

**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 PROCEEDINGS OF
CARRIAGE HILLS VACATION OWNERS ASSOCIATION**

MOTION RECORD

(returnable January 5, 2021)

Date: December 22, 2020

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TO THE ATTACHED SERVICE LIST

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**MOTION RECORD
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**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 PROCEEDINGS OF
CARRIAGE HILLS VACATION OWNERS ASSOCIATION**

**NOTICE OF MOTION
(returnable January 5, 2020)**

BDO Canada Limited (“**BDO**”), in its capacity as the administrator (in such capacity, the “**Administrator**”) of the Carriage Hills Vacation Owners Association (the “**Hills Association**”) and the Carriage Ridge Owners Association (the “**Ridge Association**” and together with the Hills Association, the “**Associations**”) appointed by Orders of the Ontario Superior Court of Justice (the “**Court**”) and in its capacity as receiver over all of the assets, properties and undertakings of the Associations and the buildings and properties (collectively, the “**Resort Assets**”) of the Carriage Hills Resort (the “**Hills Resort**”) and the Carriage Ridge Resort (the “**Ridge Resort**” and, together with the Hills Resort, the “**Resorts**”) appointed by Orders of the Court with effect as of January 6, 2021 (in such capacity, the “**Receiver**”), will make a motion to a judge presiding over the Commercial List on Tuesday, January 5, 2021 at 2:00 p.m., or as soon after that time as the motion can be heard, by judicial video conference 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 Sam Babe at sbabe@airdberlis.com.

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

1. **THE MOTION IS FOR:**

- (a) an Order, substantially in the form attached hereto as **Schedule “B”**, among other things:
 - (i) approving the Transition Report of the Receiver and Administrator dated December 22, 2020 (the “**Transition Report**”), and the activities of the Receiver and the Administrator described therein;
 - (ii) authorizing the Receiver, upon the effective date of its appointment:
 - (1) to enter into a 6-month listing agreement with Colliers International (“**Colliers**”) to carry out a marketing and sales process for the Resort Assets (the “**Sales Process**”);
 - (2) to enter into policies of insurance to cover the Resort Assets pending completion of the Sales Process and to make pre-payment to the insurer as required to secure such coverage;
 - (3) to terminate the management agreements (the “**Management Agreements**”) between the Associations and Carriage Hills Hospitality Inc. (the “**Manager**”) on terms to be negotiated,
- and such further and other relief as counsel may advise and this Court may permit.

2. **THE GROUNDS FOR THE MOTION ARE:**

- (a) pursuant to two Orders of the Court made by the Honourable Justice Conway on May 15, 2020 (collectively, the “**Appointment Orders**”), BDO was appointed as the Administrator pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 (the “**CJA**”);
- (b) pursuant to two Orders of the Court made by Justice Conway on December 11, 2020 (collectively, the “**Amended and Restated Appointment Orders**”), BDO

was appointed as Receiver, with effect as of January 6, 2021, being the intended date for the closure of the Resorts (the “**Resort Closure Date**”);

- (c) pursuant to two further Orders of the Court made by Justice Conway on December 11, 2020, among other things, the Sales Process, as set out in the Third Report of the Administrator dated December 1, 2020 (the “**Third Report**”), was approved;
- (d) the Appointment Orders direct and empower the Administrator to report to the Court in respect of these proceedings at such times and intervals as the Administrator may deem appropriate;
- (e) the Receiver has filed with the Court its Transition Report outlining, among others things: (i) the Receiver’s and the Administrator’s activities since the Third Report; (ii) the solicitation of real estate listing proposals and selection of Colliers’ proposal (the “**Colliers Proposal**”); (iii) the status of the Resorts’ insurance and the need for continued insurance on the Resort Assets after the Resort Closure Date; and (iv) the termination of the Management Agreement, and the Receiver seeks this Court’s approval of the same;
- (f) the Colliers Proposal was one of four real estate listing proposals received;
- (g) upon consultation with the Receiver and subsequent internal deliberations, the board of directors of each of the Associations (collectively, the “**Boards**”) determined that they preferred the Colliers Proposal to conduct the Sales Process;
- (h) the Colliers Proposal is comparable to the other three proposals in substantially all aspects other than:
 - (i) cost;
 - (ii) a lower percentage-based commission structure; and
 - (iii) a minimum guaranteed fee not contemplated by the other proposals;

- (i) the Receiver has confirmed with Colliers its ability to carry out the Sales Process as contemplated;
- (j) the Resorts' current insurance policies are maintained by the Manager's parent, Wyndham Worldwide Corporation ("**Wyndham**"), and the existing insurer has declined to provide continued coverage after the Resort Closure Date;
- (k) despite an unfavourable market, the Administrator has, after consultation with three insurance brokers, arranged, through The Lawrie Insurance Group, for property, general liability and equipment insurance coverage over the Resort Assets from a composite of insurers, effective as at the Resort Closure Date (the "**Insurance**");
- (l) the Boards have voted in favour of the Insurance;
- (m) the Insurance is predicated on a pre-payment of 50% of the premium, with the balance due 30 days after the Resort Closure Date;
- (n) the Receiver will require use of the Associations' funds to pay the Insurance premiums;
- (o) pursuant to the Transition Orders, the Manager is ordered and directed to transfer all funds in the Associations' bank accounts (collectively, the "**Transferred Funds**") to the Receiver on the Resort Closure Date, which transfer is expected to take several business days;
- (p) the Receiver has also requested of the Boards that they direct the Manager to transfer the necessary funds to the Receiver from the Associations' accounts in advance of the Resort Closure Date to allow the Receiver to make the Insurance Premiums pre-payment;
- (q) the Resort Assets will be temporarily uninsured if the Insurance Premiums pre-payment is not received by the insurance broker by the Resort Closure Date;
- (r) the Receiver will not take possession of and exercise control over the Resorts Assets until the Insurance is in place;

- (s) the Manager manages the affairs of the Resorts pursuant to the Management Agreements;
- (t) upon the directions of the Associations, the Manager has terminated all the employees who manage the Resort Assets, effective January 5, 2021;
- (u) the Manager is not prepared to continue to manage the Resorts after the Resort Closure Date as it will not have the employees to do so;
- (v) the Manager and Wyndham possess the records and knowledge required to wind down the affairs of the Resorts and to permit a distribution to the Associations' members;
- (w) the Manager and Wyndham have been cooperative to date and have indicated a willingness to assist in the wind down of the Resorts;
- (x) the Manager has commenced discussions with the Administrator and counsel for the Associations regarding the termination of the Management Agreements;
- (y) as the Boards will be resigning, the Receiver will have to conclude the negotiations with the Manager;
- (z) the other grounds set out in the Transition Report;
- (aa) section 101 of the *CJA*, as amended;
- (bb) rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
- (cc) such further and other grounds as counsel may advise and this Court may permit.

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

- (a) the Transition Report, filed; and
- (b) such further and other material as counsel may submit and this Court may permit.

Date: December 22, 2020

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Lawyers for BDO Canada Limited

TO: ATTACHED SERVICE 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 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
(Returnable January 6, 2021)

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TAB A

Schedule “A” Video Conference Details

January 5, 2021 at 2pm for 1 hour.

Join Zoom Meeting

<https://airdberlis.zoom.us/j/93206353908?pwd=S2JkRC9ndTNxU0Vjc2VoOGZ1cjlUT09>

Meeting ID: 932 0635 3908

Passcode: 811675

One tap mobile

+12042727920,,93206353908#,,,,*811675# Canada

+14388097799,,93206353908#,,,,*811675# Canada

Dial by your location

+1 204 272 7920 Canada

+1 438 809 7799 Canada

+1 587 328 1099 Canada

+1 647 374 4685 Canada

+1 647 558 0588 Canada

+1 778 907 2071 Canada

Meeting ID: 932 0635 3908

Passcode: 811675

Find your local number: <https://airdberlis.zoom.us/u/aBK1W7bbS>

Sync Link (for filed motion materials):

<https://ln2.sync.com/dl/6c4050450/5d952gk6-syaurwv8-mrhz7ngp-q7hh67zv>

TAB B

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

THE HONOURABLE MADAM) TUESDAY, THE 5TH
JUSTICE CONWAY) DAY OF JANUARY, 2021
)

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**

ORDER

THIS MOTION made by BDO Canada Limited (“**BDO**”), in its capacity as the Court-appointed administrator (in such capacity, the “**Administrator**”) of the Carriage Hills Vacation Owners Association (the “**Applicant**”) and the Carriage Hills Resort (the “**Resort**”), and in its capacity as the Court-appointed receiver over all of the assets, properties and undertakings of the Applicant and the buildings and properties of the Resort (the “**Resort Assets**”) appointed by Order of the Court with effect as of January 6, 2021 (in such capacity, the “**Receiver**”), for an Order (i) approving the Transition Report of the Receiver dated December 22, 2020 and the activities of the Receiver described therein, (ii) authorizing the Receiver to enter into a listing agreement with Colliers International for a marketing and sales process for the Resort Assets (the “**Sales Process**”), (iii) authorizing the Receiver to enter into policies of insurance to cover the Resort Assets, (iv) authorizing the Receiver and the Applicant to pre-pay applicable insurance premiums, and (v) authorizing the Receiver to terminate the Resort management agreement between the Applicant and Carriage Hills Hospitality Inc. (the “**Management Agreement**”), was heard this day via Zoom judicial video conference due to the COVID-19 pandemic.

ON READING the Motion Record of the Receiver dated December 22, 2020 (the “**Motion Record**”), the Transition Report, and on hearing the submissions of counsel for the Receiver, counsel for the Applicant and no one else appearing for any other parties on the Service List, although duly served as appears from the affidavit of service of <*> sworn December <*>, 2020, filed,

SERVICE

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.

REPORT AND ACTIVITIES

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

SALES PROCESS

3. **THIS COURT ORDERS** that the Receiver is hereby authorized to enter into a listing agreement with Colliers International for conduct of the Sales Process on such terms as the Receiver may agree to in its discretion.

INSURANCE

4. **THIS COURT ORDERS** that the Receiver is hereby authorized to enter into policies of insurance to cover the Resort Assets as described in the Transition Report.

5. **THIS COURT ORDERS** that Administrator, the Receiver and the Applicant are authorized to make the prepayments of premiums required to secure insurance coverage, as described in the Transition Report, and such payment is hereby approved.

TERMINATION OF MANAGEMENT AGREEMENT

6. **THIS COURT ORDERS** that the Receiver is hereby authorized to terminate the Management Agreement on such terms as the Receiver may agree to in its discretion.

GENERAL

7. **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.

8. **THIS COURT ORDERS** that, notwithstanding any other provisions of this Order, any authorizations of the Receiver made in this Order are with effect as of 12:01 a.m. Eastern Time on January

6, 2021, being the effective date of the Receiver's appointment pursuant to the Amended and Restated Appointment Order of Justice Conway made December 11, 2020.

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

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 PROCEEDINGS
OF
CARRIAGE HILLS VACATION OWNERS ASSOCIATION

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

(together, the "Applicants")

TRANSITION REPORT
BDO CANADA LIMITED

December 22, 2020

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- Appendix B - Carriage Ridge Administrator Appointment Order, dated May 15, 2020
- Appendix C - Carriage Hills Member Survey Order, dated July 2, 2020
- Appendix D - Carriage Ridge Member Survey Order, dated July 2, 2020
- Appendix E - Carriage Hills Resort Closure Order, dated October 15, 2020
- Appendix F - Carriage Ridge Resort Closure Order, dated October 15, 2020
- Appendix G - Carriage Hills Amended and Restated Appointment Order, dated December 11, 2020
- Appendix H - Carriage Ridge Amended and Restated Appointment Order, dated December 11, 2020
- Appendix I - Carriage Hills Transition Order, dated December 11, 2020
- Appendix J - Carriage Ridge Transition Order, dated December 11, 2020

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. 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.
- 1.1.7 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**”).

- 1.1.8 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 Associations’ 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.
- 1.1.9 For reasons detailed in the Administrator’s First Report, each of the Associations sought and obtained orders 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**”). 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.
- 1.1.10 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**”.
- 1.1.11 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 Associations 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 Associations (the “**Boards**”); (ii) directing the Administrator, in consultation with the Associations, 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**”.
- 1.1.12 On December 1, 2020, the Administrator filed its third report to the Court (the “**Third Report**”), which dealt primarily with the development of the marketing and sales process, cash flow projections, and proposed next steps including the appointment of a receiver over the property of the Associations and the Resort Assets. The Third Report was filed in support of the relief sought by the Associations which included, among other things: (i) appointing BDO as receiver (the “**Proposed Receiver**”) over the Resort Assets and all of the assets, properties

and undertakings of the Associations (the “**Associations’ Property**” and collectively with the Resort Assets, the “**Property**”) effective January 6, 2021 (the “**Resort Closure Date**”); (ii) approving the marketing and sales process in respect of the Resorts (the “**Sales Process**”); and (iii) directing the Associations to pay the severance obligations to the Resort Employees. The relief was approved by orders of Madame Justice Conway dated December 11, 2020, (the “**Amended and Restated Appointment Orders**”), copies of which are attached as **Appendices “G”** and “**H**”, and Orders dated December 11, 2020 (the “**Transition Orders**”), copies of which are attached as **Appendices “I”** and “**J**”.

1.1.13 Additional background information can be found on the Administrator’s case website at <https://www.bdo.ca/en-ca/extranets/carriage/>. Such case website was established to facilitate sharing information with Members and other interested parties.

1.2 Purpose of this Report

1.2.1 The purpose of this report to the Court (the “**Transition Report**”) is to provide stakeholders with an update of steps taken since the Third Report and support the granting of Orders:

- a) Approving this Transition Report and the activities of the Proposed Receiver and Administrator described herein;
- b) Authorizing the Proposed Receiver to enter into a listing agreement with Colliers International (“**Colliers**”) to carry out the Sales Process;
- c) Authorizing the Proposed Receiver to enter into policies of insurance to cover the Resort Assets upon its appointment;
- d) Authorizing either the Associations or the Proposed Receiver to make the Premiums Prepayment to the insurer to secure the insurance coverage; and,
- e) Approving the termination of the Management Agreements between CHHI and the Associations.

1.3 Disclaimer

1.3.1 In preparing this Transition Report and in conducting its analysis and recommendations, the Proposed Receiver has obtained and relied upon information provide to it by the Associations and other relevant parties. The Proposed Receiver’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 Transition Report are expressed in Canadian dollars.

2.0 ACTIVITIES OF THE PROPOSED RECEIVER AND ADMINISTRATOR

2.1 Real Estate Listing Agent

2.1.1 Pursuant to the Resort Closure Orders the Administrator was authorized and directed to engage such persons as the Administrator deemed necessary to assist with the development of a marketing and sales process for the Resort Assets (the “**Sales Process**”). To that end the Administrator obtained real estate listing proposals from four commercial realty brokerages experienced in selling such assets, namely: (i) Avison Young Commercial Real Estate (Ontario) Inc.; (ii) Cushman and Wakefield ULC; (iii) CBRE Limited; and (iv) Colliers International.

2.1.2 Each of the listing proposals contained a sale commission structure, proposed marketing efforts and relevant experience. Additionally, the Administrator discussed and clarified numerous items contained within the proposals with each of the realty groups. The table below summarizes the salient details of the listing proposals for the Resorts.

Summary of Listing Proposals				
Salient features of Proposal	Avison	Cushman	CBRE	Colliers
Listing term	6 months	6 months	6 months	6 months
Suggested listing price	unpriced	unpriced	unpriced	unpriced
Experience	Extensive	Extensive	Extensive	Extensive
Advertising on digital media	Yes	Yes	Yes	Yes
Advertising on realty exchange	Yes	Yes	Yes	Yes
Commission structure (plus HST)	1.0% for a direct sale 1.5% with co-op broker	1.0% for a direct sale 1.5% with co-op broker	1.0% for a direct sale 1.5% with co-op broker	0.5% for a direct sale 0.5% with co-op broker
Minimum fee (plus HST)	N/A	N/A	N/A	\$ 200,000

2.1.3 After reviewing each of the listings proposals and discussions with the real estate brokerage firms, the Proposed Receiver provided copies of the listing proposals and discussed the salient details of the proposals with the boards of directors of the Associations (the “**Boards**”). After deliberations, the Boards determined that they preferred Colliers to carry out the Sales Process.

2.1.4 Similar to the other realtors, Colliers’ listing proposal provided a description of their proposed marketing efforts which included, among other things:

- a) Multiple project co-leads to target specific markets and buyer groups;
- b) Professionally designed marketing teasers and brochures;
- c) Professional photography, digital advertising and email campaign;
- d) Preparation of a detailed confidential information memorandum;
- e) Preparation of an online data room with pertinent information;

- f) Listing the Resorts on MLS; and
- g) Weekly reporting.

2.1.5 Further, the Proposed Receiver confirmed with Colliers their ability to carry out the Sales Process, which shall include:

- a) A six-month listing agreement;
- b) A marketing period of four to eight weeks;
- c) An offer bid date following the listing of the Resorts to be established by the agent in consultation with the Proposed Receiver;
- d) An 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 in consultation with the Proposed Receiver;
- e) Listing the Resorts unpriced;
- f) Marketing of the Resorts on both a separate and on a combined basis;
- g) Marketing to a multitude of prospective purchasers from a broad range of industries and potential target markets;
- h) 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) listing the properties on MLS, (viii) virtual and on-site tours, (ix) establishing a secured online data room to facilitate information exchange with prospective purchasers; and (x) direct meetings with potential buyers; and
- i) Bi-weekly reporting to the Proposed Receiver.

2.1.6 The Proposed Receiver is seeking this Court's approval and authorization for the Proposed Receiver to enter into a listing agreement with Colliers to list the Resort Assets for sale.

2.2 Insurance

2.2.1 The current insurance policies for the Resorts are maintained by Wyndham. Once the Resorts are closed and the Management Agreement terminated, Wyndham's insurance policy will no longer be available to the Resorts and its insurers have declined to provide coverage after the Resort Closure Date.

2.2.2 Consequently, the Proposed Receiver made inquiries of insurance brokers, including Firstbrook, Cassie & Anderson and the Lawrie Insurance Group ("LIG") to obtain coverage for the Property and Resort Assets inclusive of property, general liability, vehicle and equipment insurance coverages. However, due to current prevailing issues in the insurance industry, the Proposed Receiver experienced

challenges in obtaining property insurance coverage quotes with coverage limits sufficient for the insurable value of the Property.

- 2.2.3 LIG has informed the Proposed Receiver that the insurance industry is in what is considered a 'hard-market' similar to what was seen in 2001-2003. According to LIG, the hard-market conditions in the insurance industry have brought increased rates, increased deductibles, reduced capacity and tightened underwriting. Further, LIG advised the Proposed Receiver conditions are currently exceedingly tight in the insurance market, that should the Proposed Receiver have required the property insurance prior to January 1, 2021, no insurer was willing to provide adequate property loss coverage. Notwithstanding these challenges, and after many weeks of searching and contacting insurance companies internationally, LIG was eventually able to secure a single property insurance quote with primary property loss coverage from a UK based insurer Lloyd's Underwriters and excess property loss coverage from Intact Insurance. This was the only property insurance quote LIG or any broker was able to secure which the Proposed Receiver can recommend to protect stakeholders.
- 2.2.4 Accordingly, pursuant to the Amended and Restated Appointment Order the Proposed Receiver has obtained, from a composite of insurers, property, general liability and equipment insurance coverages (collectively, the "**Insurance**"), effective as at the Resort Closure Date, over the Property. The annual premiums for the Insurance totals \$584,504, inclusive of fees and taxes (the "**Insurance Premiums**").
- 2.2.5 The Insurance also contains a 50% minimum earned clause, which means the Premium Prepayment is non-refundable should the Insurance be cancelled before a period of 6-months has lapsed. Given current market conditions, the Proposed Receiver was unsuccessful in negotiating more favourable terms.
- 2.2.6 In order to bind the Insurance to make the Insurance effective, LIG required the a premium prepayment ("**Premium Prepayment**") which is equal to 50% of the Insurance Premiums, or \$292,252. The remaining 50% of the Insurance Premiums are due 30-days after the Resort Closure Date, should the Proposed Receiver not enter into terms to finance the balance to ease cash flow. The Proposed Receiver is currently reviewing the terms and conditions associated with financing the balance.
- 2.2.7 As the Proposed Receiver does not have funding for the Premium Prepayment, the Proposed Receiver requested and the Boards agreed to authorize the Manager to wire transfer funds equal in value to the Insurance Premiums to either LIG or the Administrator in order to ensure continued insurance coverage over the Resorts.

3.0 OTHER MATTERS

3.1 Termination of Management Agreement

- 3.1.1** The Associations each have a Management Agreement with CHHI to manage the affairs of the Resorts.
- 3.1.2** Pursuant to directions from the Associations, CHHI terminated all employees managing the Resort Assets effective January 5, 2020.
- 3.1.3** CHHI has indicated it is not prepared to continue with the responsibility of managing the Resorts after the Resort Closure Date as it will no longer have any employees.
- 3.1.4** CHHI has commenced voluntary discussions with the Administrator and counsel for the Boards regarding the termination of the Management Agreement of each of the Resorts.
- 3.1.5** As the Board will be resigning imminently, the Proposed Receiver will be working to finalize an agreement to terminate the Management Agreement with CHHI upon its appointment.
- 3.1.6** CHHI and its parent Wyndham are the parties who have the records and knowledge required to wind up the affairs of the Resorts and permit a distribution to the Members. CHHI and Wyndham have been cooperative to date and indicated that they are prepared to assist in the wind down of the Resorts.
- 3.1.7** The Proposed Receiver recommends the termination of the Management Agreements on the basis that:
 - a) CHHI will have no further claims against the Resort Assets arising under the Management Agreement;
 - b) CHHI will have no further obligations under the Management Agreement other than to provide information to the Proposed Receiver to assist it in the balance of its mandate; and
 - c) Any such agreement will not affect the rights of the Proposed Receiver under the Amended and Restated Appointment Orders.
- 3.1.8** As at the time of the signing of this Transition Report, a termination agreement has not been finalized. The Proposed Receiver will file a supplementary report with any updated agreement, if available.

4.0 RECOMMENDATIONS

- 4.1** The Proposed Receiver requests that the Court grant an Order:
- a) Approving this Transition Report and the activities of the Proposed Receiver and Administrator described herein;
 - b) Authorizing the Proposed Receiver to enter into a listing agreement with Colliers to carry out the Sales Process;
 - c) Authorizing the Proposed Receiver to enter into policies of insurance to cover the Resort Assets upon its appointment;
 - d) Authorizing either the Associations or the Proposed Receiver to make the Premiums Prepayment to the insurer to secure the insurance coverage; and,
 - e) Approving the termination of the Management Agreements between CHHI and the Associations.

All of which is respectfully submitted this 22 day of December, 2020.

**BDO CANADA LIMITED
PROPOSED RECEIVER 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

TAB 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.

UEJ GF WNG'5Cö
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 5B6

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

Thornton Grout Finnigan LLP

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Lawyers for the Applicant

TAB 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 *j g"öApplicantö+**

**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 "öBDOö+" 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 f guetkdgf " kp" Uej gf wrg" öCö" j gtgvq, collectively owned by the members of the Applicant *j g"öMembersö+" as tenants-in-common, as recorded in the Land Registry Office for the Land Titles Division of Simcoe (No. 51) (collectively, the "Landsö+;

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 Ginsherman, sworn April 30, 2020 *j g"öGinsherman Affidavitö+ 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 öResort Assetsö+.

3. **THIS COURT ORDERS** that the Administrator is not and shall not be deemed to be a ötgegkxgtö"y kj kp"vj g"o gcplpi "qh"vj g"Bankruptcy and Insolvency Act *Ecpfc c+"*j g"öBIAö+"cpf" 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**) 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**) 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 **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, coordinate with and advise the business and affairs and the Resort Assets with applicable municipal, provincial, and federal governments and their boards, agencies, commissions, and similar bodies, regarding matters 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**) the 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 ~~v j g'gz vgpv'r tcevecdng"*j g"õ~~ **Member Interests**ö=

- (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
- (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 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. "ucxg"cpf "gzegr v"ht"vj g"Cfo kputcvqtø"fwkgu"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 vq"hwk"vj g"Cfo kputcvqtø"fwkgu"cu" 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, **öPossessionö**) 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 **öEnvironmental Legislationö**), 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 **Uej gf wrg"öDö"*j g"öMember Noticeö** 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 r tqeggf lpi u."qp"vj g"Cr r rkecpvü"y gduk0

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 cr r tqxgf "d{"vj g"Eqwv."vq"cm"O go dgtu"d{"tgi wrct"o ckl'cv'gcej "O go dgtuø'rcuv'npqy p"o cklpi " 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

Cr r r k e c p w u " e t g f k q t u " q t " q j g t " l p v g t e s t e d p a r t i e s a n d t h e i r a d v i s o r s . F o r g r e a t e r c e r t a i n t y , a n y s u c h d i s t r i b u t i o n o r s e r v i c e s h a l l b e d e e m e d t o b e i n s a t i s f a c t i o n o f a l e g a l o r j u r i d i c a l o b l i g a t i o n , a n d n o t i c e r e q u i r e m e n t s w i t h i n t h e m e a n i n g o f c l a u s e 3 (c) o f t h e *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**) 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 Cr r r k e c p w u 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.

UEJ GF WNG'5Cö
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 ff Oro-Medonte

County of Simcoe.

Land Titles Division of Simcoe (No. 51)

UEJ GF WNG'öBö

**NOTICE TO MEMBERS OF
CARRIAGE RIDGE RESORT AND CARRIAGE HILLS RESORT**

PLEASE TAKE NOTICE that on May 7, 2020, Carriage Ridge Owners Association commenced independent, but parallel, administration proceedings under the *Courts of Justice Act*, R.S.O. 3; ; 2"e0'E065."cu"co gpf gf "vj g"ö**Administration Proceedings**ö+and BDO Canada Limited was appointed as administrator of the Applicants (in such capacity, vj g"ö**Administrator**ö) by Orders of the Ontario Superior Court of Justice (Commercial List) *vj g"ö**Court**ö+dated May 7, 2020 (the ö**Administration Orders**ö+

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 Cfo kpkwtcvqtü 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 kphqto cvkp"qp"vj g"Cfo kpkwtcvqtü"y gdukg"qp"vj g"rkpm'pqvgf "cdqyg0"K' {qw"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
Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON M5K 1K7

Leanne M. Williams (LSO# 41877E)

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Email: mgrossell@tgf.ca

Fax: 416-304-1313

Lawyers for the Applicant

TAB 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** *j g"öApplicantö+

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 *j g"öFirst Reportö+."kp"ku" ecr cels{" cu" cf o lpxutcvqt" qh" yj g" Cr r lncpv" *j g"öAdministratorö+."cpf " yj g" cexkklgu" qh" yj g" 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 *j g"öMotion Recordö+, including the affidavit of Darren Chapelle, sworn June 22, 2020 (tj g"öChapelle Affidavitö+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 Uej gf wrg"öAö"q"yj kú'Qt f gt, 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 ***öMember Survey Deadlineö±**. 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 ***c" öDelinquent Memberö"** 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 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 Cr r rdecpv*ý g"öAGMö+cpf "ý g"pqo kpcvkp"cpf "grgevkp"r tqegu"ht"fkgevtu"qh"ý g"Cr r rdecpv"ku" 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 Administratotø"cevkxkku"cu"ugv"qw"ý g"tgp"ctg"j gtd{"cr r tqxgf 0

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, 4242"cpf "cwcej gf "cu"Cr r gpf kz "öLö"vq"ý g"Hkuw"Tr qtv."ctg"j gtd{"cr r tqxgf 0

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 cpf "cwcej gf "cu"Cr r gpf kz "öMö"vq"ý g"Hkuw"Tr qtv."ctg"j gtd{"cr r tqxgf 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.

**UEJ GF WNG'öCö
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 whether they wish to exit now or later. The survey will be available to be completed for 45 days only commencing July 1, 2020 and ending August 15, 2020. The survey is needed 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 1 and ending August 15, 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. The survey will be binding on those voting to exit. If you vote to exit, you 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 be assessed 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.

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 _____)?
- <) _____

Rwtuwpv"vq"j g"ko g"uj ctg"ci tggg gpv."kp"qtf gt"ht"j g"tguqtv"vq"dg"f gvgto kpgf "vq"dg"ö**obsoleteö.**" 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.

C"õrestructured resortö"tgs wk gu"j cv."cv"o lplö wo ."j g"ko g"uj ctg"ci tggo gpv'dg"cngtgf "v"
gko kpcv"j g"r gtr gwcn'pcwtg"qh"j g"Qy pgtuø'qdri cvkpu0"p"qj gt"y qtf u."c"o echanism 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.**

UEJ GF WNG'öDö
NOTICE TO DELINQUENT MEMBERS

Proposed Email to Delinquent Members:

Rwtuwpv"vq"vj g"tgeqtf u"qh"Ecttkci g"Tkfi g"Qy pgtu"Cuuqekvq" *öCROAö+ "cpf lqt"Ecttkci g"J km"
Xcec"vq" Qy pgtu" Cuuqekvq" *öCHVOAö+ " {qw" ctg" c" o go dgt" qh" ETQC" cpf lqt" EJ XQC"
*öMemberö+ " cpf " j cxg" qwuucpf kpi " hggu" qy kpi " vq" ETQC" cpf lqt" EJ XQC" *c" öDelinquent
Accountö+0"Rwtuwpv"vq"vj g"Qtf gt"qh"vj g"Qpvctkq"Uwr gtlqt"Eqwtv"qh"Luwxeg"f cvgf "Lwn" "4."4242."cu"
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 *vj g"öDelinquency Feeö+"y km"dg"
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

TAB 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** *j g"öApplicantö+

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 *j g"öFirst Reportö+."kp"ku" ecr cels{" cu" cf o lpkutcvqt" qh" yj g" Cr r kcpv" *j g"öAdministratorö+."cpf " yj g" cevkkkgu" qh" yj g" 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 *j g"öMotion Recordö+, including the affidavit of Laurie Kennedy, sworn June 22, 2020 *j g"öKennedy Affidavitö+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 Uej gf wrg"öAö"q"j kI'Qt f gt, 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 *öMember Survey Deadlineö±. 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 *c" öDelinquent Memberö± 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 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 Cr r rdecpv*ý g"öAGMö+cpf "ý g"pqo kpcvkp"cpf "grgevkp"r tqegu"ht"fk gevtu"qh"ý g"Cr r rdecpv"ku" 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 Cf o kputcvqtø"cevkies 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, 4242"cpf "cwcej gf "cu"Cr r gpf kz "öLö"vq"ý g"Hktuv"Tr qtv."ctg"j gtgd{"cr r tqxgf 0

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 cpf "cwcej gf "cu"Cr r gpf kz "öMö"vq"ý g"Hktuv"Tr qtv."ctg"j gtgd{"cr r tqxgf 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.

**UEJ GF WNG'öCö
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 need 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. **Voting to exit** 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 to the Administrator. **Exit Fee** 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.

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 _____)?
- <) _____

Rwtuwpv"vq"j g"lko g"uj ctg"ci tggg gpv."lp"qtf gt"lqt"vj g"tguqtv"vq"dg"f gvgto kpgf "vq"dg"öobsoleteö." 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.

C"õrestructured resortö"tgs wk gu"vj cv"cv"o lplö wo ."vj g"ko g"uj ctg"ci tggo gpv'dg"cngtgf "vq" gko kpcv"vj g"r gtr gwcn'pcwtg"qh"vj g"Qy pgtuø'qdri cvkpu0"ko"qvj gt"y qtf u."c"o gej cpluo "y quld 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.

UEJ GF WNG'öDö
NOTICE TO DELINQUENT MEMBERS

Proposed Email to Delinquent Members:

Rwtuwpv"vq"vj g"tgeqtf u"qh"Ecttkci g"Tkfi g"Qy pgtu"Cuuqekvqp"öCROAö+cpf lqt"Ecttkci g"J km" Xcec"qp" Qy pgtu" Cuuqekvqp" öCHVOAö+ {qw" ctg" c" o go dgt" qh" ETQC" cpf lqt" EJ XQC" öMemberö+ cpf " j cxg" qwuucpf lpi " hggu" qy lpi " vq" ETQC" cpf lqt" EJ XQC" *c" öDelinquent Accountö+0"Rwtuwpv"vq"vj g"Qtf gt"qh"vj g"Qpvctkq"Uwr gtlqt"Eqwtv"qh"Luwxeg"f cvgf "Lwn"4."4242."cu" a Member with a Delinquent Account, you will not be permitted to vote in the Court-ordered O go dgt"Uwtxg{0"K"cf f kkp."c"f grkps wpe { "hgg" qh" &3.222"*vj g"öDelinquency Feeö+y km"dg" 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

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Lawyers for the Applicant, Carriage Ridge Owners
Association

TAB 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.

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

TAB 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 Ginsberman, sworn September 30, 2020 (the “**Ginsberman 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 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.

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

TAB G

**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, and on hearing the submissions of counsel for the Applicant, counsel for the Administrator, counsel for Lori Smith, Karen Levins and Bruce Fleming, counsel for Wyndham Destinations, Christopher Diana on behalf of himself, Darren Chapelle on behalf of himself and Martin Ginsberman on behalf of himself, 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 December 3, 2020, filed.

SERVICE

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

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Lawyers for the Applicant, Carriage Hills Vacation Owners
Association

TAB H

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

THE HONOURABLE MADAM) FRIDAY, THE 11TH
)
JUSTICE CONWAY) DAY OF DECEMBER, 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 RIDGE 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 Ridge Owners Association (“**Carriage Ridge**”) and the Carriage Ridge timeshare resort (the “**Carriage Ridge 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, and on hearing the submissions of counsel for the Applicant, counsel for the Administrator, counsel for Lori Smith, Karen Levins and Bruce Fleming, counsel for Wyndham Destinations, Christopher Diana on behalf of himself, Darren Chapelle on behalf of himself and Martin Ginsberman on behalf of himself, 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 December 3, 2020, filed.

SERVICE

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 Ridge and the Carriage Ridge Resort acquired for, or used in relation to the business carried on by Carriage Ridge, including all proceeds thereof (the “**Property**”) and all the lands and premises on which Carriage Ridge operates the Carriage Ridge Resort, legally described in Schedule “A” hereto, collectively owned by the members of Carriage Ridge (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 Ridge, 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 Ridge;
- (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 Ridge or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to Carriage Ridge and to exercise all remedies of Carriage Ridge in collecting such monies, including, without limitation, to enforce any security held by Carriage Ridge;
- (g) to settle, extend or compromise any indebtedness owing to Carriage Ridge;
- (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 Ridge, 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 Ridge, 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 Ridge;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of Carriage Ridge, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by Carriage Ridge;
- (r) to exercise any shareholder, partnership, joint venture or other rights which Carriage Ridge 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 Ridge, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. **THIS COURT ORDERS** that (i) Carriage Ridge, (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 Ridge, 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 RIDGE OR THE RESORT ASSETS

10. **THIS COURT ORDERS** that no Proceeding against or in respect of Carriage Ridge, 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 Ridge 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 Ridge, 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 Ridge to carry on any business which Carriage Ridge is not lawfully entitled to carry on, (ii) exempt the Receiver or Carriage Ridge 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 Ridge, 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 Ridge 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 Ridge 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 Ridge's 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 Ridge 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 Ridge, 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 Ridge.

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 1-27 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"

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 Ridge acquired for, or used in relation to the Carriage Ridge 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 RIDGE OWNERS ASSOCIATION**

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

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 Ridge Owners
Association

TAB I

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, counsel for Lori Smith, Karen Levins and Bruce

Fleming, counsel for Wyndham Destinations, Christopher Diana on behalf of himself, Darren Chapelle on behalf of himself and Martin Ginsberman on behalf of himself, 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 December 3, 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 paragraph 2.2.2 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 “T” 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 during these proceedings 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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Lawyers for the Applicant, Carriage Hills Vacation Owners
Association

TAB J

**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 RIDGE 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 Ridge Owners Association (“**Carriage Ridge**”) to fund the severance obligations to employees of the Carriage Ridge timeshare resort (the “**Carriage Ridge Resort**”) that are terminated, (iii) directing the liquidation of the investments savings account of Carriage Ridge and payment of funds in such account to BDO Canada Limited (“**BDO**”) immediately upon the appointment of BDO as receiver of Carriage Ridge (the “**Receiver**”), (iv) approving the activities of BDO, in its capacity as the Administrator (the “**Administrator**”) of Carriage Ridge and the Carriage Ridge 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 Ridge (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, counsel for Lori Smith, Karen Levins and Bruce

Fleming, counsel for Wyndham Destinations, Christopher Diana on behalf of himself, Darren Chapelle on behalf of himself and Martin Ginsberman on behalf of himself, 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 December 3, 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 paragraph 2.2.2 of the Third Report.

PAYMENT OF SEVERANCE OBLIGATIONS

4. **THIS COURT ORDERS** that Carriage Ridge is hereby authorized and directed to fund its proportionate termination obligations in respect of the Resort Employees by way of payment of 31% of \$747,738 (being \$231,798.78) 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 Ridge Association at RBC Dominion Securities Inc. (“**RBC**”) bearing account # 428-05179-1-5 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 Ridge 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 “T” to the Third Report, are hereby approved and Carriage Ridge 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 during these proceedings 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 RIDGE OWNERS ASSOCIATION**

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

TRANSITION ORDER

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TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE
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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 PROCEEDINGS
OF CARRIAGE HILLS VACATION OWNERS ASSOCIATION

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

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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 PROCEEDINGS OF CARRIAGE HILLS VACATION OWNERS
ASSOCIATION

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

ONTARIO
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