

Frequently Asked Questions (FAQ)

May 5, 2020

As you are aware, Carriage Ridge Owners Association (the “**Association**”) is seeking Court approval of the appointment of BDO Canada Limited (“**BDO**”) as administrator over the Association and the Carriage Ridge Resort (the “**Resort**”).

We understand that many Owners of the Resort (“**Owners**”) have questions with respect to steps taken by the Association’s Board of Directors (the “**Board**”). Below is a list of Frequently Asked Questions that intends to be responsive to questions or concerns raised about the first step that has been taken, the proposed role of BDO and how it affects the Owners.

1. I received a notice from the Association. What is the purpose of this?

The Association posted a notice to its website and sent it via email to the Resort owners. The purpose of the notice was to inform the Owners of the step taken by the Board to start a Court proceeding in an effort to restructure the Resort. The notice was sent to allow the Owners an opportunity to review the materials and understand the nature of what the Board is asking the Court to allow the Board to do.

The May 7th Hearing

2. What is happening on May 7, 2020?

May 7th is a Court hearing (the “**Hearing**”) that will be conducted by Justice Conway. Due to the COVID-19 pandemic, the Hearing will be conducted via Zoom.

3. Who is allowed to attend the hearing?

The Hearing is open to the public.

4. How can I attend the May 7th hearing?

The May 7th hearing will take place via Zoom at 10 A.M. EST. If you would like to attend, you may do so via the following link:

<https://us04web.zoom.us/j/87847563077>

Meeting #878 4756 3077

5. What is the purpose of the Court proceeding?

The Board’s professional advisors have determined (after reviewing other potential options outside of a Court filing) that this is the only way to restructure the Resort. Because of the agreements (including the Time Share Agreement) that were entered into by each of the Owners, it has been determined that a restructuring is not possible any other way.

6. Do I need to get a lawyer?

You are always free to retain your own lawyer, however, we believe that we all have the same interests at this time – to develop a mechanism permitting certain Owners to exit and to restructure the interests of those Owners who wish to remain.

7. How can I get notice of future Court hearings?

We are asking the Court to approve a notice procedure to the Owners of upcoming hearings. If approved, a notice of the hearing will be posted on the Association's website and sent via email in the same way that you had received Owner notices from the Board in the past. The notice will provide a brief description of what the Board is asking the Court to allow it to do, a link to the materials and the timing of the hearing. Such notices will also be posted on the Administrator's website if BDO is appointed.

8. How can I get the notice directly?

If BDO is appointed, it will have a link on its website (www.bdo.ca/en-ca/extranets/carriage) to allow Owners to update their contact information. The Administrator will use its best efforts to ensure that all parties get the email directly. However, due to the number of Owners, we recommend that you check the Association's and Administrator's websites regularly for updates in the event that the email does not reach you.

The Restructuring of the Resort

9. What is the restructuring supposed to achieve?

The appointment of BDO as the Administrator is an important **first step** to restructure the Resort. The Board believes that the **second step** that should be undertaken is the development of a process to allow Owners to opt-out of their intervals and deal with delinquent Owners. Once it is determined which Owners want to exit, the professionals will work with the remaining Owners, if any, on a restructuring plan for the Resort.

10. I want to exit the Resort. Can I do that?

The Association understands that certain Owners have expressed a desire to **exit**. While that is not possible at this time under the current contracts, that will be the immediate issue that the professionals will tackle once they are appointed.

11. Why hasn't an exit strategy already been created?

As a result of the agreements in place, an exit process is not currently possible. The Board intends to use the Court proceedings to put an exit process in place. If the Court process does not happen, the Association will have no legal way to allow Owners to opt-out. The Board requires a Court order to create a mechanism to allow Owners to opt-out. As a result, it did not make economic sense for the professionals to incur fees to create a definitive process if it cannot be implemented prior to the commencement of a Court proceeding. In addition, coming out with a process immediately would not have allowed for any Owner consultation by the professionals.

12. How are my rights affected? Do I still have the right to vote?

Generally, the Owners' rights are not affected by the proposed Court order. The only proposed change is to maintain the Board throughout the restructuring process. If the Board were to change in the middle of this process, it could be very disruptive to the process and could delay any implementation of a restructuring plan and thereby increase the costs of the process.

13. Will the owners be consulted after BDO's appointment?

Yes. If the proposed initial court order is granted, BDO intends to begin to consult with the Owners and the Association to develop an exit process and later a restructuring plan. The exit process will require the approval of the Court which will need to be satisfied that the process represents the interests of the Owners.

The Role of BDO

14. What is the proposed role of BDO?

BDO is an independent party with expertise in restructuring. If it is appointed as the Administrator, BDO will be a neutral party that will assist in the restructuring of the Resort. BDO will have the authority to consult with Owners and assist the Board in the development of a restructuring plan.

15. Who does BDO report to?

As a Court officer, BDO is accountable to and will report directly to the Court. BDO's reports to the Court will be with input from the Board and the Owners. The reports will be publicly available once they are filed with the Court and will be found on BDO's website.

The Resort Operations

16. How does the Court process affect the Resort?

The appointment of BDO will not affect the current operations of the Resort. Wyndham will continue to manage the operations of the Resort during this process. At this time, the *status quo* will be maintained and it will be business as usual (subject to the issues surrounding COVID-19). If any changes need to be made to the operation of the Resort in the future, they will have to be approved by the Court on notice to the Owners.

17. I am also an Owner at Carriage Hills Resort. Will Carriage Hills be restructuring as well?

Yes. The Carriage Hills Vacation Owners Association is seeking to carry out a nearly identical restructuring process with BDO as its Court-appointed administrator. Both Associations are working together in their restructuring efforts in order to save costs and possibly provide additional future options, which will be for the benefit of the Owners of both Resorts.

18. Will I still be able to use the Resort during the restructuring?

Yes. If you are an Owner that is not in default, use of the Resort will continue as normal. However, please note that the COVID-19 pandemic has forced the closure of the Resort until at least May 28, 2020. Further updates will be provided in advance of that date.

19. I have other question and concerns for BDO, who should I contact?

Until BDO is appointed, it does not have the authority to advise you with respect to any of your questions. We recommend that you first review the information on BDO's case website: www.bdo.ca/en-ca/extranets/carriage. In the event that you still have questions, they should be directed to the Association prior to BDO's appointment. Those questions will be collected and consolidated to provide further updates to the Frequently Asked Questions.

If you have questions after the appointment of the Administrator, they may be directed to: BDOCarriageRidge@bdo.ca.