

February 12, 2021

Email: [lbrzezinski@blaney.com](mailto:lbrzezinski@blaney.com)

Blaney McMurtry LLP  
2 Queen Street East, Suite 1500  
Toronto, ON M5C 3G5

**Attention: Lou Brzezinski**

Dear Mr. Brzezinski:

**Re: In the Matter of the Administration Proceedings of Carriage Ridge  
Owners Association  
Court File No. CV-20-00640265CL and Court File No. CV-20-00640266CL**

Thank you for your letter of January 11, 2021.

We respond to the questions and comments that your clients have raised as follows.

1. Thornton Grout Finnegan LLP (“TGF”) in its capacity as special counsel to the Receiver has been engaged in only a limited capacity since its appointment. It has been dealing primarily with completing the title review. No accounts have been rendered by TGF in this capacity as of yet. Once accounts are rendered by TGF they will be passed in accordance with the requirement in the Receivership Order.

2. (a) As in any standard receivership, monies received from collection of outstanding accounts (i.e. accounts from the Subject Members) will be deposited into the Post Receivership Accounts as per paragraph 14 of the Receivership Order. These receipts will in all likelihood be utilized to fund the ongoing estate costs until the Receiver is able to determine what amounts can be paid out to members.

(b) We are unclear what is being asked by this question. If the question is whether Wyndham is included in the list of Delinquent Members, the Receiver can confirm that Wyndham is not on that list.

(c) Your question is very broad. In its capacity as Administrator, BDO Canada Limited was not in a position to demand or collect funds. This process was administered in accordance with arrangements established by the Association and the collection agent the Associations engaged (“CICR”). Any funds collected for the Associations by this process were deposited into the Associations’ accounts by the resort managers. In its first report, the Receiver reported that the funds in the Associations’ accounts were transferred to the Post Receivership Accounts.

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Since the appointment of the Receiver, any net funds received from CICR are to be paid to the Receiver for deposit into the Post Receivership Accounts. Receivable collections are reflected in the Receiver's interim statements of receipts and disbursements which are contained in our client's motion records.

(d) The agreements with the collection agent were not terminated prior to the appointment of the Receiver and remain in place for the accounts which are still being administered by CICR. These agreements set out commission structures based on a percentage of recovery exclusive of legal fees, taxes and disbursements. For Carriage Hills the percentage is 23.0077% and for Carriage Ridge the percentage is 30%. It is anticipated that CICR will continue to administer accounts which are subject to litigation or payment arrangements. Subject to the granting of the Collections Order, the remaining delinquent accounts will be turned over to the Receiver by CICR so that they can be dealt with pursuant to the Collections Order.

(e) We have not formulated the settlement criteria as of yet. Settlements will be offered on a case by case basis. The Receiver does not anticipate releasing the criteria publicly at this time as to do so may negatively impact recoveries. The Receiver does anticipate obtaining Court approval of the settlement criteria on a confidential basis. There are many stakeholders in these receiverships. Should your clients wish to bring a motion to relieve deceased estates all stakeholders will have an opportunity to respond.

Yours truly,

AIRD & BERLIS LLP



Sanjeev P. Mitra

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