

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 RECEIVERSHIP
PROCEEDINGS OF
CARRIAGE HILLS VACATION OWNERS ASSOCIATION
AND
CARRIAGE RIDGE OWNERS ASSOCIATION**

(together, the “Applicants”)

**SUPPLEMENTARY MOTION RECORD
(motion returnable May 27, 2021)**

Date: May 25, 2021

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its capacity as Court-appointed
Receiver*

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TAB 1

Court File No. CV-20-00640265-00CL
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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 RECEIVERSHIP PROCEEDINGS OF
CARRIAGE HILLS VACATION OWNERS ASSOCIATION
AND
CARRIAGE RIDGE OWNERS ASSOCIATION

(together, the “Applicants”)

SUPPLEMENTAL REPORT TO THE FOURTH REPORT OF THE RECEIVER
BDO CANADA LIMITED

May 25, 2021

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- Appendix B - Letter from Mr. Brzezinski dated May 17, 2021

1.0 INTRODUCTION AND PURPOSE OF REPORT

- 1.1 This report dated May 25, 2021 is a supplement to the Fourth Report of the Receiver (the “**Supplemental Report**”). All capitalized terms used herein that are not otherwise defined in this Supplemental Report have the meanings ascribed to them in the Fourth Report and the Service Protocol Orders.
- 1.2 The purpose of this Supplemental Report is to provide the Court with information pertaining to the protocol for service of the Notice to Owners and Encumbrancers pursuant to the Service Protocol Orders.

2.0 SERVICE PROTOCOL

- 2.1 The Service Protocol Orders required the Receiver to:
- i. Post the Notice to Owners and Encumbrancers and the Motion Record to the Receiver's Website not less than fifteen (15) days prior to the Hearing Date, being May 12, 2021;
 - ii. Have the Notice to Owners and Encumbrancers published in the national edition of *The Globe and Mail* at least seventeen (17) days before the Hearing Date, being May 10, 2021;
 - iii. Send a copy of the Notice to Owners and Encumbrancers by email to the last known email address of each Owner (if an email address is known to the Receiver) at least seventeen (17) days before the Hearing Date, being May 10, 2021;
 - iv. Send a copy of the Notice to Owners and Encumbrancers by ordinary mail to the last known address for each Owner and each party having a Non-permitted Encumbrance recorded on title to the Resort Property in the Land Registry Office at least seventeen (17) days before the Hearing Date, being May 10, 2021; and
 - v. Have the Motion Record served on the Service List in accordance with the E-Service Protocol on the Service Date or as soon as reasonably practicable thereafter.
- 2.2 As detailed in the Fourth Report dated May 11, 2021, TGF was in the process of finalizing the Title Review at the time of the issuance of the Fourth Report. Specifically, TGF was in the process of finalizing the Title Review for phase three of the Hills Resort (land parcel 1-18). TGF completed the Title Review, for the purposes of identifying all Owner names recorded on title, on May 14, 2021.
- 2.3 The Receiver had initially received records from Equiant, the data service provider which maintains the billing and contact records of the Associations, which disclosed only one contact name and address for each interval. Shortly before the completion of the Title Review, the Receiver had identified that there were intervals with additional parties which had an interest in the Resort Lands. The Receiver followed up with Equiant and was provided a further list of with up to two contacts for each interval. The updated list did not include additional contact particulars for the second contact.
- 2.4 An analysis of the completed Title Review determined that there are approximately: (i) 18,207 fractional Owners of the Hills Resort and (ii) 8,285 fractional Owners of the Ridge Resort, inclusive of joint ownership interests and instances where Owners have an interest in more than one interval. This required the Receiver to send copies of the Notice to Owners and Encumbrancers to: (i) 10,017 Owners for the Hills Resort, and (ii) and 4,378 Owners for the Ridge Resort

by ordinary mail. Efforts were made to eliminate the duplication of Owner names and mailings, however, not all duplicates may have been eliminated from these figures.

- 2.5** The Title Review confirmed that certain intervals had additional parties registered on title to the Resort Lands that were not recorded in the information previously provided to the Receiver. In many instances there are three or more parties which all share ownership in the same interval.
- 2.6** The reports from Equiant only provided one contact address per interval regardless of the number of parties which may have an interest in that interval. The Receiver served the additional parties sharing in an interval with the Notice to Owners and Encumbrancers based on the contact coordinates contained in the list provided by Equiant. This avoided the time and prohibitive cost of pulling each transfer document and ensured that the foregoing notice went to the most current address in the records provided to the Receiver. In certain instances where the Receiver had no mailing address from the list provided by Equiant, the Receiver pulled deeds and sent the Notice to Owners and Encumbrancers to the address for service contained in the deeds. The Title Review process also corrected numerous names of Owners previously provided by Equiant.
- 2.7** The Receiver complied with the requirements of the Service Protocol Order as follows:
- i.** Posted the Notice to Owners and Encumbrancers and the Motion Record to the Receiver's Website on May 3, 2021 and May 12, 2021, respectively. The Receiver also arranged to have the Notice to Owners and Encumbrancers posted on each of the Associations' websites on May 3, 2021;
 - ii.** Arranged to publish the Notices to Owners and Encumbrancers in the national edition of *The Globe and Mail* on May 5, 2021;
 - iii.** Sent an email to all Owners for whom the Receiver has email addresses, providing them with the Notice to Owners and Encumbrancers on May 5, 2021;
 - iv.** Arranged to have sent by ordinary mail the vast majority of the Notices to Owners and Encumbrancers on May 6, 2021 and May 10, 2021, which resulted in 17,988 Owners of the Hills Resort and 8,285 Owners of the Ridge Resort being sent the Notice to Owners and Encumbrancers. This required 9,851 mailings for the Hills Resort and 4,378 mailings for the Ridge Resort; and
 - v.** Arranged to have the Motion Record served on the Service List in accordance with the E-Service Protocol on May 12, 2021.
- 2.8** TGF used its best efforts to complete the Title Review prior to the deadline provided by the Service Protocol Order. Unfortunately, due to the significant volume, the last several hundred pages of the Title Review was still outstanding

by the deadline. The Receiver served the Notice to Owners and Encumbrances on all of the Owners for which it had information on or before May 10, 2021.

2.9

The Title Review completed by TGF on May 14, 2021 revealed an additional 219 Owners who were to be served with the Notice to Owners and Encumbrancers. In order to reach the additional 219 Owners as quickly as possible, TGF sent the additional Notice to Owners and Encumbrancers on May 14, 2021 by courier, and where courier was not possible, by registered mail rather than ordinary mail. This required 166 couriers and registered mailings being sent on behalf of the Receiver.

3.0 APPROVAL AND VESTING ORDER

- 3.1 The Receiver approached the Director of Titles for the Province of Ontario (the “**Director**”) to obtain the Director’s consent of the Form of Approval and Vesting Orders (the “**AVOs**”). The Director requested certain revisions be made to the AVOs (the “**Revised AVOs**”). The Revised AVOs reflect changes requested by both the Director and the Purchaser. The most current version of the Revised AVOs, which have been blacklined to the original AVOs included in the motion record, are attached hereto as **Appendix “A”**.

4.0 OWNER INQUIRIES

- 4.1 The Receiver has and continues to receive inquiries from Owners regarding a multitude of issues and concerns. The majority of the inquiries are received via email or telephone calls. The Receiver and its counsels respond to these inquiries in as timely a manner as possible through a variety of communication mediums including emails, phone calls, FAQ's and Court reports.
- 4.2 On May 17, 2021 the Receiver received a letter from Mr. Brzezinski (the "May 17 Letter"), counsel to the administrators of a Facebook group consisting of Resort Owners, raising a number of concerns and requesting certain information which they believe should have been detailed in the Receiver's Fourth Report. A copy of the May 17 Letter is attached hereto as **Appendix "B"**.
- 4.3 As the focus of the Fourth Report and this Supplemental Report is the approval of the Sale Transaction, the Receiver has not addressed the issues raised in the May 17 Letter at this time but acknowledges the overall importance of the concerns raised. Those issues will be addressed by the Receiver in a subsequent FAQ and/or Court reporting. The Receiver always has and will continue to provide transparency to all stakeholders, however, the primary focus of the Receiver for the May 27, 2021 motion hearing is the approval and completion of the Sale Transaction.

All of which is respectfully submitted this 25th day of May 2021.

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



Per: Matthew Marchand, CPA, CMA, CIRP, LIT
Senior Vice President

TAB 1(A)

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

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

THE HONOURABLE MADAM)	THURSDAY, THE 27 TH
)	
JUSTICE CONWAY)	DAY OF MAY, 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

APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO Canada Limited (“**BDO**”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) over all of the assets, properties and undertakings of the Carriage Hills Vacation Owners Association (the “**Applicant**”) and all the lands and premises on which the Applicant operated the Carriage Hills Resort (the “**Resort Property**”), appointed by Order of the Court with effect as of January 6, 2021 (the “**Receivership Order**”), for an order, *inter alia*, approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Receiver, as vendor, and Sunray Group of Hotels Inc. (“**Sunray**”) dated April 6, 2021 (the “**Sale Agreement**”) and appended in redacted form to the Fourth Report of the Receiver dated May 11, 2021 (the “**Fourth Report**”), and as appended in unredacted form as an appendix to the Confidential Supplemental Report to the Fourth Report, dated May 11, 2021 (the “**Confidential**

Supplement”), and vesting in Sunray’s designee, Sunray Carriage Hills Development Inc. (the **“Purchaser”**) the right, title and interest of the Applicant and the owners of the Resort Property (the **“Owners”**) in and to the property described as the **“Purchased Assets”** in the Sale Agreement (the **“Purchased Assets”**), was heard this day by Zoom judicial video conference due to the COVID-19 pandemic.

ON READING the Fourth Report, the Confidential Supplement and the appendices to each, and on hearing the submissions of counsel for the Receiver, **[counsel for the Purchaser, counsel for Wyndham Worldwide Corporation, counsel for Lori Smith and Karen Levins and counsel for David and Phyllis Lennox and the submissions of Christopher Diana]**, no one else appearing for any other parties on the Service List, although properly served as appears from the affidavit of Christine Doyle sworn May **<*>**, 2021, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof. This Court orders and confirms that service on the Owners and other persons with interests recorded on title to the Resort Property has been effected pursuant to the Service Protocol Order of Justice Conway dated April 30, 2021.

TRANSACTION

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved,

with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser, or as it may direct.

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

4. ~~3.~~ **THIS COURT ORDERS** that, upon the registration in the Land Registry Office for the Land Registry Division of Simcoe of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter ~~the Purchaser~~ Sunray Carriage Hills Development Inc. as the owner of the subject real property identified in **Schedule “B”** hereto (the **“Real Property”**) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims (including without limitation all registered instruments on title to the Real Property) save and except the permitted encumbrances, easements and restrictive covenants listed on **Schedule “C”** hereto.

5. **THIS COURT ORDERS** that the Land Registrar shall vest title as herein provided, free and clear of, and without regard to, any relevant writs of executions that may have been filed with the Sheriff as against each and every registered owner, either before or after the date of this Order.

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

7. ~~5.~~ **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, as soon as practical after delivery thereof.

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

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

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

9. ~~7.~~ **THIS COURT ORDERS** that the Confidential Supplement be sealed and protected until the Receiver's Certificate has been filed or until further Order of this Honourable Court.

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

this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

11. ~~9.~~ **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this order is effective from the date it is made, and it is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original, signing, entry and filing, as the case may be, when the Court returns to regular operations.

Schedule “A” – Form of Receiver’s Certificate

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

RECEIVER’S CERTIFICATE

RECITALS

- I. Pursuant to an Order of the Honourable Madam Justice Conway of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) with effect as of January 6, 2021 (the “**Receivership Order**”), BDO Canada Limited (“**BDO**”) was appointed as receiver (in such capacity, the “Receiver”), without security, over all of the assets, properties and undertakings of the Carriage Hills Vacation Owners Association (the “**Applicant**”) and all the lands and premises on which the Applicant operated the Carriage Hills Resort, including proceeds thereof.

- II. Pursuant to an Order of the Court dated May 27, 2021, the Court approved the agreement of purchase and sale between the Receiver, as vendor, and Sunray Group of Hotels Inc. (“**Sunray**”) dated April 6, 2021 (the “**Sale Agreement**”), and provided for the vesting in Sunray’s designee, Carriage Hills Development Inc. (the “**Purchaser**”), of all the Applicant’s and the Owners’ rights, title and interests in and to the Purchased Assets (as defined in the Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the

delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

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

BDO CANADA LIMITED, solely in its capacity as the Court-appointed receiver of Carriage Hills Vacations Owners Association, and not in its personal capacity or in any other capacity

Per: _____

Name:

Title:

SCHEDULE "B"
PURCHASED ASSETS

A. Real Property

Parcel 1-16 Section 51-ORO-3

~~1stly): Part of Lot 2 and 3, Concession 4 designated as Parts 5, 6, 7, 8, 9 and 10 on Plan 51R-26764.~~

~~2ndly): Part of Lot 2, Concession 4 designated as Parts 5, 6, 7, 8, 9 and 10 on Plan 51R-26764 all 2674 in the TOWNSHIP OF ORO.~~

~~Subject to an Easement in favour of HORSESHOE RESORT CORPORATION over this Parcel as in 305553, assigned by SC663202.~~

~~Subject to 189796 Together with an Easement over Part of Lot 1, Concession 3, Part of Road Allowance between Concessions 3 and 4; and Part of Lot 1, Concession 4, designated as Part 1 on 51R-26623; and Part of Lots 1 and 2, Concession 4, designated as Parts 2 and 3 on 51R-26623 in THE TOWNSHIP OF ORO. (1-1, 51-Oro-3).~~

~~and Over Part of Lots 1 and 2, Concession 3, designated as Part 1 on 51R-26622 in THE TOWNSHIP OF MEDONTE. (1-2, 51-Med-3).~~

~~All as in 323087.~~

~~Subject to 01118774, 189796, 313024.~~

~~Subject to 306768 Together with an Easement over Part of Lot 2, Concession 4, Township of Oro, designated as Part 11 on 51R-26764 as in 323092. (1-17, 51-Oro-3).~~

~~Subject to 145763, 162773 Together with an Easement over Part of Lot 2, Concession 4, Township of Oro, designated as Parts 1 and 16 on 51R-26764 as in 323093 (1-18, 51-Oro-3).~~

Parcel 1-17 Section 51-ORO-3

Part of Lot 2, Concession 4 designated as Parts 11, 12, 13 and 14 on Plan 51R-26764 in THE TOWNSHIP OF ORO.

~~Subject to an Easement in favour of HORSESHOE RESORT CORPORATION over this Parcel as in 305553 assigned by SC663202.~~

~~Together with an Easement over Part Lot 1, Concession 3; Part of Road Allowance between Concessions 3 and 4; and Part of Lot 1, Concession 4, designated as Part 1 on 51R-26623; and Part of Lots 1 and 2, Concession 4, designated as Parts 2 and 3 on 51R-26623 in THE TOWNSHIP OF ORO. 1-2, 51-Oro-3.~~

~~and Over Part of Lots 1 and 2, Concession 3, designated as Part 1 on 51R-26622 in THE TOWNSHIP OF MEDONTE. (1-1, 51-Med-3).~~

~~All as in 323087.~~

~~Subject to 01118774, 313024.~~

~~Subject to 306768 Together with an Easement over Part of Lots 2 and 3, Concession 4, Township of Oro designated as Part 5 on 51R-26764 (1-16, 51-Oro-3) as in 323091.~~

~~Together with an Easement over Part of Lot 2, Concession 4, Township of Oro designated as Parts 1 and 16 on 51R-26764 as in 323093. (1-18, 51-Oro-3).~~

Parcel 1-18 Section 51-ORO-3

Part of Lot 2, Concession 4, designated as Parts 1, 2, 3, 4, 15, 16 and 17 on Plan 51R-26764 in the TOWNSHIP OF ORO.

~~Subject to an Easement in favour of THE CORPORATION OF THE TOWNSHIP OF ORO over Part 15, 16 and 17 on 51R-26764 as in 185945.~~

~~Subject to and Easement in favour of HORSESHOE RESORT CORPORATION over this Parcel as in 305553, assigned by SC663202.~~

~~Together with an Easement over Part of Lot 1, Concession 3; Part of Road Allowance between Concessions 3 and 4; and Part of Lot 1, Concession 4, designated as Part 1 on 51R-26623; and Part of Lots 1 and 2, Concession 4, designated as Parts 2 and 3 on 51R-26623 in THE TOWNSHIP OF ORO (1-2, 51-Oro-3).~~

~~and Over Part of Lots 1 and 2, Concession 3, designated as Part 1 on 51R-26622 in THE TOWNSHIP OF MEDONTE. (1-1, 51-Med-3).~~

~~All as in 323087.~~

~~Subject to 01118774, 313024.~~

~~Together with an Easement over Part of lots 2 and 3, Concession 4, Township of Oro designated as Part 5 on 51R-26764 as in 323091. (1-16, 51-Oro-3).~~

~~Subject to 306768 together with an easement over Part of Lot 2, Concession 4, Township of ORO, designated as Part 11 on 51R-26764 as in 323092 (1-17, 51-Oro-3).~~

BLK 196, PL 51M456, Township of Oro, except Part 1 on 51R21499 [PIN: 74053-0144]

~~Subject to LT305106; together with LT327069 partially released by LT522873, SC37172, SC74245, SC284657, SC294017, SC294018, SC1170874, SC1170875, SC1551648, SC1570607, SC1596999, Township of Oro-Medonte.~~

B. Personal Property

See attached list on Schedule B-1.

C. Contracts

All right, title, and interest of the Associations in all Contracts related to the Real Property and the Personal Property, if any.

D. Warranty Rights

All right, title, and interest of the Associations in all Warranty Rights related to the Real Property and the Personal Property, if any.

E. Permits

All right, title, and interest of the Associations in all Permits related to the Real Property and the Personal Property, if any.

SCHEDULE "B-1"
PERSONAL PROPERTY - CONTINUED

SCHEDULE "C"
PERMITTED ENCUMBRANCES

Encumbrances

Parcel 1-16 Section 51-ORO-3

Parcel	Date of Registration (yy/mm/d)	Registration No.	Registry Page No.	Instrument Type	Party FROM	Party TO	LRO remarks
1-16	96/09/27	30600	3	Notice		The Corporation of the Township of Oro-Medonte	Agreement
1-16	97/03/13	31666	3	Notice		The Consumers' Gas Company	Agreement
1-16	97/04/17	31869	3	Notice		The Consumers' Gas Company	Security Interest
1-16	97/06/24	32308	3	Notice		The Corporation of the Township of Oro-Medonte	Agreement
1-16	97/06/24	32308	3	Transfer		Carriage Hills Resort Corporation	Severance Consent
1-16	97/06/24	32309	4	Easement		Owner/Occupant of Part of Lot 2, Concession 4, Township of Oro, designated as Parts 11, 12, 13 and 14 on 51R-26764 (1-17, 51-Oro-3) and Parts 1, 2, 3, 4, 15, 16 and 17 on 51R-26764 (1-18, 51-Oro-3)	Over Part 5 on Plan 51R-26764
1-16	99/06/30	39271	939	Notice	Carriage Hills Resort Corporation		Agreement 306006
1-16		1				The Corporation of the Township of Oro-Medonte	
1-16	00/05/17	43231	109	Notice	Carriage Hills Resort Corporation	The Corporation of the Township of Oro-Medonte	Agreement 306006
1-16	08/07/14	SC663 202	145	Assignment	Horseshoe Resort Corporation	Skyline Horseshoe Valley Inc., Skyline Utility Services Inc. and Horseshoe Valley Lands Ltd.	Easement in Gross LT305553

Parcel 1-17 Section 51-ORO-3

Parcel	Date of Registration (yy/mm/dd)	Registration No.	Registry Page No.	Instrument Type	Party FROM	Party TO
1-17	96/09/27	306006	2	Notice		The Corporati
1-17	97/03/13	316667	2	Notice		The Consume
1-17	97/04/17	318697	3	Notice		The Consume
1-17	97/06/24	323086	3	Notice		The Corporati
1-17	97/06/24	323092	3	Easement <i>Subject to 306768</i>		Owner/Occup 5, 6, 7, 8, 9, 1 Part of Lot 2, Plan 51R-267
1-17	97/08/06	327070				
1-17	99/06/30	392711				
1-17	97/08/06	327070	3	Notice		Carriage Hills
1-17	99/06/30	392711	4	Notice		The Corporati
1-17	99/07/27	395393	4	Transfer		Carriage Hills
1-17	99/07/29	395707	4	Restriction		No Transfer s Owners Assoc Corporation
1-17	99/07/29	395708	4	Notice		Carriage Hills Carriage Hills Carriage Hills
1-17	99/08/25	51R-28904	4		Lays out this Parcel as Parts 1,2,3,4,5 & 6.	
1-17	99/09/15	402475				
1-17	99/09/15	*402475	4	Easement		Owner/Occup Parts 5 and 6 Document)
1-17	00/05/17	432318	408	Notice	Carriage Hills Resort Corporation	The Corporati
1-17	08/07/14	SC663202	1675	Assignment	Horseshoe Resort Corporation	Skyline Horse Valley Lands

Parcel 1-18 Section 51-ORO-3

Parcel	Date of Registration (yy/mm/dd)	Registration No.	Registry Page No.	Instrument Type	Party FROM	Party TO
1-18	96/09/27	306006	2	Notice		The Corpor
1-18	97/03/13	316667	2	Notice		The Consum
1-18	97/04/17	318697	3	Notice		The Consum
1-18	97/06/24	323086	3	Notice		The Corpor
1-18	97/06/24	323093	3	Easement <i>Subject to 306768</i>		Owner/Occ designated and Part of 12, 13 and
1-18	99/06/30	392711				
1-18	00/05/17	432318				
1-18	99/06/30	392711	4	Notice		The Corpor
1-18	00/05/17	432318	4	Notice		The Corpor

| 44535591.1

Document comparison by Workshare Compare on May 25, 2021 6:19:59 PM

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Document 2 ID	iManage://wsc.airdberlis.com/cm/44682740/1
Description	#44682740v1<wsc.airdberlis.com> - Approval and Vesting Order re Sunray Group - Carriage Hills (Lem comments)
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Padding cell	

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Moved to	0
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Format changes	0
Total changes	219

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

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

THE HONOURABLE MADAM)	THURSDAY, THE 27 TH
)	
JUSTICE CONWAY)	DAY OF MAY, 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 RIDGE OWNERS
ASSOCIATION

APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO Canada Limited (“**BDO**”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) over all of the assets, properties and undertakings of the Carriage Ridge Owners Association (the “**Applicant**”) and all the lands and premises on which the Applicant operated the Carriage Ridge Resort (the “**Resort Property**”), appointed by Order of the Court with effect as of January 6, 2021 (the “**Receivership Order**”), for an order, *inter alia*, approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Receiver, as vendor, and Sunray Group of Hotels Inc. (“**Sunray**”), dated April 6, 2021 (the “**Sale Agreement**”) and appended in redacted form to the Fourth Report of the Receiver dated May 11, 2021 (the “**Fourth Report**”), and as appended in unredacted form as an appendix to the Confidential Supplemental Report to the Fourth Report, dated May 11, 2021 (the “**Confidential Supplement**”), and vesting in Sunray’s designee, Sunray

Carriage Ridge Development Inc. (the “**Purchaser**”), the right, title and interest of the Applicant and the owners of the Resort Property (the “**Owners**”) in and to the property described as the “**Purchased Assets**” in the Sale Agreement (the “**Purchased Assets**”), was heard this day by Zoom judicial video conference due to the COVID-19 pandemic.

ON READING the Fourth Report, the Confidential Supplement and the appendices to each, and on hearing the submissions of counsel for the Receiver, **[counsel for the Purchaser, counsel for Wyndham Worldwide Corporation, counsel for Lori Smith and Karen Levins and counsel for David and Phyllis Lennox and the submissions of Christopher Diana]**, no one else appearing for any other parties on the Service List, although properly served as appears from the affidavit of Christine Doyle sworn May **<*>**, 2021, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof. This Court orders and confirms that service on the Owners and other persons with interests recorded on title to the Resort Property has been effected pursuant to the Service Protocol Order of Justice Conway dated April 30, 2021.

TRANSACTION

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby

authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser, or as it may direct.

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

4. ~~3.~~ **THIS COURT ORDERS** that, upon the registration in the Land Registry Office for the Land Registry Division of Simcoe of an Application for Vesting Order in the form prescribed

by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter ~~the Purchaser~~ Sunray Carriage Ridge Development Inc. as the owner of the subject real property identified in **Schedule “B”** hereto (the **“Real Property”**) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims (including without limitation all registered instruments on title to the Real Property) save and except the permitted encumbrances, easements and restrictive covenants listed on **Schedule “C”** hereto.

5. **THIS COURT ORDERS** that the Land Registrar shall vest title as herein provided, free and clear of, and without regard to, any relevant writs of executions that may have been filed with the Sheriff as against each and every registered owner, either before or after the date of this Order.

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

7. ~~5.~~ **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver’s Certificate, as soon as practical after delivery thereof.

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

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

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

| 9. ~~7.~~ **THIS COURT ORDERS** that the Confidential Supplement be sealed and protected until the Receiver's Certificate has been filed or until further Order of this Honourable Court.

| 10. ~~8.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of

this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

| 11. ~~9.~~ **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this order is effective from the date it is made, and it is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original, signing, entry and filing, as the case may be, when the Court returns to regular operations.

Schedule “A” – Form of Receiver’s Certificate

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

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

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

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

RECEIVER’S CERTIFICATE

RECITALS

- I. Pursuant to an Order of the Honourable Madam Justice Conway of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) with effect as of January 6, 2021 (the “**Receivership Order**”), BDO Canada Limited (“**BDO**”) was appointed as receiver (in such capacity, the “**Receiver**”), without security, over all of the assets, properties and undertakings of the Carriage Ridge Owners Association (the “**Applicant**”) and all the lands and premises on which the Applicant operated the Carriage Ridge Resort, including proceeds thereof.

- II. Pursuant to an Order of the Court dated May 27, 2021, the Court approved the agreement of purchase and sale between the Receiver, as vendor, and Sunray Group of Hotels Inc. (“**Sunray**”), dated April 6, 2021 (the “**Sale Agreement**”), and provided for the vesting in Sunray’s designee, Sunray Carriage Ridge Development Inc. (the “**Purchaser**”), of all the Applicant’s and the Owners’ rights, title and interests in and to the Purchased Assets (as defined in the Sale Agreement), which vesting is to be effective with respect to the Purchased Assets

upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

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

BDO CANADA LIMITED, solely in its capacity as the Court-appointed receiver of Carriage Ridge Owners Association, and not in its personal capacity or in any other capacity

Per: _____

Name:

Title:

SCHEDULE "B"
PURCHASED ASSETS

A. Real Property

Parcel 1-27 Section 51-ORO-3

Part of Lots 1 and 2 Concession 3, designated as Part 1 on Plan 51R-31409 Township of Oro-Medonte

~~Together with an easement over Part of Lot 1, Concession 4; Part of Lots 1 and 2 Concession 3; and Part of the Original Road Allowance between Concessions 3 and 4 (closed by By Law 814 as Instrument No. 164818) designated as Part 1 on Plan 51R-32281 as in SC165257 (Part of Parcel 1-26, Section 51 Oro 3).~~

~~Together with an easement over Part of Lot 2, Concession 3 designated as Part 1 on Plan 51R-32243 as in SC165259. (Part of Parcel 1-26, Section 51 Oro 3).~~

~~Together with an easement over Part of Lot 1 Concession 3 designated as Part 1 on Plan 51R-32302 as in SC167808 (Part of Parcel 1-26, Section 51 Oro 3).~~

B. Personal Property

See attached list on Schedule B-1.

C. Contracts

All right, title, and interest of the Associations in all Contracts related to the Real Property and the Personal Property, if any.

D. Warranty Rights

All right, title, and interest of the Associations in all Warranty Rights related to the Real Property and the Personal Property, if any.

E. Permits

All right, title, and interest of the Associations in all Permits related to the Real Property and the Personal Property, if any.

SCHEDULE "B-1"
PERSONAL PROPERTY - CONTINUED

SCHEDULE "C"
PERMITTED ENCUMBRANCES

Encumbrances

Parcel 1-27 Section 51-ORO-3

Parcel	Date of Registration (yy/mm/dd)	Registration No.	Registry Page No.	Instrument Type	Party FROM	Party TO
1-27	03/08/14	SC141616	4	Transfer of Easement		Horseshoe Valley Resort L
						Partial Release (see SC31
1-27	03/11/06	SC167809	2	Notice	Carriage Hills Resort Corporation	Horseshoe Valley Resort L
1-27	05/03/09	SC311576	944	Partial Release		

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Document comparison by Workshare Compare on May 25, 2021 6:23:25 PM

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Document 1 ID	iManage://wsc.airdberlis.com/cm/44535608/3
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Document 2 ID	iManage://wsc.airdberlis.com/cm/44682762/1
Description	#44682762v1<wsc.airdberlis.com> - Approval and Vesting Order re Sunray Group - Carriage Ridge(Lem's comments)
Rendering set	Standard

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Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

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Insertions	10
Deletions	30
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Moved to	0
Style changes	0
Format changes	0
Total changes	40

TAB 1(B)

From: Lou Brzezinski <lbrzezinski@blaney.com>
Sent: May 17, 2021 4:57 PM
To: Sanj Mitra; Sam Babe
Subject: Owner Concerns not addressed in the May 2021 Court Filing (002).pdf Carriage Hill and Resorts
Attachments: Owner Concerns not addressed in the May 2021 Court Filing (002).pdf

CAUTION -- EXTERNAL E-MAIL - Do not click links or open attachments unless you recognize the sender.

Good afternoon Sanj and Sam;

I am attaching a list of issues and questions received by my clients as administrators of the carriage Hill/Ridge Facebook group which as you know consist of a significant number of owners and members.

Would you kindly advise as to when the Receiver in this case can address or answer these concerns and hopefully before the next hearing?

Regards Lou

 2 Queen Street East | Suite 1500
Toronto, Ontario M5C 2S8

Lou Brzezinski
Partner

lbrzezinski@blaney.com

☎ 416-593-2952 | ☎ 416-594-5084

🌐 Blaney.com



This communication is intended only for the party to whom it is addressed, and may contain information which is privileged or confidential. Any other delivery, distribution, copying or disclosure is strictly prohibited and is not a waiver of privilege or confidentiality. If you have received this telecommunication in error, please notify the sender immediately by return electronic mail and destroy the message.

The following are concerns raised by OWNERS in relation to the information or lack thereof being provided as part of the filing from BDO.

A. Financial Disclosures

1. Mortgages related to either Carriage Hills or Carriage Ridge intervals

Affidavits from both Martin Ginsherman and Darren Chappelle included in the April 30, 2020 Application Records for Carriage Hills and Carriage Ridge respectively, included references to mortgages. BDO has made similar references to mortgages in the February 16, 2021 court filing.

Owners would like confirmation that:

- **Any mortgage assumed by Wyndham as a result of any sale, buy-back or take-back of intervals is a liability solely against Wyndham, and shall be unrelated and separate to any claims process or settlement of the proceeds of the resort.**
- **Any mortgage obtained by any Owner, through Wyndham, Shell Vacations or any financial institution to purchase or remortgage their interval, is a liability solely against said Owner, shall be unrelated and separate from any claims process or settlement of the proceeds of the resort.**

2. Financial Updates related to the Claims Process

BDO has not provided any update regarding the Claims process outlined and approved in the Feb 16, 2021 Order. Claims were to be filed by April 15, 2021. As there has not been a detailed financial statement that clearly identifies any claims, and/or settlement against those claims, **Owners request transparency related to the Claims process by way of an inventory of claims filed, claims settled, and an updated and detailed financial statement.**

3. Cash Flow Summary

BDO has not provided any updated Cash Flow Summary or Projections since the high level summaries provided in the February, 2021 court filing. As BDO has asked for court's permission to use funds from Carriage Ridge to cover any shortfall at Carriage Hills, **Owners request transparency by way of updated and detailed financial statements. Chattels referenced in the May 27, 2021 court filing do not include the vehicles, but there were references to billable hours to discuss sale of vehicle(s) after the property was listed. Detailed financials beyond the high level summary would provide this needed transparency.**

B. Delinquent Accounts

1. Progress on resolving Delinquent accounts and related costs against proceeds

An initial summary of delinquent accounts was provided April 30, 2020 as part of the Application Records for both Carriage Hills and Carriage Ridge respectively. BDO's court filing detailed out the number of intervals that were in delinquent status and the amounts accumulated year over year. At that time there were 1922 intervals outstanding with \$9.6M owed at Carriage Ridge and 2368 intervals outstanding with \$15.5M owed at Carriage Hills, for a total of \$25.1M. These amounts included Basic Charges, Interest and Penalties accrued from as early as 2004.

BDO's court filing for Feb 16, 2021 outlined the claims process, including additional costs for a Claims Director, although all communication is still going through BDO for vetting at Owner's costs. The high level financial summary indicated:

Carriage Ridge:	
Receivable Collections:	15,222.30
Receivable Collections Fees:	3,513.55
Carriage Hills:	
Receivable Collections:	24,517.23
Receivable Collections Fees:	5,657.86

While these collection fees are outlined in the high level financial statement within the February 2021 court filing, it is assumed that the fees do not include the costs of BDO or their respective legal teams' fees related to collections.

In the court hearing in April, 2021, a verbal update of dollar amounts collected was communicated but not included in the court filing by way of any data on accounts or financial statements on receivable collections or receivable collection costs. Owners do not know if these are sums to date since BDO became Administrator or since their transition to Receiver or other. As of this May 27, 2021 filing there has been no substantive update on funds recovered or settlement offers accepted or rejected..

As encouraged by Justice Conway in the January 2021 hearing, cost benefit analysis needs to be conducted and provided to Owners by way of detailed information regarding these accounts to ensure on-going efforts are reasonably justified against returns. While collection of outstanding basic charges is understood, the additional penalties and interest as well as the new penalties levied by BDO will make it impossible to collect from deceased, bankrupt or insolvent Owners.

Owners request a detailed update be provided that outlines:

- **Number of accounts in arrears by resort as of April 2020**
- **Original by date of arrears by account**

- **Amount of delinquency for each account broken down by Basic Charges, Interest, Penalties**
- **Number of resolved accounts since May 2020 with amount collected / settlement amount**

Owners would like a detailed update to ensure cost to recover funds is not exceeding amounts collected, nor is unreasonable against dormant / unrecoverable accounts.

C. Accurate Owner Information

1. Direction from the Court on obtaining information

The Motion Order from May 15, 2020 clearly stated that BDO, in their role as Administrator, was to obtain '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'. BDO confirmed in their June 22, 2020 that they had received information from all parties.

2. Accurate Information Based on Up to Date Accounts

Invoicing from Equiant that was sent every year would be the most accurate information. All Owners who are up to date as of April 30, 2020 (date of Application Record) would have the most accurate information (barring any Owner who moved).

3. Recent Activity Regarding Owner Information

The court filing for May 27, 2021 includes billables from BDO, TGF, and Aird and Berlis all including costs for updating an "Excel sheet" with Owner information. BDO has sent emails and letters to all known addresses, not solely last known accurate addresses. Owners are receiving letters even though Legal address / Legal Ownership changes were filed. This has inevitably caused more distress for Owners and excessive additional billable hours for BDO, TGF, and Aird and Berlis. It has been known for some time that the title registry would not be accurate, and yet BDO is providing this same information in the court filing as if this was just discovered. There is still no data coming from BDO, TGF or Aird and Berlis regarding the number of inaccurate accounts. All Owners understand that Wyndham, as Manager,

failed to maintain Owner records, and yet, BDO as Receiver is asking Owners to pay handsomely for this shortfall. Owners agree that there are likely title registries with multiple names, deceased, estate, etc., but the Notice to Owners and Encumbrancers puts the liability on the Owner of Record.

4. Voting Survey was Binding

Some Owners were opposed to Exit Votes being binding when the survey was issued. The court ruled that expediency was required for the benefit of all Owners and therefore a binding vote was required. If the court can rule that an Owner can be bound by an electronic email submission, an email address for proceeds / settlement of ownership would be equally binding. BDO can use the same system to send requests for owners to provide the address they want their cheque for proceeds sent to. No "critical information" was required to make that legal commitment. BDO confirmed in their First Report that they had a majority of Owner emails for both Carriage Hill and Carriage Ridge that did not bounce back.

5. The Court Filing for May 27, 2021 filing includes reference to a new process by which Owners would need to provide some level of proof of Ownership.

“.. the Receiver is exploring a claims process for each Association wherein the Receiver will require the Owners to verify certain critical information prior to distributing any proceeds to the Owners to ensure that distributions go to the appropriate parties. The Receiver continues to work through these and other issues relevant to distribution.”

Correspondence with Brad Newton during the survey process confirmed that any Owner who did not receive the survey would have required them to provide proof of Ownership in order to then receive the survey. Concerns around accurate Owner information have continued for more than a year now, with little in the form of updates that quantify the issue. At one point, BDO had suggested that Owners needed to work to reach out to other Owners.

Owners would like some understanding of the current status regarding Owner Information as we have no visibility to what percentage or number of Owners are potentially impacted. Equally, Owners would like confirmation if inaccurate Owner information is related to delinquent accounts, and what plans BDO has to suspend costs to pursue these accounts, especially as there are little to no net proceeds expected for those delinquent accounts.

D. Settlement Process for Proceeds

1. BDO has not provided any information on the approach for settlement other than the redacted part of the May 27, 2021 court filing that infers a split of the sale value by resort.

Owners would like some understanding of the division of proceeds based on resort as implied by the May 27,2021 filing. While the division of costs was reasonable at a 69 / 31 split through the court process, Owners would like a better understanding of how BDO is planning to allocate proceeds in terms of interval ownership, type of interval etc.

2. BDO has not provided any information on the timing for settlement. Concerns from Owners are that BDO will spend excessive hours trying to resolve the remaining Owner Information for which they have had more than a year to address, while holding up proceeds from those Owners for which BDO already has accurate contact information.

Owners would like confirmation from BDO that disbursements can proceed for Owners for which BDO has accurate contact information, and that costs for those who have not yet been found can come from the remaining proceeds, particularly if these missing Owners are also delinquent Owners.

Transparency must remain the driving force to resolve all these issues, as noted by Justice Conway: *“I reiterate that these orders are designed to facilitate a court-supervised process that will continue to emphasize and protect the transparency to which all stakeholders of the resorts are entitled.”*

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

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

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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceedings commenced at Toronto**

**SUPPLEMENTARY MOTION RECORD
(Returnable May 27, 2021)**

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Email: sbabe@airdberlis.com

*Lawyers for BDO Canada Limited in its capacity as Court-appointed
Receiver of Carriage Hills Vacation Owners Association and
Carriage Ridge Owners Association*