

**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 “I” to the Third Report, are hereby approved and Carriage Hills is authorized to pay its proportionate share of such fees in accordance with the terms of the Administration Order.

#### **RELEASE OF THE BOARD OF DIRECTORS**

9. **THIS COURT ORDERS AND DECLARES** that each member of the Board is hereby released and discharged from any and all liability that any member of the Board now has or may hereafter have by reason of, or in any way arising out of, their acts or omissions as members of the Board while acting in such capacity 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.

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

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

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

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

Proceedings commenced at Toronto

**TRANSITION ORDER**

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