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Frequently Asked Questions (FAQ)
Carriage Hills Vacation Owners Association & Carriage Ridge Owners Association
August 26, 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**”).

On August 23, 2022, the Court issued an order (the “**Interim Distribution Order**”) approving an interim distribution (the “**Interim Distribution**”) to Owners as set out in the Receiver’s seventh report to the Court dated August 10, 2022 (the “**Seventh Report**”).

In accordance with the Claims Process Order and the Interim Distribution Order, the Receiver engaged Prime Clerk LLC, now known as Kroll Restructuring Administration (“**Kroll**”), to assist with the administration of the Ownership Claims Process and the Interim Distribution.

To provide Owners with an update regarding the status of the Ownership Claims Process and the Interim Distribution, 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 will the Interim Distribution be made to Owners?

The Interim Distribution is anticipated to be paid on or about October 12, 2022. This date follows the 30-day period during which Owners may select their preferred payment option for the Interim Distribution payment, as discussed later in this FAQ.

Claims not yet admitted and subject to further review will be paid after the claims under review are resolved. Until such time, a reserve will be held for such claims. The Receiver is continuing to review claims to resolve outstanding issues. The Receiver anticipates completing periodic payments (monthly) of the Interim Distribution to those Owners with claims under review commencing in November 2022.

2. How will the Interim Distribution be made?

Owners eligible to receive the Interim Distribution will receive an email from Kroll with directions for selecting a preferred payment option. Owners whose claim(s) are subject to further review will not receive an email to select their preferred payment option until the review of their claim is completed.

The Receiver will utilize the services of Kroll and their banking partner, Western Alliance Bank (“**WA Bank**”) to process the Interim Distribution payments.

All payments issued to residents of Canada will be denominated in Canadian dollars while residents of any other country will receive funds denominated in US dollars. There will not be an option to select payment in an alternative currency.

Owners who do not have a valid email address associated with their claim will receive payment via cheque and will not have the option of selecting a different payment method.



3. What is the total amount being distributed to Owners?

The Interim Distribution funds approved by the Court to be distributed to Owners totals approximately \$27.09 million for the Carriage Hills Resort and \$13.37 million for the Carriage Ridge Resort. These amounts are after reserved amounts but before deductions on individual Owner Interim Distribution payments, including where applicable withholding taxes, mortgage obligations and off-sets for delinquent amounts owed to the Carriage Resorts.

Further details on the total amounts to be distributed and related reserves are detailed in the Seventh Report.

4. What is the amount being distributed to each individual Owner?

Owners will be entitled to their proportionate share of the Interim Distribution based on their co-ownership interests.

After redistributing off-sets from delinquent account and residual amounts from intervals with mortgage claims (as detailed in the Seventh Report) and subject to the deduction of withholding taxes and mortgage obligations, where applicable, the Interim Distribution for Owners will be:

- a) for an Every Year Interval in the Carriage Hills Resort = \$4,378.60;
- b) for an Every Year Interval in the Carriage Ridge Resort = \$4,754.88;
- c) for an Odd/Even Year Interval in the Carriage Hills Resort = \$2,189.31; and
- d) for an Odd/Even Year Interval in the Carriage Ridge Resort = \$2,377.44.

Each Owner's Interim Distribution is based on their proportionate ownership interest in the Carriage Resorts (as determined by their Interval). Factors such as red/white weeks, floating/fixed weeks and rewards points (either through Shell Vacation Clubs or any other points) do not impact the Interim Distribution. A detailed discussion of the methodology for calculating the interim distribution is available in the Seventh Report.

5. How will I know how much I will receive from the Interim Distribution?

Owners will receive an email from Kroll by September 9, 2022 with directions for selecting a preferred payment option for the Interim Distribution payment. This email will include the net amount to be paid to the Owner after deductions (i.e. withholding taxes, mortgage obligations, delinquent account off-sets), if any. The Interim Distribution amount detailed in the Kroll email will not reflect the cost associated with the preferred payment option selected.

Owners will be sent a statement detailing the composition of their Interim Distribution payment on or around the date the payment will be made. This statement will not include the cost associated with the selected preferred payment option but will detail all amounts deducted.

In order to reduce inquiry volumes and associated costs, Owners are discouraged from contacting the Receiver or Kroll to request the amount of their Interim Distribution or a copy of the statement detailing same. The Receiver, at its sole discretion, may not respond to Owner requests for individual Interim distribution details until after the statements are sent to Owners.



6. How will I know if my Claim has yet to be processed by the Receiver in order to participate in the Interim Distribution?

Owners with claims subject to ongoing review will receive an email from Kroll by September 9, 2022. The email will confirm the Receiver is reserving the Owner's Interim Distribution until such time that the review of the claim is complete.

Owners with claims pending review will be notified of the Interim Distribution amount payable at a later date, after the review of the claim is complete. These Owners will also be provided with the option to select a preferred payment method at a later date.

In order to reduce inquiry volumes and associated costs, Owners are discouraged from contacting the Receiver or Kroll to request the amount of their individual Interim Distribution. No response will be provided on the amount of an Interim Distribution entitlement until the review of the claim is complete. Owners will receive relevant communications in due course.

7. What is the cost for each payment method and who is responsible for the cost?

The Receiver, working with Kroll, has established an option for Owners to select a payment method of their choice to receive the Interim Distribution. The payment method options and anticipated fees associated with each option are presented in the table below. All fees presented are:

- a) denominated in USD;
- b) represented on a per transaction; and
- c) may be variable in nature dependent on the transaction amount, with the amount represented below bring 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

Owners are responsible for the costs associated with their preferred payment option. This allows Owners to benefit from the selection of less costly or faster processing payment method (as desired).

The Receiver cannot accommodate requests to combine multiple payments to an Owner (or group of Owners) in order to reduce processing fees.

8. What are reserves and why does the Receiver propose to temporarily retain 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. The reserves approved pursuant to the Interim Distribution Order are detailed in the Seventh Report and relate to, among other things, accrued and future professional fees, remaining costs to complete the administration of these proceedings and for any unresolved Claims.



9. Can I file a claim in the Ownership Claim Process?

All Owners were directed to submit their claims by 5:00 p.m. (Toronto time) on April 11, 2022 (the “**Claims Bar Date**”). Any Owner (or other claimant) who did not submit their claim by the Claims Bar Date:

- would be forever prohibited from making a claim against the Resorts or their proceeds of sale;
- would not be entitled to receive a distribution; and
- would not be entitled to any further notice in and will not be entitled to participate as a creditor in the proceedings.

The Court approved an extension of the Claims Bar Date to August 23, 2022 pursuant to the Interim Distribution Order. No further claims are being accepted by the Receiver after this date.

10. 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: BDOPCarriageHills@bdo.ca
For Carriage Ridge Resort inquiries: BDOPCarriageRidge@bdo.ca