with M. Berinpalingam; contact IT for changes to extranet; discussion with B. Newton regarding responses to emails from members and cash flow; discussion with Wyndham; respond via email to several member questions; conference call with legal counsel.	3.4
7-Oct-20	Stephanie Burrowes	Email IT to make change to welcome message.	0.1
7-Oct-20	Matthew Marchand	Review email correspondence re Wyndham.	0.1



Date	Professional	Description	Hrs.
7-Oct-20	Brad Newton	Preparation for and attendance at meeting of Hills board of directors; responding to emails from Wyndham and discussing with counsel response to Wyndham inquiries on employees and possible shut down of resorts.	1.0
8-Oct-20	Josie Parisi	Review and respond to various emails related to budgets, court hearing, potential interested parties, etc.	0.8
9-Oct-20	Josie Parisi	Read and respond to various emails.	0.3
13-Oct-20	Matthew Marchand	Review email from prospective purchaser.	0.1
13-Oct-20	Josie Parisi	Review and respond to various emails from Wyndham, the board and legal counsel.	0.8
14-Oct-20	Josie Parisi	Correspondence with Skyline; review and respond to various email correspondence.	0.7
14-Oct-20	Brad Newton	Discussions with counsel in preparation for court hearing tomorrow.	0.8
15-Oct-20	Stephanie Burrowes	Attend to correspondence regarding the delinquency fee.	0.1
15-Oct-20	Matthew Marchand	Correspondence with J. Parisi re court hearing, next steps and related matters; correspondence with M. McWaters re appraisal.	0.5
15-Oct-20	Brad Newton	Preparation for and attendance at hearing; discussions with counsel after the hearing regarding order, media requests and future reporting.	1.0
15-Oct-20	Josie Parisi	Prepare for court appearance and attend court; discussions with B. Newton re next steps; call with M. Marchand re cash flow and appraisal.	2.6
16-Oct-20	Stephanie Burrowes	Draft list of potential purchasers.	0.2
16-Oct-20	Matthew Marchand	Telephone call with M. McWaters re appraisal quote;	0.4
16-Oct-20	Josie Parisi	Review and respond to various emails.	0.6
19-Oct-20	Josie Parisi	Call with TGF and Aird & Berlis to discuss various issues; review and respond to various emails from the various boards and from Wyndham; update call with B. Newton; prepare proposed email correspondence for the owners to be distributed by Wyndham.	2.9
20-Oct-20	Stephanie Burrowes	Add to potential purchasers list.	0.1
20-Oct-20	Matthew Marchand	Contact realtors for appraisal quotes.	0.2



Date	Professional	Description	Hrs.
20-Oct-20	Josie Parisi	Prepare call in advance of call with Skyline; review various emails from board members re next steps.	0.8
21-Oct-20	Matthew Marchand	Telephone call with M. McWaters re appraisal quote.	0.4
21-Oct-20	Josie Parisi	Call with Skyline; subsequent call with counsel to discuss next steps; review email from Sanj re communication on behalf of the board.	1.9
22-Oct-20	Stephanie Burrowes	Telephone conversation with owner regarding next steps and closure of resort.	0.2
22-Oct-20	Matthew Marchand	Telephone call and email correspondence with H. Duncan re appraisal quote; correspondence with J. Parisi re status of same.	0.6
22-Oct-20	Josie Parisi	Call with Carriage Board to talk about next steps re various issues to close.	1.4
23-Oct-20	Doris Zheng	Correspondence re listing proposal update; review listing proposals.	0.5
23-Oct-20	Stephanie Burrowes	Telephone conversation with Adriana from FCA Insurance regarding information required to look into insurance coverage for resorts and specific insurance questions; compiled information requested and emailed same to Adriana.	0.7
23-Oct-20	Matthew Marchand	Review email correspondence and attachments re matters related to proposal from interested party and Armstrong report; correspondence with realtors re appraisals; correspondence with J. Parisi re listing proposals, appraisals and Armstrong report; correspondence with D. Zheng re listing proposals.	1.0
23-Oct-20	Josie Parisi	Call with G. Blutrich; review and respond to various emails re insurance, appraisals, arrears, etc, Armstrong report; discussions with Leanne and Sanj after discussion with G. Blutrich.	2.4
24-Oct-20	Josie Parisi	Review appraisal proposal and review email for Colliers; review arrears report; review and request additional information from Darren.	0.6
26-Oct-20	Stephanie Burrowes	Add potential purchaser to list; look into creating a data room for potential purchasers; review FAQ provided by Wyndham and responded accordingly; emails regarding creating a dataroom; follow up with insurance provider.	0.5



Date	Professional	Description	Hrs.
26-Oct-20	Doris Zheng	Correspondence and call with Cushman Wakefield re listing proposal.	0.75
26-Oct-20	Matthew Marchand	Review correspondence re matters related to data room; telephone call with A. Hoffman re listing proposal; review email and attachments from N. Pearce re appraisal quotes; email correspondence with N. Pearce re same; correspondence with S. Burrowes re data room; correspondence with J. Parisi re insurance.	0.8
26-Oct-20	Josie Parisi	Review arrears with Darren and ask various questions; call with LJP Lawyers re collection of accounts; respond to emails from Wyndham re FAQ's; respond to emails.	1.1
27-Oct-20	Doris Zheng	Correspondence re listing proposals and call with Avison Young; correspondence re site visit.	0.7
27-Oct-20	Stephanie Burrowes	Spoke with Adriana from FCA regarding insurance coverage; left a message for D. Lawrie regarding same; contact Travelers Insurance and email Travelers regarding insurance coverage; email Travelers Insurance; telephone conversation with Chad from D. Lawrie and send him insurance information.	1.0
27-Oct-20	Matthew Marchand	Review email and attachment re communication from Wyndham; review email from L. Williams re resort closure date; review email correspondence re insurance; matters related to listing proposals, appraisals and site visits; matters related to data room.	1.0
27-Oct-20	Josie Parisi	Discussion with B. Newton re cash flow, arrears, Wyndham, etc.; conference call with B Newton, Aird & Berlis and TGF; review and respond to various emails and summary of emails received; review changes to the Wyndham FAQs.	2.6
28-Oct-20	Doris Zheng	Correspondence re site visit.	0.2
28-Oct-20	Matthew Marchand	Correspondence with M. McWaters re appraisal quote; review email correspondence re status of listing proposals; review email correspondence re site visits.	0.3
28-Oct-20	Josie Parisi	Discussions re approach to deal with numerous emails being sent to the administrator; correspondence re arrears; correspondence re appraisers and listing agents.	0.7
28-Oct-20	Stephanie Burrowes	Review incoming emails from owners and discuss responses; email to J. Parisi regarding owner concerns for 2021 maintenance fees; attend to organizing data room; discussion with Adriana from FCA regarding insurance coverage.	0.8

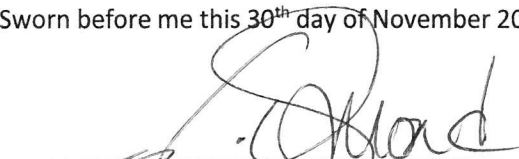


Date	Professional	Description	Hrs.
29-Oct-20	Matthew Marchand	Correspondence with M. McWaters re appraisal quote; correspondence with D. Hadley re same; correspondence with J. Parisi re same.	0.5
29-Oct-20	Josie Parisi	Discussions with B. Newton re various issues; review email re FAQ's and correspondence re termination, etc.	1.9
30-Oct-20	Matthew Marchand	Correspondence with J. Parisi re updates and matters related to appraisals; review correspondence re status of listing proposals.	0.2
30-Oct-20	Doris Zheng	Calls and correspondence with realtors re listing proposals; correspondence with M. Marchand and J. Parisi.	0.3
30-Oct-20	Stephanie Burrowes	Email correspondence regarding Wyndham FAQ to post regarding point options; email correspondence with Chad from D. Lawrie regarding insurance coverage; call with Chad regarding same; requested IT to upload document.	0.5
30-Oct-20	Josie Parisi	Call to discuss LJP agreement, Wyndham termination costs, with property management; call with Wyndham; call with Marty; call with Avison.	2.7

This is **Exhibit "B"** referred to in the affidavit of

Matthew Marchand

Sworn before me this 30th day of November 2020



A COMMISSIONER FOR TAKING AFFIDAVITS

**Nicole Marie Ormond, a Commissioner, etc.,
Province of Ontario, for BDO Canada Limited.
Expires August 21, 2021.**



Tel: 416 865 0210
 Fax: 416 865 0904
 www.bdo.ca

BDO Canada Limited
 20 Wellington Street E, Suite 500
 Toronto ON M5E 1C5 Canada

INVOICE

Carriage Hills Vacation Owners Association
 90 Highland Drive, RR#1
 Shanty Bay, Ontario
 L0L 2L0

Attention: Esa Paltanen

Date

30 November 2020

Invoice No.

CINV0875401 & CINV0875411

Re Carriage Hills and Carriage Ridge

FOR PROFESSIONAL SERVICES RENDERED in connection with our Consulting Engagement for the period from 1 November 2020 to 29 November 2020 as per the details below. (Please note that the time charges for October 20 to October 30, 2020 was omitted on prior invoice).

Our Fee		\$ 85,191.50
Disbursements		
Travel / Mileage	98.44	98.44
		<u>85,289.94</u>
HST - 13.0% (#R101518124)		11,087.69
Total Due		<u><u>\$ 96,377.63</u></u>

Summary of Time Charges:	Hours	Rate	Amount
B. Newton, Consultant	25.50	495.00	12,622.50
J. Parisi, Partner	46.60	495.00	23,067.00
M. Marchand, Sr. Manager	74.20	410.00	30,422.00
S. Burrowes, Manager	6.00	350.00	2,100.00
D. Zheng, Analyst	50.50	300.00	15,150.00
M. Berinpalingam, Analyst	1.90	300.00	570.00
Administrative Support	8.40	150.00	1,260.00
TOTAL	<u>213.10</u>		<u><u>\$ 85,191.50</u></u>



Date	Professional	Description	Hrs.
20 Oct-20	Brad Newton	Discussions with Administrator and counsel re next steps after court approval of shut down, discuss cash flow budgets for remainder of year and sales process.	1.3
21-Oct-20	Brad Newton	Call with potential purchaser, Administrator and counsel.	1.3
22-Oct-20	Brad Newton	Call with Wyndham, Administrator and counsel to discuss shut down and employee issues.	1.0
23-Oct-20	Brad Newton	Call with potential purchaser, Administrator and counsel.	0.5
27-Oct-20	Brad Newton	Discussions with counsels and J. Parisi re next steps; stalking horse bid process versus regular sale process; closing of resorts, delinquent account collections; cash flows with J. Parisi etc.	2.0
30-Oct-20	Brad Newton	Discussion with counsels and Josie re cash flow, employee termination and severance, termination of other contracts, issues around collection of outstanding accounts and the costs of the collection lawyers and the impact on cash flows of such costs; discussion with Wyndham.	2.0
1-Nov-20	Josie Parisi	Review emails from TGF re statue of limitations period; review email from L. Kennedy re her views on Wyndham points and management.	0.6
2-Nov-20	Doris Zheng	Calls and correspondence with realtors re listing proposals.	0.7
2-Nov-20	Josie Parisi	Call with Wyndham re termination of contracts; call with LJP re statue of limitations; call with B. Kuretzky re termination and severance; review term and severance calculation schedules and provide comments; review responses from R. Saksa regarding tenure of employees and respond to L. Williams, S. Mitra and L. Lisi.	3.6
2-Nov-20	Matthew Marchand	Review email from S. Burrowes re insurance; review valuation and listing proposals; draft email to S. Burrowes re insured value; review email correspondence re appraisal quote; review records re insurance policy coverage.	0.5
2-Nov-20	Stephanie Burrowes	Follow up with IT regarding uploading document to website; email responses to owner regarding points; follow up on insurance queries; attend to possible insurance coverage options.	0.5
3-Nov-20	Brad Newton	Obtaining, reviewing and responding to CPA complaint by Mr. Fretwell.	2.0



Date	Professional	Description	Hrs.
3-Nov-20	Doris Zheng	Calls and correspondence with realtors re listing proposals; upload documents to dataroom; correspondence re walk through.	1.6
3-Nov-20	Josie Parisi	Review numerous emails related severance and termination and respond; call with Ridge Board re severance and termination determination; calls with listing agents re proposals; dealing with appraisers and prepayments.	1.7
3-Nov-20	Matthew Marchand	Correspondence with S. Burrowes and J. Parisi re insurance; correspondence with D. Zheng re listing proposals; review Colliers engagement letter; draft email to H. Duncan re same; matters related to data room setup.	0.6
3-Nov-20	Stephanie Burrowes	Attend to insurance; return owners call and leave message; create data room and upload documents.	1.3
4-Nov-20	Doris Zheng	Correspondence with realtors re listing proposals; review Avison Young proposal.	0.9
4-Nov-20	Josie Parisi	Review FAQ's prepared by TGF and provide comments; review various emails related to insurance over properties.	0.6
4-Nov-20	Matthew Marchand	Matters related to listing proposals; matters related to data room; matters related to appraisals; review email correspondence re service contracts; phone call with S. Occhiuzz re listing proposal.	1.2
4-Nov-20	Mithushaa Berinpalingam	Call with administrative staff re Wyndham and Equiant lists merging.	0.3
4-Nov-20	Stephanie Burrowes	Upload further documents to data room; invite users; returned owners call and left message.	0.5
5-Nov-20	Doris Zheng	Correspondence re Non- disclosure agreements.	0.1
5-Nov-20	Josie Parisi	Attend at Carriage Hill/Ridge for site tours and meet with realtors and potential purchaser; discussion with Esa re go forward; discussion re termination; review termination letters provided by Wyndham.	6.5
5-Nov-20	Matthew Marchand	Attend site; meeting with Esa re property tours; meeting with Ian from Colliers re listing proposal; tour premises; matters related to appraisal; tour premises with prospective purchaser; meeting with J. Parisi and E. Paltanen.	5.0
5-Nov-20	Mithushaa Berinpalingam	Merging of contact information between Wyndham and Equiant lists.	0.8



Date	Professional	Description	Hrs.
5-Nov-20	Stephanie Burrowes	Attend to insurance; contacted appraisers regarding values of buildings.	0.2
6-Nov-20	Brad Newton	Review of emails during the week re employee issues and shut down issues; review of FAQ and provide comments.	0.8
6-Nov-20	Doris Zheng	Draft non-disclosure agreements and compile documents for appraisal; correspondence with appraisers; review listing proposal.	1.2
6-Nov-20	Josie Parisi	Review and provide comments on the contract terminations letters; call with Avison re listing proposal; review CBRE listing proposal; review Avison Listing proposal.	2.1
6-Nov-20	Matthew Marchand	Matters related to term and task letter, appraisal engagement letters, access to data rooms, insurance and listing proposals; review Cushman, Avison and CBRE listing proposals; review email and attachments from E. Paltanen re building engineering reports; review emails and attachments re security reports.	3.0
6-Nov-20	Stephanie Burrowes	Draft term and task letter; attend to insurance quotes; email response to member.	0.6
7-Nov-20	Josie Parisi	Review emails from listing agents and respond, review comments on FAQs and provide comments; correspondence with Esa re term and task letter.	1.0
9-Nov-20	Doris Zheng	Correspondence re NDAs; review and summarize listing proposals; draft list of questions and correspondence re listing proposals.	3.8
9-Nov-20	Josie Parisi	Review changes to FAQ's provided by M. Ginsberman and D. Chapelle; review summary of listing proposal; review offer from A. Bimman; email correspondence with TGF.	1.6
9-Nov-20	Matthew Marchand	Review correspondence re property manager compensation; correspondence with D. Zheng re confidentiality agreements and listing proposals; phone call with I. Gragtmans re listing proposal; matters related to retainer payments for appraisals; review email correspondence re offer received.	1.6
9-Nov-20	Stephanie Burrowes	Attend to insurance coverage.	0.2
10-Nov-20	Doris Zheng	Correspondence re non-disclosure agreements; calls and correspondence with Colliers re listing proposal, review listing proposal and summarize; prepare list of questions for realtors.	1.9



Date	Professional	Description	Hrs.
10-Nov-20	Josie Parisi	Review various emails, review Colliers listing proposal; review updated summary of listing proposals and questions; review final updated FAQs re Closure.	1.1
10-Nov-20	Matthew Marchand	Correspondence with I. Gratmans re listing proposal; review correspondence re non-disclosures and dataroom; correspondence with A. Hokiff re listing proposal; review email and attachment from I. Gratmans re listing proposal; review email and attachment from D. Zheng re listing proposal summary and questions.	2.1
11-Nov-20	Brad Newton	Discussions and emails with counsel and J Parisi re listing agent proposals, next court report, next order, timing of court attendance and responding to emails from potential purchases.	0.5
11-Nov-20	Doris Zheng	Calls with M. Marchand to discuss listing proposals; review listing proposals and update list of questions for realtors; correspondence and calls with Avison Young, CBRE and Colliers to discuss listing proposals; update listing proposal summary; correspondence re dataroom access.	4.6
11-Nov-20	Josie Parisi	Correspondence with A. Bimmen re his offer (various email correspondence and phone call); review changes to FAQs, review various emails from Esa re reserve fund; review emails from Wyndham re insurance; review and respond to various correspondence with TGF.	1.1
11-Nov-20	Matthew Marchand	Matters related to listing proposals assessment; correspondence with J. Parisi and D. Zheng re same; review correspondence re reserve funds; review FAQ's to be posted on Administrator's website; teleconference with D. Zheng and Avison re listing proposal; review correspondence re property repairs; teleconference with D. Zheng and CBRE re listing proposal; teleconference with D. Zheng and Colliers re listing proposal; review and revise term and task letter.	4.3
12-Nov-20	Doris Zheng	Call with Cushman & Wakefield; calls with M. Marchand; update listing proposal; draft recommendation; correspondence with BDO team.	3.2
12-Nov-20	Josie Parisi	Commence drafting proposed receivers report.	2.3
12-Nov-20	Matthew Marchand	Teleconference with D. Zheng and Cushman re listing proposal; correspondence with D. Zheng re listing proposals; review revised listing proposal summary along with proposals.	1.5
13-Nov-+20	Brad Newton	Discussions with counsel and BDO re listing proposals received and determining which proposal to proceed with.	0.5



Date	Professional	Description	Hrs.
13-Nov-20	Doris Zheng	Prepare material for listing proposal review conference call re listing proposal review; calls and correspondence re next steps.	1.1
13-Nov-20	Josie Parisi	Correspondence with E. Paltanen re term and task letter; correspondence re listing agreements and selection of same.	0.6
13-Nov-20	Matthew Marchand	Review listing proposal summary and security.	0.7
16-Nov-20	Brad Newton	Conference call with M Marchand and J Parisi re draft of next court report and items to be included and items required for next court order.	1.0
16-Nov-20	Doris Zheng	Call with CBRE re listing proposal.	0.4
16-Nov-20	Josie Parisi	Call with M. Marchand and B. Newton to discuss listing agents; insurance and court report.	1.3
16-Nov-20	Matthew Marchand	Review correspondence re term and task letter; correspondence with J. Parisi re court report; teleconference with D. Zheng and CBRE re listing proposal and property management; correspondence with S. Burrowes re insurance; review application records; review email and attachment from L. Sheer re revised listing proposal; correspondence with J. Parisi re matters related to listing proposals and bank account transfer; teleconference with J. Parisi and B. Newton re court report; draft court report.	3.7
16-Nov-20	Stephanie Burrowes	Attend to insurance matters.	0.3
17-Nov-20	Josie Parisi	Call with D. Chapelle re arrears; call with L. Williams re arrears; financing and listing agent selection and negotiations; call with mergers and acquisitions team re financing.	1.6
17-Nov-20	Matthew Marchand	Correspondence with L. Sheer re listing proposal; draft court report; review cash flow projections; correspondence with J. Parisi re cash flow and court report; teleconference with J. Parisi and M. Morrow re funding issues and options; review correspondence re court availability and status of funding.	3.3
17-Nov-20	Stephanie Burrowes	Email to E. Paltanen re chattels and property improvements; telephone conversation with E. Paltanen re same.	0.3
17-Nov-20	Brad Newton	Discussion with counsel re collection of delinquent accounts and timing and costs of same and potential use of court process for same in prep for call with boards tomorrow.	0.5
18-Nov-20	Doris Zheng	Call with M. Marchand; call with M. Berinpalingam, review income statement, cash flow, and supporting documents;	3.9



Date	Professional	Description	Hrs.
		compare cash flow projection with 2020 actuals; prepare analysis of cost comparison and correspondence re same.	
18-Nov-20	Josie Parisi	Call with Ridge and Hills board re listing proposals and arrears; correspondence with Wyndham re severance; review process re bulk claims process.	1.6
18-Nov-20	Matthew Marchand	Review email from M. Ginsherman re listing proposal summary; phone call with M. Berinpalingam re cash flow projections; prepare for teleconference re listing proposal discussion; teleconference with numerous stakeholders and counsel re listing proposals; correspondence with D. Zheng re provide direction for cash flow projection review and revisions; correspondence with B. Sykes re listing proposal; draft court report; review correspondence and attachments re severance; review correspondence from L. Williams re court date.	3.8
18-Nov-20	Mithushaa Berinpalingam	Call with M. Marchand regarding cash flow; follow up with Company.	0.5
18-Nov-20	Mithushaa Berinpalingam	Call with D. Zheng regarding cash flow updates.	0.3
18-Nov-20	Stephanie Burrowes	Review emails from E. Paltanen re improvements for insurance purposes; left voicemail for C. Brownlee from D. Lawrie re same.	0.5
19-Nov-20	Doris Zheng	Call with M. Marchand to discuss cash flow; review contracts, revise cash flow into receipts and disbursements, call with J. Parisi and M. Marchand re cash flow assumptions; review and revise assumptions, correspondence re same.	7.3
19-Nov-20	Josie Parisi	Call with D. Zheng and M. Marchand re cash flow.	0.7
19-Nov-20	Matthew Marchand	Review email and attachment from D. Zheng re cash flow reasonableness review; correspondence with D. Zheng re same; draft court report; correspondence with s. Burrowes re insurance; review email from B. Brownlee re insurance; review email from A. Bone re listing proposals; review email correspondence re collection process.	3.5
19-Nov-20	Stephanie Burrowes	Attend to insurance.	0.1
19-Nov-20	Brad Newton	Review of emails and responding re potential additional items to include in court report re prepaid accounts and respond to inquiries re collections process for delinquent accounts.	0.4
20-Nov-20	Doris Zheng	Revise cash flow into receipts and disbursements format; review and revise cash flow assumptions, correspondence re cash flows, correspondence re asset values.	4.1



Date	Professional	Description	Hrs.
20-Nov-20	Josie Parisi	Review correspondence with D. Chapelle re the listing proposals and A. Bone's comments re listing agent recommended; call with M. Marchand re post call with A. Bone; update call with B. Newton.	0.9
20-Nov-20	Matthew Marchand	Review email from A. Bone re listing proposals; draft email to A. Bone re same; review email from L. Kennedy re same; review email and attachment from L. Williams re non-disclosure agreement; phone call with A. Bone re listing proposals; correspondence with J. Parisi re updates; phone call with S. Burrowes and C. Brownless re insurance; draft court report.	3.0
20-Nov-20	Stephanie Burrowes	Attend to insurance; call with C. Brownlee from D. Lawrie and M. Marchand to discuss insurance coverage; conference call with C. Brownlee from D. Lawrie and E. Paltanen re improvements to property for insurance purposes.	1.5
20-Nov-20	Brad Newton	Review emails re listing proposals, discussion with J. Parisi re listing proposals and board comments and proposed response to boards.	0.5
23-Nov-20	Doris Zheng	Redact and review listing proposals.	1.4
23-Nov-20	Josie Parisi	Call with banking personnel at Carraige; call with M. Marchand to go through the report skeleton and discussion payment of liabilities; correspondence re realtor and responding re same; review potential lenders listing; review bank statements.	1.3
23-Nov-20	Matthew Marchand	Teleconference with J. Parisi and Wyndham re transfer of bank accounts; review correspondence re listing proposals; review correspondence from D. Zheng re assets to insure; email correspondence with E. Paltanen re same; correspondence with J. Parisi re court report; review correspondence re matters related to listing proposals; review emails from L. Williams re vendor contract termination; correspondence with D. Zheng re same; review lender list; correspondence with M. Morrow re same; email correspondence with B. Newton re draft court report and meeting.	2.0
24-Nov-20	Doris Zheng	Call with M. Marchand to review cash flows; revise cash flows; review correspondence and track terminated contracts; review contract summaries.	2.4
24-Nov-20	Josie Parisi	Review various correspondence from the Board; call with B. Newton and M. Marchand re court report; call with Ridge and Hills Board to discuss email from the boards regarding concerns; second call to review report.	5.1



Date	Professional	Description	Hrs.
24-Nov-20	Matthew Marchand	Review emails and attachments from D. Zheng re cash flow projections; correspondence with M. McWaters re status of appraisals; correspondence with D. Hedley re status of appraisals; review closing checklists; correspondence with D. Zheng re matters related to cash flow projection; review termination and severance details; correspondence with E. Paltanen re insurance information; correspondence with C. Brownlee re same; review redacted listing proposals; prepare comparison of listing proposal commission structures; review emails from L. Williams re contract terminations; correspondence with D. Zheng re same; review model order; review email from B. Newton re court report; phone call with E. Paltanen re cash flow, severance, property management, insurance and related matters; review revised cash flows; teleconference with J. Parisi and B. Newton re court report and related matters; review email correspondence re termination pay and related matters.	7.7
24-Nov-20	Brad Newton	Telephone call with both boards and counsel re employee severance, sales process, owner equity issues and board involvement and these decisions and after the appointment of a receiver and in the final sales of the properties; review of draft 3rd court report with M. Marchand and J. Parisi.	3.5
25-Nov-20	Doris Zheng	Calls with M. Marchand to review cash flows; revise cash flows; compare contract summaries; correspondence re contract terminations; redact listing proposals.	4.1
25-Nov-20	Josie Parisi	Review redacted listing proposals and provide comments to M. Marchand; call to discuss cash flow projections.	1.6
25-Nov-20	Matthew Marchand	Correspondence with D. Zheng re cash flow projections; review email correspondence re property taxes, management fees, listing proposals and contract terminations; draft court report; correspondence with E. Paltanen re insurance information; correspondence with C. Brownlee re insurance; correspondence with A. Cullucio re insurance; phone call with J. Parisi and B. Newton re cash flow and related matters; emails to board of directors re listing proposals.	9.0
25-Nov-20	Brad Newton	Review of cash flows and assumptions for both resorts for 2021 with M. Marchand and J. Parisi.	1.0
26-Nov-20	Doris Zheng	Prepare questions re cash flow assumptions, call with M. Marchand and E. Paltanen to review cash flow projections; review supporting documents and revise cash flow projections; correspondence re listing agents; review notice letters and prepare list of terminated contracts.	6.7



Date	Professional	Description	Hrs.
26-Nov-20	Josie Parisi	Call with board regarding listing proposals; call with M. Marchand prior to call with board; discussions with M. Marchand re report.	2.2
26-Nov-20	Matthew Marchand	Draft court report; teleconference with D. Zheng and E. Paltanen re cash flow projections and related matters; correspondence with A. Coluccio re insurance; correspondence with C. Brownlee re same; teleconference with J. Parisi, B. Newton and counsel re meeting with board members; teleconference with board members, J. Parisi, B. Newton, L. Williams and S. Mitra re listing proposals; correspondence with correspondence with S. Mitra re fee estimates; correspondence with E. Paltanen re property management, bank balances, insurance, security, accounting prepaid deeds and related matters; review non-disclosure agreement.	7.8
26-Nov-20	Brad Newton	Discussions with counsel re emails from boards on listing proposals and listing agent selection; conference call with boards re listing agent proposals, agent selection and court hearing date.	1.5
27-Nov-20	Doris Zheng	Revise cash flow projections; revise list of terminated contracts; correspondence with potential purchaser.	1.1
27-Nov-20	Josie Parisi	Review confidentiality agreement and provide comments.	0.1
27-Nov-20	Matthew Marchand	Correspondence with E. Paltanen re delinquent accounts; draft court report; correspondence with D. Zhen re cash flow; email correspondence with L. Williams re signed non-disclosure agreements; provide unredacted proposals to D. Chapelle, M. Ginherman and G. Anu, a Bone and M. Lee; review B. Newton's revisions to report; review and revise cash flows; correspondence with A. Collucio re insurance; correspondence with C. Brownlee re same; draft email to counsel re court report.	5.4
27-Nov-20	Brad Newton	Reviewing and editing report and discussing outstanding issues with M. Marchand and counsel; discussions on listing agent issues.	3.2
28-Nov-20	Josie Parisi	Review and provide comments on the transition order and the amended court order; review various emails related to the engagement of a realtor; review draft court report and provide comments.	4.7
29-Nov-20	Josie Parisi	Review B. Newton's comments on the 3rd report; attend conference call with BDO and counsel to discuss changes and next steps; review changes proposed by TGF; review various subsequent revisions to report and provide comments.	2.7



Date	Professional	Description	Hrs.
29-Nov-20	Matthew Marchand	Review correspondence re matters related to court report; review court report revisions; teleconference with J. Parisi, B. Newton and S. Mitra re court report and related matters; review court report.	4.5
29-Nov-20	Brad Newton	Review of revised report and provide comments; discussions with counsel and J. Parisi re ability to list sign a listing agreement prior to the receivers appointment and review of October court order to determine work approved by court to be completed by Administrator and related revisions to report.	2.0

Appendix J

ONTARIO
SUPERIOR COURT OF JUSTICE
Commercial list

IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O 1990, C. C. 43, AS AMENDED

AND IN THE MATTERS OF THE ADMINISTRATION OF CARRIAGE HILLS VACATION OWNERS ASSOCIATION

AND IN THE MATTERS OF THE ADMINISTRATION OF CARRIAGE RIDGE OWNERS ASSOCIATION

Applicants

AFFIDAVIT OF SAM BABE

(sworn November 30, 2020)

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

1. I am a lawyer at Aird & Berlis LLP and, as such, I have knowledge of the matters to which I hereinafter depose. Aird & Berlis LLP has acted as counsel for BDO Canada Limited (“**BDO**”), as administrator, without security, of the Applicants and all of the Applicants’ property, assets and undertakings, pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”), and continues to do so.
2. Aird & Berlis LLP has prepared statements of account in connection with its fees and disbursements as follows:
 - (a) an account dated October 31 2020, for the period from September 16, 2020 to September 30, 2020 in the amount of \$10,780.20, inclusive of HST and disbursements; and

(b) an account dated November 30, 2020, for the period from October 1, 2020 to November 28, 2020 in the amount of \$32,597.96, inclusive of HST and disbursements;

(the “**Statements of Account**”).

3. Attached hereto and marked as **Exhibit “A”** to this my affidavit are copies of the Statements of Account, which total \$41,089.91, along with a breakdown of timekeepers which have worked on this file. The average hourly rate is \$655.20.

5. This Affidavit is made in support of a motion to, *inter alia*, approve the attached account of Aird & Berlis LLP and the fees and disbursements detailed therein, and for no improper purpose.

SWORN before me at the City of)
Toronto, in the Province of Ontario)
This 30th day of November, 2020)



A commissioner, etc.
SANJEEV MITRA

SAM BABE

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF SAM BABE

Sworn before me

This 30th day of November, 2020



SANJEEV MITRA

Commissioner for taking Affidavits, etc.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF SECTION 101 OF THE COURTS OF
JUSTICE ACT, R.S.O. 1990, C. C. 43, AS AMENDED**

**AND IN THE MATTER OF THE ADMINISTRATION OF
CARRIAGE RIDGE OWNERS ASSOCIATION**

**AND IN THE MATTERS OF THE ADMINISTRATION OF
CARRIAGE RIDGE OWNERS ASSOCIATION**

Applicants

SUMMARY OF TIME INCURRED

<u>Name</u>	<u>Year of Call</u>	<u>Hours</u>	<u>Rate</u>	<u>Value</u>
S. E. Babe	2004	13.20	\$625.00	\$8,250.00
S.P. Mitra	1996	42.40	\$675.00	\$28,620.00
L. Lisi	1990	0.50	\$700.00	\$350.00
M.F. Horvat	1999	1.20	\$640.00	\$768.00
LAW CLERKS				
P.L. Williams		0.60	\$200.00	\$120.00
L. Nguyen		0.40	\$225.00	\$90.00

IN ACCOUNT WITH:

AIRD BERLIS

Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Ontario, Canada M5J 2T9
T 416.863.1500 F 416.863.1515
airdberlis.com

BDO Canada Limited
20 Wellington Street East
Toronto, ON
M5E 1C2

Attention: Ms Josie Parisi

Invoice No.: 684845

PLEASE WRITE INVOICE NUMBERS
ON THE BACK OF ALL CHEQUES
File No.: 13137/157067
Client No.: 13137
Matter No.:157067

October 31, 2020

Re: Carriage Hills Resort

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended September 30, 2020

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	16/09/20	0.30	\$202.50	Email exchange with client
SEB	17/09/20	0.20	\$125.00	Email and phone call from S. Mitra
SPM	17/09/20	0.40	\$270.00	Email exchange with client and L. Williams re date for motion; Telephone call S. Babe re steps required for motion and going forward
SPM	19/09/20	0.70	\$472.50	Telephone call with Wyndham re shut down scenario and points issues
SEB	21/09/20	0.20	\$125.00	Email from TGF; email from Commercial List office
SPM	21/09/20	0.20	\$135.00	Email exchange re motion; Review response from board to insurer
SEB	23/09/20	0.10	\$62.50	Email from S. Mitra
SPM	23/09/20	0.40	\$270.00	Email exchange with S. Burrowes re accounts and arrange for fee affidavit
SEB	24/09/20	0.20	\$125.00	Email form B. Newton; email from S. Burrows
SEB	25/09/20	0.30	\$187.50	Emails from S. Mitra; email from B. Newton; email from L. Williams

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	25/09/20	0.40	\$270.00	Email exchange with client and L. Williams re steps and motion to be brought
SEB	26/09/20	0.10	\$62.50	Email from L. Williams
SEB	28/09/20	1.00	\$625.00	Email from M. Grossel; emails from and to L. Williams; review report and order
SPM	28/09/20	2.00	\$1,350.00	Email exchange with client and provide comments on draft Second Report
SEB	29/09/20	3.20	\$2,000.00	Telephone call with BDO and TGF; emails and phone call from S. Mitra; emails from L. Williams; emails from and to B. Newton; email from S. Burrowes
SPM	29/09/20	0.40	\$270.00	Review and provide comments on draft order
SPM	29/09/20	1.50	\$1,012.50	Prepare for and attend call with client re second report; Arrange for fee affidavit to be commissioned and service of report
SEB	30/09/20	1.50	\$937.50	Emails from M. Grossell; emails from and to B. Newton; emails from L. Williams; email form S. Mitra
SPM	30/09/20	1.50	\$1,012.50	Email exchange with client and telephone call client re motion and service of record; Review emails for report; Arrange to sear fee affidavit
TOTAL:		<u>14.60</u>	<u>\$9,515.00</u>	

OUR FEE \$9,515.00
 HST at 13% \$1,236.95

DISBURSEMENTS

Subject to HST

Photocopies	\$23.00	
Binding and Tabs	\$2.00	
Total Disbursements		\$25.00
HST at 13%		\$3.25

AMOUNT NOW DUE \$10,780.20

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP



Sanjeev P. Mitra

E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 2.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTOR. Please include the account number as reference.

42300693.1

IN ACCOUNT WITH:



Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Ontario, Canada M5J 2T9
T 416.863.1500 F 416.863.1515
airberlis.com

BDO Canada Limited
20 Wellington Street East
Toronto, ON
M5E 1C2

Attention: Mr. Brad Newton

Invoice No.: 689972

PLEASE WRITE INVOICE NUMBERS
ON THE BACK OF ALL CHEQUES
File No.: 13137/157067
Client No.: 13137
Matter No.:157067

November 30, 2020

Re: Carriage Hills Resort

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended November 30, 2020

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SEB	01/10/20	1.10	\$687.50	Emails from S. Mitra; email fro J. Parisie; emails from L. Williams; emails from Board
SPM	01/10/20	0.50	\$337.50	Email exchange with boards re invoice; Email exchange with L. Williams re affidavit in support of motion
SEB	02/10/20	0.90	\$562.50	Emails from S. Mitra; emails from and to TGF; prepare responding motion record
SPM	02/10/20	0.70	\$472.50	Email exchange regarding service of report; Telephone call client and email exchange with client re stair repair issue
LN	02/10/20	0.20	\$45.00	Emails from and to assistant re: Sync.com link from opposing counsel/moving party
SEB	04/10/20	0.20	\$125.00	Attend to filing of Responding Record
SPM	04/10/20	0.30	\$202.50	Email exchange with client re repairs and strategy
SPM	05/10/20	0.30	\$202.50	Email exchange with client
LN	05/10/20	0.10	\$22.50	Receipt of Sync shared folder from opposing counsel; Email to assistant re: same.

LAWYER	DATE	TIME	VALUE	DESCRIPTION
PLW	05/10/20	0.60	\$120.00	Commissioned Affidavit of Service and filed with Responding Motion Record in two court files online
SPM	06/10/20	1.00	\$675.00	Telephone call client and draft email to Wyndham
SEB	07/10/20	0.10	\$62.50	Email from S. Mitra
SPM	07/10/20	0.30	\$202.50	Email exchange with client and email to Wyndham
SPM	08/10/20	0.20	\$135.00	Email exchange with client re email from C. Diana
SPM	08/10/20	0.20	\$135.00	Email exchange with L. Williams re discussions with L. Brzyniski
SEB	09/10/20	0.20	\$125.00	Email from B. Newton; email from B. Minor
SPM	09/10/20	0.30	\$202.50	Email exchange with client and L. Williams re discussions with L. Brzyniski
SEB	13/10/20	0.40	\$250.00	Emails from S. Mitra; emails from G. Minor; email from L. Williams
SPM	13/10/20	0.40	\$270.00	Review email from I. Brzyniski and email exchange with client
LN	13/10/20	0.10	\$22.50	Uploading of Responding Motion Record to Sync.com link.
SEB	14/10/20	0.40	\$250.00	Email fro Conway J.; emails from M. Grossell; email from D. Harland
SPM	14/10/20	1.70	\$1,147.50	Telephone call with client and L. Williams to prep for hearing
SEB	15/10/20	1.30	\$812.50	Review motion materials; attend Court Zoom hearing; email from D. Harland; emails from Conway J.; emails from S. Mitra; emails from B. Newton; emails from L. Williams
SPM	15/10/20	1.20	\$810.00	Email exchange with client re email from L. Brzyniski; Prep for hearing
SPM	18/10/20	0.30	\$202.50	Email exchange with client
SPM	19/10/20	1.60	\$1,080.00	Prepare for and attend strategy call with client and L. Williams; Email to Wyndham

SPM	19/10/20	0.50	\$337.50	Email exchange with client re Wyndham communication to members
SPM	20/10/20	0.60	\$405.00	Email exchange with client and opposing counsel and telephone call's client and opposing counsel
SPM	20/10/20	0.80	\$540.00	Telephone call with client and L. Williams and email exchange with client
SPM	21/10/20	0.20	\$135.00	Email exchange with client re communication to members
SPM	21/10/20	1.20	\$810.00	Attend call with Skyline and email exchange with client
SEB	22/10/20	0.50	\$312.50	Telephone call iwth Wyndham
SPM	22/10/20	1.00	\$675.00	Telephone call with Wyndham
SPM	22/10/20	0.20	\$135.00	Telephone call L. Brzyniski
SEB	23/10/20	0.10	\$62.50	Email from Conway J.; email from L. Williams
SPM	23/10/20	1.90	\$1,282.50	Attend call with potential Stalking Horse Bidder (former Skyline Group); call with client to discuss strategy
SPM	24/10/20	0.30	\$202.50	Email exchange with client
SPM	25/10/20	0.30	\$202.50	Email to client re notice to Wyndham
SPM	26/10/20	0.20	\$135.00	Email exchange with L. Brzyniski and client and counsel for the Board on disclosure by bidders
SPM	27/10/20	1.50	\$1,012.50	Telephone call with client and counsel for the Board re status; Strategy and steps to be taken
SEB	28/10/20	0.10	\$62.50	Email from L. Williams
SPM	28/10/20	1.00	\$675.00	Email exchange with client re strategy
SEB	29/10/20	0.20	\$125.00	Email from G. Minor; email from G. Mitra
SPM	29/10/20	0.50	\$337.50	Email exchange with client re issues arising from shutdown including costs of Wyndham
SEB	30/10/20	0.90	\$562.50	Telephone call with Wyndham
SPM	30/10/20	2.00	\$1,350.00	Email exchange with client and attend preparation call for Wyndham; Attend call with

Wyndham

SPM	30/10/20	0.40	\$270.00	Email exchange with client re complaint
SPM	01/11/20	0.20	\$135.00	Review emails from client
MFH	02/11/20	0.20	\$128.00	Email exchange regarding structure of mass notice and severance obligations; Review of same
SPM	02/11/20	1.70	\$1,147.50	Telephone call with Wyndham; Telephone call with L. Williams re employment matters; Email L. Lisi; Comment on questions on chart breakdown
MFH	03/11/20	1.00	\$640.00	Review of and revisions to notice and common law severance issues; Email exchanges regarding same
LL	03/11/20	0.50	\$350.00	Review of severance correspondence; Email exchange with S. Mitra, M. Horvat and client
SPM	03/11/20	0.60	\$405.00	Email exchange with client and employment counsel
SPM	05/11/20	0.30	\$202.50	Email exchange with client re inquiries from prospective purchasers and directions to Esa
SPM	06/11/20	0.70	\$472.50	Email exchange with client and review new FAQ
SPM	07/11/20	0.20	\$135.00	Email exchange with client re deal with Esa
SPM	10/11/20	0.20	\$135.00	Email exchange with client re interest of purchasers
SPM	11/11/20	0.70	\$472.50	Email exchange with client re listing proposal strategy and email from L. Brzyniski
SPM	13/11/20	0.80	\$540.00	Prepare and attend call with client re broker analysis
SPM	20/11/20	1.00	\$675.00	Telephone call with client and counsel for Associations re strategy and completion of the report
SPM	22/11/20	0.20	\$135.00	Review and respond to email from D. Morse
SPM	25/11/20	2.60	\$1,755.00	Telephone call client and L. Williams and attend call with Boards; Draft NDA; Review and revise draft NDA

SPM	27/11/20	0.80	\$540.00	Email exchange with client and counsel for Boards; Email exchange with counsel for Wyndham to schedule call; Telephone call client; Email exchange with client and counsel for associations
SPM	28/11/20	3.00	\$2,025.00	Email exchange with client re decision of Boards re listing agent; Telephone call L. Williams; Provide comments on draft report
TOTAL:		<u>43.70</u>	<u>\$28,683.00</u>	

OUR FEE \$28,683.00
HST at 13% \$3,728.79

DISBURSEMENTS

Subject to HST

Photocopies - Local	\$145.75	
Binding and Tabs	\$19.00	
Total Disbursements		\$164.75
HST at 13%		\$21.42

AMOUNT NOW DUE \$32,597.96

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP



Sanjeev P. Mitra

E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 2.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTOR. Please include the account number as reference.

**IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O
1990, C. C. 43, AS AMENDED
AND IN THE MATTERS OF THE ADMINISTRATION OF
CARRIAGE HILLS VACATION OWNERS ASSOCIATION
& CARRIAGE RIDGE OWNERS ASSOCIATION
Applicants**

Court File No. CV-20-00640265-00CL
Court File No. CV-20-00640266-00CL

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

Proceedings commenced at Toronto

AFFIDAVIT OF SAM BABE

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Barristers and Solicitors
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Lawyers for the Receiver

IN THE MATTER OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED AND IN THE MATTER OF THE ADMINISTRATION PROCEEDINGS OF **CARRIAGE HILLS VACATION OWNERS ASSOCIATION**

AND IN THE MATTER OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED AND IN THE MATTER OF THE ADMINISTRATION PROCEEDINGS OF **CARRIAGE RIDGE OWNERS ASSOCIATION**

Court File No.: CV-20-00640265-00CL

Court File No.: CV-20-00640266-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

THIRD REPORT OF THE ADMINISTRATOR
December 1, 2020

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Lawyers for the Applicants, Carriage Hills Vacation
Owners Association and Carriage Ridge Owners
Association

TAB 3

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

THE HONOURABLE MADAM) FRIDAY, THE 11TH
)
JUSTICE CONWAY) DAY OF DECEMBER, 2020

IN THE MATTER OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, c. C.43, AS AMENDED

AND IN THE MATTER OF THE ADMINISTRATION
PROCEEDINGS OF **CARRIAGE HILLS VACATION
OWNERS ASSOCIATION** (the “**Applicant**”)

AMENDED AND RESTATED APPOINTMENT ORDER

THIS MOTION made by the Applicant for an Order, *inter alia*, amending, expanding and confirming the powers of BDO Canada Limited (“**BDO**”) in respect of Carriage Hills Vacation Owners Association (“**Carriage Hills**”) and the Carriage Hills timeshare resort (the “**Carriage Hills Resort**”) pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”), was heard this day via Zoom judicial video conference due to the COVID-19 pandemic.

ON READING the Motion Record of the Applicant dated December 1, 2020 (the “**Motion Record**”), the Third Report of the Administrator dated December 1, 2020, and the appendices thereto (the “**Third Report**”), and on hearing the submissions of counsel for the Applicant, counsel for the Administrator, no one else appearing for any other parties on the Service List, although duly served as appears from the affidavit of service of Andrea Fragala sworn December [▶], 2020, filed.

SERVICE AND DEFINED TERMS

1. **THIS COURT ORDERS** that the time for service of the Motion Record is hereby validated so that this Motion is properly returnable today and further service thereof is hereby dispensed with.

EFFECTIVE TIME

2. **THIS COURT ORDERS** that this Order and all of its provisions shall be effective as of 12:01 a.m. Eastern Time on January 6, 2021.

APPOINTMENT

3. **THIS COURT ORDERS** that pursuant to section 101 of the CJA, BDO is hereby appointed Receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Carriage Hills and the Carriage Hills Resort acquired for, or used in relation to the business carried on by Carriage Hills, including all proceeds thereof (the “**Property**”) and all the lands and premises on which Carriage Hills operates the Carriage Hills Resort, legally described in Schedule “A” hereto, collectively owned by the members of Carriage Hills (the “**Members**”) as tenants-in-common, as recorded in the Land Registry Office for the Land Titles Division of Simcoe (No. 51) (collectively, the “**Lands**”) (the Property and the Lands, including all proceeds thereof collectively, the “**Resort Assets**”).

RECEIVER’S POWERS

4. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Resort Assets 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 Resort Assets and any and all proceeds, receipts and disbursements arising out of or from the Resort Assets;
- (b) to receive, preserve, and protect the Resort Assets, or any part or parts thereof, including, but not limited to, the changing of locks and security

codes, the relocating of the Resort Assets to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage (including without limitation, property, general liability and vehicular insurance) as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of Carriage Hills, including the power to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of Carriage Hills;
- (d) to engage or retain consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of Carriage Hills or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to Carriage Hills and to exercise all remedies of Carriage Hills in collecting such monies, including, without limitation, to enforce any security held by Carriage Hills;
- (g) to settle, extend or compromise any indebtedness owing to Carriage Hills;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Resort Assets, whether in the Receiver's name or in the name and on behalf of Carriage Hills, for any purpose pursuant to this Order;

- (i) to undertake environmental or workers' health and safety assessments of the Resort Assets;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to Carriage Hills, the Resort Assets or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the Resort Assets, including advertising and soliciting offers in respect of the Resort Assets or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Resort Assets, or any part or parts thereof, outside of the ordinary course of business with the approval of this Court and in such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;
- (m) to apply for any vesting order or other orders necessary to convey the Resort Assets or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Resort Assets;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Resort Assets and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Resort Assets against title to any of the Lands;

- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of Carriage Hills;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of Carriage Hills, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by Carriage Hills;
- (r) to exercise any shareholder, partnership, joint venture or other rights which Carriage Hills may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

6. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or

affairs of Carriage Hills, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

8. **THIS COURT ORDERS AND DIRECTS** the Land Registrar for the Township of Oro to register a copy of this Order against title to the Lands upon request by the Receiver.

NO PROCEEDINGS AGAINST THE RECEIVER

9. **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 CARRIAGE HILLS OR THE RESORT ASSETS

10. **THIS COURT ORDERS** that no Proceeding against or in respect of Carriage Hills, the Resort Assets 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 Carriage Hills or the Resort Assets are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. **THIS COURT ORDERS** that all rights and remedies against Carriage Hills, the Receiver, or affecting the Resort Assets, 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 *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), and further provided that nothing in this paragraph shall: (i) empower the Receiver or Carriage Hills to carry on any business which Carriage Hills is not lawfully entitled to carry on, (ii) exempt the Receiver or Carriage Hills 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

12. **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 Carriage Hills, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. **THIS COURT ORDERS** that all Persons having oral or written agreements with Carriage Hills or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to Carriage Hills 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 Carriage Hills' current telephone numbers, facsimile numbers, internet addresses and domain names, 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 Carriage Hills 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

14. **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 Resort Assets 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

15. **THIS COURT ORDERS** that 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

16. **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 Resort Assets and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Resort Assets (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 of the Resort Assets shall be entitled to continue to use the personal information provided to it, and related to the Resort Assets purchased, in a manner which is in all material respects identical to the prior use of such information by Carriage Hills, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. **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 Resort Assets 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 Resort Assets within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. **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

19. **THIS COURT ORDERS** that the Receiver, counsel and special 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, counsel and special counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver’s Charge**”) on the Resort Assets, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Resort Assets 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.

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

21. **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 or special counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. **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 \$2,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Resort Assets 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.

23. **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.

24. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule “**B**” hereto (the “**Receiver’s Certificates**”) for any amount borrowed by it pursuant to this Order.

25. **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

26. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

27. **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.

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

29. **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.

30. **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.

31. **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.

SCHEDULE “A”

DESCRIPTION OF LANDS

Parcel 1-16 Section 51-Oro-3

SUBJECT TO an easement over Part of Lots 2 and 3 Concession 4, Township of Oro, Part 5 Plan 51r-26764 as set out in Instrument Number 323091 in favour of Part of Lot 2 Concession 4, Township of Oro, designated as Parts 11, 12, 13 and 14 on Plan 51r-26764 being Parcel 1-17 Section 51-Oro-3, and, in favour of Part of Lot 2 Concession 4, Township of Oro, designated as Parts 1, 2, 3, 4, 15, 16 and 17 on Plan 51r-26764 being Parcel 1-18 Section 51-Oro-3.

TOGETHER WITH an easement over Part Lot 2 Concession 4, Township of Oro, being Part of Parcel 1-17 Section 51-Oro-3 being Part 11 Plan 51r-26764 as set out in Instrument Number 323092.

TOGETHER WITH an easement over Part of Lot 2 Concession 4, Township of Oro, being Part of Parcel 1-18 Section 51-Oro-3 being Parts 1 and 16 Plan 51r26764 as set out in Instrument Number 323093.

SCHEDULE "B"

FORM OF RECEIVER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. **THIS IS TO CERTIFY** that BDO Canada Limited, the receiver (the "**Receiver**") of the assets, undertakings and properties Carriage Hills acquired for, or used in relation to the Carriage Hills Resort, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 10th day of May, 2020, as amended on December 11, 2020 (the "**Order**") made in an action having Court file number CV-20-00640265-00CL, 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 \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Resort Assets, 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 Resort Assets in respect of its remuneration and expenses.

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the ____ day of _____, 20__.

BDO Canada Limited, solely in its capacity
as Receiver of the Resort Assets, and not in its
personal capacity

Per: _____

Name:

Title:

IN THE MATTER OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED AND IN THE MATTER OF THE
ADMINISTRATION PROCEEDINGS OF **CARRIAGE HILLS VACATION OWNERS ASSOCIATION**

Court File No.: CV-20-00640265-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

AMENDED AND RESTATED
APPOINTMENT ORDER

Thornton Grout Finnigan LLP

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Lawyers for the Applicant, Carriage Hills Vacation Owners
Association

TAB 4

Revised: January 21, 2014
~~s.243(1) BIA (National Receiver) and s.101 CJA (Ontario) Receiver~~

Court File No. ~~_____~~ CV-20-00640265-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE ~~_____~~ MADAM) ~~WEEKDAY~~ FRIDAY, THE # 11TH
JUSTICE ~~_____~~ CONWAY) DAY OF ~~MONTH~~ DECEMBER, ~~20YR~~ 2020

PLAINTIFF¹

Plaintiff

~~-and-~~

DEFENDANT

Defendant

IN THE MATTER OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, c. C.43, AS AMENDED

AND IN THE MATTER OF THE ADMINISTRATION
PROCEEDINGS OF CARRIAGE HILLS VACATION
OWNERS ASSOCIATION (the "Applicant")

AMENDED AND RESTATED APPOINTMENT ORDER
(~~appointing Receiver~~)

THIS MOTION made by the ~~Plaintiff~~² Applicant for an Order, *inter alia*, amending,
expanding and confirming the powers of BDO Canada Limited ("BDO") in respect of Carriage

¹ ~~The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application.
This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~

² ~~Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".~~

Hills Vacation Owners Association (“Carriage Hills”) and the Carriage Hills timeshare resort (the “Carriage Hills Resort”) 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 [RECEIVER'S NAME] as receiver [and manager] (in such capacities, the “Receiver”) without security, of all of the assets, undertakings and properties of [DEBTOR'S NAME] (the “Debtor”) acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario, was heard this day via Zoom judicial video conference due to the COVID-19 pandemic.~~

ON READING the ~~affidavit of [NAME] sworn [DATE]~~Motion Record of the Applicant dated December 1, 2020 (the “Motion Record”), the Third Report of the Administrator dated December 1, 2020, and the ~~Exhibits~~appendices thereto (the “Third Report”), and on hearing the submissions of counsel for ~~[NAMES]~~the Applicant, counsel for the Administrator, no one else appearing for ~~[NAME]~~any other parties on the Service List, although duly served as appears from the affidavit of service of ~~[NAME] Andrea Fragala sworn [DATE] and on reading the consent of [RECEIVER'S NAME] to act as the Receiver,~~December [] , 2020, filed.

SERVICE AND DEFINED TERMS

1. **THIS COURT ORDERS** that the time for service of the ~~Notice of Motion and the Motion~~Motion Record is hereby ~~abridged and~~ validated³ so that this ~~motion~~Motion is properly returnable today and ~~hereby dispenses with~~ further service thereof is hereby dispensed with.

EFFECTIVE TIME

2. **THIS COURT ORDERS** that this Order and all of its provisions shall be effective as of 12:01 a.m. Eastern Time on January 6, 2021.

APPOINTMENT

3. ~~2-~~**THIS COURT ORDERS** that pursuant to section ~~243(1) of the BIA and section~~ 101 of the CJA, ~~[RECEIVER'S NAME]~~BDO is hereby appointed Receiver (in such capacity, the “Receiver”), without security, of all of the assets, undertakings and properties of Carriage Hills

³~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

and the ~~Debtor~~Carriage Hills Resort acquired for, or used in relation to ~~at~~the business carried on by ~~the Debtor~~Carriage Hills, including all proceeds thereof (the ~~"Property"~~) and all the lands and premises on which Carriage Hills operates the Carriage Hills Resort, legally described in Schedule "A" hereto, collectively owned by the members of Carriage Hills (the "Members") as tenants-in-common, as recorded in the Land Registry Office for the Land Titles Division of Simcoe (No. 51) (collectively, the "Lands") (the Property and the Lands, including all proceeds thereof collectively, the "Resort Assets").

RECEIVER'S POWERS

4. ~~3.~~ **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the ~~Property~~Resort Assets 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~~Resort Assets and any and all proceeds, receipts and disbursements arising out of or from the ~~Property~~Resort Assets;
- (b) to receive, preserve, and protect the ~~Property~~Resort Assets, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of ~~Property~~the Resort Assets to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage (including without limitation, property, general liability and vehicular insurance) as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of ~~the Debtor~~Carriage Hills, including the ~~powers~~power to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of ~~the Debtor~~Carriage Hills;

- (d) to engage or retain consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
 - (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of ~~the Debtor~~Carriage Hills or any part or parts thereof;
 - (f) to receive and collect all monies and accounts now owed or hereafter owing to ~~the Debtor~~Carriage Hills and to exercise all remedies of ~~the Debtor~~Carriage Hills in collecting such monies, including, without limitation, to enforce any security held by ~~the Debtor~~Carriage Hills;
 - (g) to settle, extend or compromise any indebtedness owing to ~~the Debtor~~Carriage Hills;
 - (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the PropertyResort Assets, whether in the Receiver's name or in the name and on behalf of ~~the Debtor~~Carriage Hills, for any purpose pursuant to this Order;
 - (i) to undertake environmental or workers' health and safety assessments of the Resort Assets;
 - (j) ~~(i)~~ to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to ~~the Debtor~~Carriage Hills, the PropertyResort Assets or the Receiver, and to settle or compromise any such proceedings.⁴
- The authority hereby conveyed shall extend to such appeals or applications

⁴~~This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (k) ~~(j)~~ to market any or all of the PropertyResort Assets, including advertising and soliciting offers in respect of the PropertyResort Assets or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) ~~(k)~~ to sell, convey, transfer, lease or assign the PropertyResort Assets, or any part or parts thereof ~~out~~, outside of the ordinary course of business;
 - ~~(i) without the approval of this Court in respect of any transaction not exceeding \$ _____, provided that the aggregate consideration for all such transactions does not exceed \$ _____; and~~
- (m) ~~(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*, ~~for~~ section 31 of the Ontario *Mortgages Act*, as the case may be,⁵ shall not be required, ~~and in each case the Ontario Bulk Sales Act shall not apply.~~
- (n) ~~(l)~~ to apply for any vesting order or other orders necessary to convey the PropertyResort Assets or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such PropertyResort Assets;
- (o) ~~(m)~~ 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 PropertyResort Assets and the receivership, and to share information,

⁵ ~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

subject to such terms as to confidentiality as the Receiver deems advisable;

- (p) ~~(n)~~ to register a copy of this Order and any other Orders in respect of the ~~Property~~Resort Assets against title to any of the ~~Property~~Lands;
- (q) ~~(o)~~ to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of ~~the Debtor~~Carriage Hills;
- (r) ~~(p)~~ to enter into agreements with any trustee in bankruptcy appointed in respect of ~~the Debtor~~Carriage Hills, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by ~~the Debtor~~Carriage Hills;
- (s) ~~(q)~~ to exercise any shareholder, partnership, joint venture or other rights which ~~the Debtor~~Carriage Hills may have; and
- (t) ~~(r)~~ to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations~~s~~.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. ~~4.~~ **THIS COURT ORDERS** that (i) ~~the Debtor~~Carriage Hills, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall

grant immediate and continued access to the PropertyResort Assets to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. ~~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 Debtor~~ Carriage Hills, 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~~6 or in paragraph ~~6~~7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. ~~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.

~~7. — THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least~~

~~seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors~~

8. THIS COURT ORDERS AND DIRECTS the Land Registrar for the Township of Oro to register a copy of this Order against title to the Lands upon request by the Receiver.

NO PROCEEDINGS AGAINST THE RECEIVER

9. ~~8-~~THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST ~~THE DEBTOR~~CARRIAGE HILLS OR THE PROPERTY RESORT ASSETS

10. ~~9-~~THIS COURT ORDERS that no Proceeding against or in respect of ~~the Debtor~~or Carriage Hills, the Property Resort Assets shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of ~~the Debtor~~Carriage Hills or the Property Resort Assets are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. ~~10-~~THIS COURT ORDERS that all rights and remedies against ~~the Debtor~~Carriage Hills, the Receiver, or affecting the Property Resort Assets, 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 Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "BIA"), and further provided that nothing in this paragraph shall: (i) empower the Receiver or ~~the Debtor~~Carriage Hills to carry on any business which ~~the Debtor~~Carriage Hills is not lawfully entitled to carry on,

(ii) exempt the Receiver or ~~the Debtor~~Carriage Hills 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

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

CONTINUATION OF SERVICES

13. ~~12.~~ **THIS COURT ORDERS** that all Persons having oral or written agreements with ~~the Debtor~~Carriage Hills or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to ~~the Debtor~~Carriage Hills are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of ~~the Debtor's~~Carriage Hills' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of ~~the Debtor~~Carriage Hills 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

14. ~~13.~~ **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~~Resort Assets 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

15. ~~14.~~ **THIS COURT ORDERS** that ~~all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The~~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

16. ~~15.~~ **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 PropertyResort Assets and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the PropertyResort Assets (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 Propertyof the Resort Assets shall be entitled to continue to use the personal information provided to it, and related to the PropertyResort Assets purchased, in a manner which is in all material respects identical to the prior use of such information by ~~the Debtor~~Carriage Hills, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. ~~16.~~ **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 PropertyResort Assets 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 PropertyResort Assets within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. ~~17.~~ **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

19. ~~18.~~ **THIS COURT ORDERS** that the Receiver, counsel and special counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges ~~unless otherwise ordered by the Court on the passing of accounts~~, and that the Receiver, counsel and special counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the PropertyResort Assets, as security for such fees and

disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the PropertyResort Assets 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.⁶

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

21. ~~20.~~ **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 ~~standard~~normal rates and charges of the Receiver or its counsel or special counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. ~~21.~~ **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 \$~~_____~~2,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the PropertyResort Assets 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

⁶~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

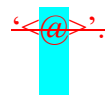
priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. ~~22.~~ **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.

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

25. ~~24.~~ **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.

SERVICE AND NOTICE

~~25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website _____ at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: .~~

~~26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile~~

~~transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.~~

GENERAL

26. ~~27.~~ **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

27. **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.

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

29. **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.

30. **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.

~~31. — THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or,~~

~~if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.~~

31. ~~32.~~ **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.

SCHEDULE "A"

DESCRIPTION OF LANDS

Parcel 1-16 Section 51-Oro-3

SUBJECT TO an easement over Part of Lots 2 and 3 Concession 4, Township of Oro, Part 5 Plan 51r-26764 as set out in Instrument Number 323091 in favour of Part of Lot 2 Concession 4, Township of Oro, designated as Parts 11, 12, 13 and 14 on Plan 51r-26764 being Parcel 1-17 Section 51-Oro-3, and, in favour of Part of Lot 2 Concession 4, Township of Oro, designated as Parts 1, 2, 3, 4, 15, 16 and 17 on Plan 51r-26764 being Parcel 1-18 Section 51-Oro-3.

TOGETHER WITH an easement over Part Lot 2 Concession 4, Township of Oro, being Part of Parcel 1-17 Section 51-Oro-3 being Part 11 Plan 51r-26764 as set out in Instrument Number 323092.

TOGETHER WITH an easement over Part of Lot 2 Concession 4, Township of Oro, being Part of Parcel 1-18 Section 51-Oro-3 being Parts 1 and 16 Plan 51r26764 as set out in Instrument Number 323093.

SCHEDULE "B"FORM OF RECEIVER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ BDO Canada Limited, the receiver (the "Receiver") of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~ Carriage Hills acquired for, or used in relation to ~~a business carried on by the Debtor~~ the Carriage Hills Resort, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 10th day of May, 2020, as amended on December 11, 2020 (the "Order") made in an action having Court file number CV-20-00640265-00CL, 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 \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the PropertyResort Assets, 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 PropertyResort Assets in respect of its remuneration and expenses.

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the ____ day of _____, 20__.

~~[RECEIVER'S NAME]~~BDO Canada Limited,
solely in its capacity
as Receiver of the ~~Property~~Resort Assets, and
not in its personal capacity

Per: _____
Name:
Title:

IN THE MATTER OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED AND IN THE MATTER OF THE ADMINISTRATION PROCEEDINGS OF CARRIAGE HILLS VACATION OWNERS ASSOCIATION

Court File No.: CV-20-00640265-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

AMENDED AND RESTATED
APPOINTMENT ORDER

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Lawyers for the Applicant, Carriage Hills Vacation Owners Association

Document comparison by Workshare 10.0 on Tuesday, December 1, 2020 6:49:21 PM

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Document 2 ID	iManage://TGF-WSS01/Client/3100501/1
Description	#3100501v1<Client> - Amended and Restated Order (Carriage Hills) (Draft: November 30, 2020)
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
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Style change	
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Split/Merged cell	
Padding cell	

Statistics:

	Count
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Total changes	488

TAB 5

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM) FRIDAY, THE 11TH
)
JUSTICE CONWAY) DAY OF DECEMBER, 2020

IN THE MATTER OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, c. C.43, AS AMENDED

AND IN THE MATTER OF THE ADMINISTRATION
PROCEEDINGS OF **CARRIAGE HILLS VACATION
OWNERS ASSOCIATION** (the “**Applicant**”)

TRANSITION ORDER

THIS MOTION made by the Applicant for an Order, *inter alia*: (i) approving the Sales Process (as defined below), (ii) authorizing Carriage Hills Vacation Owners Association (“**Carriage Hills**”) to fund the severance obligations to employees of the Carriage Hills timeshare resort (the “**Carriage Hills Resort**”) that are terminated, (iii) directing the liquidation of the investments savings account of Carriage Hills and payment of funds in such account to BDO Canada Limited (“**BDO**”) immediately upon the appointment of BDO as receiver of Carriage Hills (the “**Receiver**”), (iv) approving the activities of BDO, in its capacity as the Administrator (the “**Administrator**”) of Carriage Hills and the Carriage Hills Resort, as set out in the Third Report of the Administrator dated December 1, 2020 (the “**Third Report**”), (v) approving the fees and disbursements of the Administrator and its counsel, and (vi) releasing the Board of Directors of Carriage Hills (the “**Board**”) from any and all liability, as set out in paragraph 9 of this Order, was heard this day via Zoom judicial video conference due to the COVID-19 pandemic.

ON READING the Motion Record of the Applicant dated December 1, 2020 (the “**Motion Record**”), the Third Report, and on hearing the submissions of counsel for the Applicant, counsel for the Administrator, no one else appearing for any other parties on the

Service List, although duly served as appears from the affidavit of service of Andrea Fragala sworn December 1, 2020, filed.

SERVICE AND DEFINED TERMS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used in this Order that are not otherwise defined shall have the meaning ascribed to them in the Third Report.

APPROVAL OF SALES PROCESS

3. **THIS COURT AUTHORIZES AND APPROVES** the marketing and sales process (the “Sales Process”) set out in paragraphs [▶] to [▶] of the Third Report.

PAYMENT OF SEVERANCE OBLIGATIONS

4. **THIS COURT ORDERS** that Carriage Hills is hereby authorized and directed to fund its proportionate termination obligations in respect of the Resort Employees by way of payment of 69% of \$747,738 (being \$515,929.22) to CHHI, which is further ordered to be paid to the Resort Employees in satisfaction of such obligations.

CAPITAL RESERVE ACCOUNT

5. **THIS COURT ORDERS AND DIRECTS** CHHI to liquidate the investment savings accounts of the Hills Association at RBC Dominion Securities Inc. (“RBC”) bearing account # 441-69866-1-2 and to transfer such amounts to the trust account of the Receiver (the “Receiver’s Account”) immediately upon the appointment of the Receiver.

APPROVAL OF FEES AND ACTIVITIES OF THE ADMINISTRATOR

6. **THIS COURT ORDERS** that the Third Report filed in these proceedings and the Administrator’s activities as set out therein are hereby approved.

7. **THIS COURT ORDERS** that the professional fees and disbursements of the Administrator for (i) the period from September 16, 2020 to November 29, 2020 in the amount of \$151,935.50, plus disbursements of \$18,098.44 and HST of \$22,104.41 for a total of \$192,138.35, as set out in the Affidavit of Matthew Marchand, sworn November 30, 2020, 2020 and attached as Appendix “H” to the Third Report, are hereby approved and Carriage Hills is authorized to pay its proportionate share of such fees in accordance with the terms of the Administration Order.

8. **THIS COURT ORDERS** that the professional fees and disbursements of Aird & Berlis, counsel to the Administrator, for (i) the period from September 16, 2020 to November 28, 2020 in the amount of \$38,387.75, plus disbursements of \$189.75 for a total of \$43,378.16 as set out in the Affidavit of Sam Babe sworn November 30, 2020 and attached as Appendix “I” to the Third Report, are hereby approved and Carriage Hills is authorized to pay its proportionate share of such fees in accordance with the terms of the Administration Order.

RELEASE OF THE BOARD OF DIRECTORS

9. **THIS COURT ORDERS AND DECLARES** that each member of the Board is hereby released and discharged from any and all liability that any member of the Board now has or may hereafter have by reason of, or in any way arising out of, their acts or omissions as members of the Board while acting in such capacity to the date of this Order, save and except for any gross negligence or wilful misconduct. Without limiting the generality of the foregoing, each member of the Board is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, during these proceedings to the date of this Order, save and except for any gross negligence or wilful misconduct.

GENERAL

10. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

11. **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 Applicant, the Administrator and their respective 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 Applicant and to the Administrator, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Administrator in any foreign proceeding, or to assist the Applicant and the Administrator and their respective agents in carrying out the terms of this Order.

IN THE MATTER OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED AND IN THE MATTER OF THE
ADMINISTRATION PROCEEDINGS OF **CARRIAGE HILLS VACATION OWNERS ASSOCIATION**

Court File No.: CV-20-00640265-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

TRANSITION ORDER

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IN THE MATTER OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED AND IN THE MATTER OF THE
ADMINISTRATION PROCEEDINGS OF **CARRIAGE HILLS VACATION OWNERS ASSOCIATION**

Court File No.: CV-20-00640265-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

MOTION RECORD
(Returnable December 11, 2020 at 11:00 a.m.)

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