

Frequently Asked Questions (FAQ)
Carriage Hills Vacation Owners Association &
Carriage Ridge Owners Association
November 11, 2020

BDO Canada Limited (“**BDO**”) was appointed as Administrator over Carriage Hills Vacation Owners Association (“**Carriage Hills**”) and Carriage Ridge Owners Association (“**Carriage Ridge**”) pursuant to Court orders granted May 15, 2020. A Member Survey was carried out to determine the interests of the Members of Carriage Hills and Ridge. Based on the results of the Member Survey, the Administrator determined that a continuation of the Resorts would not be financially viable. The Associations accepted the recommendation of the Administrator to close the Resorts, subject to Court approval.

Pursuant to Court orders granted October 15, 2020, the Court has approved the decision of the board of directors of Carriage Hills and Carriage Ridge to accept the Administrator’s recommendation to close the Resorts and begin the process of formulating a marketing and sale process. We understand that many Members have questions with respect to the results of the Court hearing on October 15, 2020, the closure of the Resorts and next steps. To assist Members, below is a list of Frequently Asked Questions received by the Administrator designed to be responsive to such questions or concerns.

1. Why did I not get a survey results email after I completed the Member Survey?

If you did not receive an email with the survey results, please check your spam filter. If you did not receive the Administrator’s email, please fill out the form at the bottom of the Administrator’s website at <https://www.bdo.ca/en-ca/extranets/carriage/> to ensure that the Administrator has your correct email address to get future communications. You can read the Administrator’s 2nd Report which contains the results of the Member Survey at: [https://www.bdo.ca/BDO/media/Extranets/carriage/Carriage-Hills-Second-Report-\(Final\)2.pdf](https://www.bdo.ca/BDO/media/Extranets/carriage/Carriage-Hills-Second-Report-(Final)2.pdf).

2. What was the result of the Court hearing on October 15th?

Based on the results of the Member Survey, the Administrator recommended that the Resorts be closed and sold in 2021. This recommendation was adopted by the boards of directors of Carriage Ridge and Carriage Hills subject to Court approval. The Court approved the closure of the Resorts on January 6, 2021 and their sale and gave the Administrator the power to engage third parties to assist the Administrator in developing a marketing and sales process of the Resorts. Full copies of the Orders granted by the Court are available at: <https://www.bdo.ca/en-ca/extranets/carriage/>.

3. Why are the Resorts closing?

As a result of the number of Members wishing to exit the Resorts, the Administrator determined that they are no longer financially viable. For further background, please refer to the Administrator’s 2nd Report.

4. When is the last day the Resorts will be open?

The Resorts are scheduled to be closed on January 6, 2021, with "Owner Day Use" terminating on December 31, 2020.

5. Will I still be able to use the Resorts until they close?

The Resorts will continue to operate as usual until January 6, 2021. Check in dates must be before December 31, 2020 and final checkout must be on or before January 5, 2021.

6. If I didn't vote in the Member Survey, do I have to do anything further?

No further action is required by Members at this point.

7. What are the next steps?

The Administrator has begun developing a marketing and sales process aimed at obtaining the highest and best price for the Resorts. Once this process has been developed, there will be a further Court hearing to approve the process. It is also anticipated that Carriage Ridge and Carriage Hills will bring an application to appoint the Administrator as the Receiver of the Resorts. We anticipate that the next Court hearing will be in early to mid-December.

8. I have paid my 2021 maintenance fees. Will I be refunded?

Carriage Ridge, Carriage Hills and the Administrator are working with Wyndham to determine what amounts have been prepaid in order to formulate a mechanism to deal with such prepayments.

9. Do I have to pay the 2021 maintenance fees?

No, the 2021 maintenance fees are no longer required due to the closure of the Resorts. You will not be invoiced for 2021 maintenance fees.

10. What is the current status of the sales process?

The sales process is being developed. Experts are being consulted in an effort to develop the most appropriate process to obtain the best value for the Resorts in an appropriate period of time.

11. How will the proceeds of any sales process be distributed?

The distribution of any sale proceeds has yet to be determined. Such mechanism will be developed as this matter progresses. Any distribution will be subject to Court approval and will have to take into account the claims of creditors (e.g severance obligations for employees).

12. When will the loss of my Shell Vacations Club points become effective?

For all questions related to Shell Vacations Club membership points, please refer to the FAQ prepared by Wyndham in response to these questions at:

https://www.bdo.ca/BDO/media/Extranets/carriage/10-30-20-EH-CH-CR-Owner-FAQs_Member-Facing2.pdf.

13. I have booked a stay at the Resorts after January 6, 2021. What will happen to my booking?

If you have booked a stay at the Resorts with check in after December 31, 2020, the reservation will be cancelled and any payments will be refunded.

14. How do I exit the Resorts now?

There is no longer any need to formally exit the Resorts. Once the Resorts are sold and all associated costs have been paid, any non-delinquent Owners will receive a distribution from the sale proceeds. Accordingly, there is no longer an Exit Fee that will be charged to Owners who wish to exit the Resorts. The costs of maintaining the Resorts will be funded through the funds currently in the Resorts' bank accounts and through either the Members or by borrowing against the real properties, if necessary, and not through an Exit Fee.

15. Do I need to provide a copy of my deed?

No, you will not be required to provide a copy of your deed at this time. The legal team is currently reviewing the title search and comparing it to the owner list to determine if there are any issues. In the event that there is a discrepancy, you may be asked to produce your title deed at that time.

16. What is happening with the Exit Fee? Am I still required to pay it?

See the answer to question #14. The Exit Fee will no longer be charged to Owners who wish to exit the Resorts because of the closure and sale of the Resorts.

17. Will there be further costs I have to pay as a Member?

There will be continuing carrying costs incurred after the Resorts are closed. These costs include property taxes, insurance, reduced utilities, security, snow clearing and landscaping, maintenance and professional fees. All of these costs are necessary to maintain the value of the Resorts for the benefit of Members. It is impossible to determine how long it will take to sell each Resort as each is a unique property and the COVID-19 pandemic increases the uncertainty. Because no 2021 maintenance fees are being charged to Members and the original Exit Fee is not being charged (see question #14), additional funding may be required to pay the carrying costs during the marketing and sale of the Resorts.

There are two potential sources of available funding:

- i) borrowing against the value of the real property; and
- ii) charging all Members a revised Exit Fee.

The Orders granted by the Court on October 15 permit the Administrator to determine whether a loan could be obtained to fund the ongoing costs of the Resorts.

18. What are my options as a Member?

At this stage, the Members are not required to take any steps. There is no prohibition against selling your Intervals in the ordinary course.

19. Do the Associations own the land and the buildings?

No. The real property and the buildings are owned by the Members as tenants-in-common. All of the other assets (ie. room décor, etc.) are owned by the Associations.

20. How much money will I receive from the sale of property?

This will not be known until the Resorts are sold, all creditor claims are paid and delinquent arrears are pursued and collected.

21. What will happen with the funds collected from delinquent accounts?

As detailed in the Administrator's 2nd Report, significant sums have been collected from delinquent owners. All remaining delinquent owners were charged a delinquency fee of \$1,000 on October 1, 2020. All funds collected from delinquent accounts are paid to the respective Association (Carriage Hills or Carriage Ridge) that the Delinquent Member belonged to. The funds will be used to help fund the costs of the Resorts and any surplus will be distributed to owners.

22. Who is representing the Members during this process?

TGF is counsel to the Associations who represent the interests of the Members. Additionally, some of the Members have retained counsel to represent them during this process. The Administrator has been appointed as a neutral third party to oversee the restructuring of the Resorts and report to the Court. The Administrator is a Court officer who reports directly to the Court and is mandated to act in the best interest of the stakeholders of the Resorts, including the Members and creditors. The Administrator is accountable to the Court, not directly to the Members.

23. What information is being shared with Wyndham, and is it also being shared with the Members?

Wyndham, as the manager of the Resorts, naturally has information that is not generally available to the public relating to the management of the Resorts. The boards of the Resorts and the Administrator have been working cooperatively with Wyndham to manage the closure of the Resorts.

24. How does the Court proceeding affect the operations of the Resorts?

The Court process does not affect the current operations of the Resorts. The Resorts will operate as business as usual (subject to the issues surrounding COVID-19) until January 6, 2021. Accordingly, Wyndham will continue to manage the operations of the Resorts during this process.

25. I have other question and concerns for the Administrator, who should I contact?

We recommend that you first review the information on the Administrator's website: www.bdo.ca/en-ca/extranets/carriage. In the event that you still have questions, they may be directed to: BDOSupport@bdo.ca or BDOSupport@bdo.ca.