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Frequently Asked Questions (FAQ)
Carriage Hills Vacation Owners Association & Carriage Ridge Owners Association
July 6, 2022

BDO Canada Limited (“BDO”) was appointed as Receiver over the Carriage Hills Vacation Owners Association (the “**Carriage Hills Resort**”) and the Carriage Ridge Owners Association (the “**Carriage Ridge Resort**”) and together with Carriage Hills Resort, the “**Resorts**”) pursuant to orders made by the Ontario Superior Court of Justice (the “**Court**”) on December 11, 2020, with an effective date of January 6, 2021. The Receiver was appointed over all of the assets, undertakings and properties of the Resorts, together with the lands and premises on which the Resorts operate.

Before the Receiver is permitted to distribute funds to Owners, the Receiver was required to conduct a claims process (the “**Ownership Claims Process**”), which was approved by the Court pursuant to the Order dated December 17, 2021 (the “**Claims Process Order**”). In accordance with the Claims Process Order, the Receiver engaged Prime Clerk LLC, now known as Kroll Restructuring Administration (“**Prime Clerk**”), to assist with the administration of the Ownership Claims Process. In order to share in any distribution of funds, Owners were required to submit their claim(s) in the Ownership Claims Process on or before April 11, 2022 (the “**Claims Bar Date**”). Capitalized terms not otherwise defined herein, are as defined in the Claims Process Order.

To provide Owners with an update regarding the status of the Ownership Claims Process, distributions to Owners and related matters, below is a list of Frequently Asked Questions (“**FAQ**”) prepared by the Receiver. The FAQ are designed to be responsive to questions and concerns recently raised by Owners.

1. When is the next Court attendance?

A Court hearing is scheduled for **August 23, 2022 at 10am (EST)**. The YouTube link to allow you to view the Court hearing can be found on the following landing page: <https://sites-airdberlis.vuturevx.com/143/3555/landing-pages/livestream-link.asp>

2. What is the outcome from the Ownership Claims Process?

There was significant participation in the Ownership Claims Process by Owners. The Claims submitted by Owners are summarized in the table below:

| | By Claims Bar Date | | | After Claims Bar Date | | | Grand Total | | |
|---|--------------------|---------------|--------------|-----------------------|------------|------------|---------------|---------------|--------------|
| | Total | Hills | Ridge | Total | Hills | Ridge | Total | Hills | Ridge |
| Acknowledgment Forms | | | | | | | | | |
| Online portal submissions | 23,343 | 16,268 | 7,075 | 659 | 418 | 241 | 24,002 | 16,686 | 7,316 |
| Hardcopy paper submissions | 904 | 619 | 285 | 37 | 23 | 14 | 941 | 642 | 299 |
| Total Acknowledgment Forms submitted | 24,247 | 16,887 | 7,360 | 696 | 441 | 255 | 24,943 | 17,328 | 7,615 |
| Requests for Amendment | 5,759 | 3,880 | 1,879 | 221 | 151 | 70 | 5,980 | 4,031 | 1,949 |
| Acknowledgment Forms with Mortgages | 136 | 61 | 75 | 16 | 11 | 5 | 152 | 72 | 80 |
| Requests for Mortgage Amendment | 46 | 27 | 19 | 6 | 3 | 3 | 52 | 30 | 22 |
| Duplicate Acknowledgment Form submissions | 2,313 | 1,574 | 739 | 104 | 64 | 40 | 2,417 | 1,638 | 779 |
| Owner Proof of Claim Forms | | | | | | | | | |
| Online portal submissions | 210 | 167 | 43 | 9 | 7 | 2 | 219 | 174 | 45 |
| Hardcopy paper submissions | 28 | 22 | 6 | 2 | 2 | - | 30 | 24 | 6 |
| Total Owner Proof of Claim Forms submitted | 238 | 189 | 49 | 11 | 9 | 2 | 249 | 198 | 51 |
| Requests for Amendment | 85 | 70 | 15 | 5 | 5 | - | 90 | 75 | 15 |
| Owner Proof of Claim Forms with Mortgages | - | - | - | - | - | - | - | - | - |
| Requests for Mortgage Amendment | - | - | - | - | - | - | - | - | - |
| Duplicate Owner Proof of Claim Form submission | 36 | 29 | 7 | 2 | 2 | - | 38 | 31 | 7 |



3. What happened to claims submitted after the Claims Bar Date?

As a result of the number of Claims being submitted by Owners coming up to the Claims Bar Date, the Receiver used its discretion to keep the Online Claims Portal active until May 15, 2022 in order to allow all Owners additional time to submit their respective Claim(s). The Receiver also continues to receive Claims submitted in hard copy paper format.

4. How will claims submitted after the Claims Bar Date be treated?

All Claims submitted after the Claims Bar Date (“**Late Claims**”) have been marked as ‘late’ and admittance of these Claims remain subject to Court approval. It is the Receiver’s intention to request that the Court permit the Late Claims be treated as if they were filed on a timely basis to permit those Owners an opportunity to participate in any applicable distribution.

5. What are duplicate Acknowledgment and Owner Proof of Claim Form submissions?

These are Claims (tracked by unique IDs) submitted more than once by Owners for a variety of reasons but primarily pertain to Owners making amendments to their initial Claim submission or co-Owners filing Claims using another co-Owners (and their own) unique IDs, resulting in duplicate Claim submissions. The Receiver and Prime Clerk have identified the duplicate submissions and are in the process of eliminating duplicate submissions to ensure there is no double counting of Claims.

6. Has the Receiver disallowed any Requests for Amendment?

At this time, the Receiver has not disallowed any Requests for Amendment, however, there are several hundred Requests for Amendment for which Prime Clerk will be conducting an Owner follow-up to clarify certain information and documents submitted by Owners to ensure their Requests for Amendment are properly adjudicated. The Owner follow-ups are expected to commence during the week of July 4th. After the Owner follow-ups are completed, the Receiver may issue disallowance notices in accordance with the Claims Process Order.

7. What happens if I did not submit my claim in the Ownership Claims Process?

Pursuant to the Claims Process Order, all Owners were required to submit their claims by the Claims Bar Date. As noted above, the Receiver extended the Claims Bar Date to give Owners additional time to file their Claims. Those Owners who have not submitted their Claims:

- are forever prohibited from making a Claim against the Resorts for their proceeds of sale;
- **are not entitled to receive a distribution**; and
- are not entitled to any further notice in and are not entitled to participate as a creditor in the proceedings.

8. When will I receive a distribution and how much will I be paid?

Any distribution to Owners is subject to Court approval. The Receiver is in the process of reconciling the Ownership Claims Process submissions and, at this time, is unable to communicate the amount that it will request the Court permit be paid to Owners. Details of the proposed distribution, including the timing and amount to be distributed, subject to holding appropriate reserves and withholding taxes, will be put to the Court for approval by the Receiver at the upcoming August 23, 2022 Court attendance.

9. What are reserves and why does the Receiver propose to withhold these funds?

Holding reserves is common practice in proceedings similar to these. Typically, reserves are **temporarily** held until the Receiver can complete a **final** accounting of all activity in the proceedings in order to ensure that all parties who are entitled to a distribution are able to be paid. Any reserve is subject to Court approval. The Receiver intends to seek approval of reserves relating to, among other



things, accrued and future professional fees, remaining costs to complete the administration of these proceedings and for any unresolved claims (i.e. Claims not yet resolved or disallowed by the Receiver at the time of the Court hearing which may be disputed by an Owner).

10. How does the Receiver propose that distribution(s) be paid?

Any and all distributions to Owners are subject to the discretion of the Court. In particular, the quantum and method of payment are subject to Court approval. It is the intention of the Receiver to request that the Court approve Prime Clerk to issue distributions on the Receiver's behalf. The Receiver has been working with Prime Clerk to provide Owners with a potential option to select the payment method of their choice, being either a form of electronic payment or regular cheque, which will be subject to the Court's approval. The potential distribution payment method options and anticipated fees associated with each option (all subject to the Court's approval) are presented in the table below. All fees presented are:

- (i) denominated in USD;
- (ii) per transaction; and
- (iii) may be variable in nature dependent on transaction amount, with the amount represented below being the maximum fee chargeable.

| Payment Option | Benefit | Applicable Fee |
|----------------------|-----------------------------|----------------|
| Interact/Zelle/Venmo | Direct to your bank account | \$ 0.75 |
| PayPal | No bank account required | \$ 11.75 |
| Regular cheque | No online access required | \$ 3.50 |
| Mastercard | Most widely accepted card | \$ 0.09 |
| Direct deposit | Direct to your bank account | \$ 4.50 |

It is anticipated that the Receiver will request that the Court approve the deduction of the above-noted fees from the amount being paid to each Owner. Therefore, should an Owner elect a 'more' expensive payment method, the entire estate will not be responsible for the cost of that Owner's selection.

11. I have tried contacting Prime Clerk but I am unable to get connected with a representative. How can I arrange to contact Prime Clerk?

From the time Prime Clerk was engaged to assist with these proceedings until the middle of May 2022, Prime Clerk has received in excess of 17,300 email and phone call inquiries from Owners. These inquiries are in addition to the actual Owner Outreach and Ownership Claims Process form submissions which Prime Clerk administered. As the Receiver has noted previously, each of these emails and phone calls has a cost to the estate.

At the request of the Receiver, the Prime Clerk call center has been temporarily closed as all Owners have had the opportunity to submit their Claims and make inquiries with respect to the Ownership Claims Process. It is anticipated that Prime Clerk's call center will be reactivated during the distribution process to facilitate distributions and related inquiries. At present, should you have any inquiries with respect to these proceedings please contact the Receiver using the details contained in this FAQ.

12. Where may I obtain information with regards to the Resorts?

All information related to the Resorts can be found at the following link to the Receiver's case website <https://www.bdo.ca/en-ca/extranets/carriage/>. In addition, dedicated email addresses have been created to receive questions from stakeholders. The email addresses are:

- For Carriage Hill Resort inquiries: BDOCarriageHills@bdo.ca
- For Carriage Ridge Resort inquiries: BDOCarriageRidge@bdo.ca