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Frequently Asked Questions (FAQ) **Carriage Hills Vacation Owners Association & Carriage Ridge Owners Association** **February 20, 2024**

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 being 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 Orders dated December 17, 2021 (the “**Claims Process Orders**”).

On August 23, 2022, the Court issued orders 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**”).

On February 13, 2024, the Court issued orders approving a final distribution (the “**Final Distribution**”) to Owners as set out in the Receiver’s ninth report to the Court dated February 1, 2024 (the “**Ninth Report**”).

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

To assist Owners with understanding the process regarding the Final 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.

Final Distribution Payment

1. When will the Final Distribution be made to Owners?

The Final Distribution is anticipated to be issued on or about April 5, 2024. In early March 2024, Owners will receive instructions on how to select their preferred payment option for the Final Distribution payment, as discussed later in this FAQ.

Please be aware that should the preferred payment method of ‘paper cheque’ be selected, paper cheques will be mailed on or about April 5, 2024 via standard mail and may take several weeks before reaching the intended destination. Owners are encouraged to select a digital payment option to ensure timely receipt of the Final Distribution.

2. What is the amount being distributed to Owners?

The Final Distribution approved by the Court totals approximately \$7.61 million for the Carriage Hills Resort and \$3.77 million for the Carriage Ridge Resort.

These amounts are before any deductions specific to individual Owners, including where applicable withholding taxes, mortgage obligations and off-sets for delinquent amounts owed to the Carriage Resorts.



3. What is the amount being distributed to each individual Owner for the Final Distribution?

Owners will be entitled to their proportionate share of the Final 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 Ninth Report) and subject to the deduction of withholding taxes and mortgage obligations, where applicable, the Final Distribution for Owners will be:

- a) for an Every Year Interval in the Carriage Hills Resort = \$1,116.28;
- b) for an Every Year Interval in the Carriage Ridge Resort = \$1,215.75;
- c) for an Odd/Even Year Interval in the Carriage Hills Resort = \$558.14; and
- d) for an Odd/Even Year Interval in the Carriage Ridge Resort = \$607.89.

Each Owner's Final 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 Final Distribution.

4. How will I know how much I will receive from the Final Distribution?

Owners will receive an email from Kroll by March 5, 2024 with directions for selecting a preferred payment option for the Final 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 Final Distribution amount detailed in the Kroll email will not reflect the cost associated with the preferred payment option selected.

5. Will there be any further distributions to Owners from the Carriage Resort?

No, the Final Distribution is the last and final distribution to Owners in the Carriage Resorts.

6. What is the total distribution to each individual Owner for all distributions in these receivership proceedings?

Together with the Interim Distribution, the funds distributed to Owners during the receivership proceedings totals approximately \$37.43 million for the Carriage Hills Resort and \$18.60 million for the Carriage Ridge Resort.

After redistributing off-sets from delinquent account and residual amounts from intervals with mortgage claims (as detailed in the Ninth Report) and subject to the deduction of withholding taxes and mortgage obligations, where applicable, the Owners will have received total distribution payments of:

- a) for an Every Year Interval in the Carriage Hills Resort = \$5,494.88;
- b) for an Every Year Interval in the Carriage Ridge Resort = \$5,970.63;
- c) for an Odd/Even Year Interval in the Carriage Hills Resort = \$2,747.45; and
- d) for an Odd/Even Year Interval in the Carriage Ridge Resort = \$2,985.33.

Preferred Payment Selection

7. How will the Final Distribution be made?

The process for the Final Distribution will be similar to the process for the Interim Distribution. The Receiver will utilize the services of Kroll and their banking partner, Western Alliance Bank and its division Digital Disbursements (the "**Banking Partner**"), to process the Final Distribution payments.



Owners eligible to receive the Final Distribution will receive an email from Kroll with directions for selecting a preferred payment option. This email will include a preferred payment web link.

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.

8. How do I update my contact information (mailing address or email address)?

All requests to update contact information should be directed to the Kroll call center (the “**Call Centre**”). The Call Centre contact information is included in **FAQ Point #21**. Please be prepared to provide details of your claim for security verification purposes.

9. I cannot locate the email containing the preferred payment option web link. How do I request the link to be re-sent?

Firstly, check your spam or junk filters to ensure that the email with the link has not been redirected from your inbox.

Secondly, Owners are requested to re-check the email address listed in their claim submission. Many Owners use multiple email addresses and it is possible that communications are being sent to an email address provided to the Receiver which differs from the email address being checked.

Owners can contact the Call Centre (contact details included in **FAQ Point #21**) to request their unique web link be re-sent to select a preferred payment option. For security purposes, the unique web link can only be re-sent to the email address associated with the claim

The Call Centre will not be able to accept a verbal selection of the preferred payment method nor any banking details over the phone.

10. I didn't select an option during the preferred payment selection period. Will I still receive the Final Distribution?

Yes. If no preferred payment option is selected, your Final Distribution payment will be processed using the same payment selections made for your Interim Distribution. If you did not select a preferred payment method for your Interim Distribution, your payment method will default to payment by cheque.

Owners are encouraged to select a digital payment option to ensure they receive their payment as quickly as possible. In addition, the Receiver will not be processing requests to re-send lost or missing Final Distribution cheques until July 2024.

Owners who require technical assistance with the preferred payment options may contact the Call Centre (contact details included in **FAQ Point #21**).

Preferred Payment Options

11. 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 Final 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 being the maximum fee chargeable.

Payment Option	Benefit	Applicable Fee
Interac/Zelle/Venmo	Direct to your bank account	\$ 0.75
PayPal	No bank account required	\$ 11.75
Regular cheque	No online access required	\$ 3.50
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.

12. Are there any changes to the preferred payment selections since the Interim Distribution?

Yes, there are a few changes to the preferred payment selections which will apply to the Final Distributions:

- Mastercard → The MasterCard payment option is no longer available.
- International cheques → Owners who reside outside Canada or the US will no longer have the option to select 'paper cheque' as a preferred payment option.
- Interac → Owners that unsuccessfully enter their password 3-times for their Interac payment will be automatically converted to paper cheque. There will not be the option to have an Interac payment re-issued due to unsuccessful password entry. Owners can contact Kroll to confirm their Interac password.
- Direct Deposit → Any unsuccessful direct deposit payments will be re-issued by paper cheque.

13. What is my routing number (if selecting an electronic method of payment)?

A routing number is a nine-digit number used to process electronic methods of payment. For Canadian bank accounts, your routing number should be entered in the following format:

"0" + Institution Number (3 digits) + Transit/Branch Number (5 digits) (e.g. 099912345).

Note: An eight-digit number is also accepted if provided in the following format:

Transit/Branch number (5 digits) + "-" + Institution Number (3 digits) (e.g. 12345-999)

Owners are encouraged to obtain the assistance of their own financial institutions to verify their routing number information. Neither the Receiver nor Kroll can advise Owners of their routing number.



Payment and Claim Follow-up

14. I selected an electronic preferred payment method (e.g. Interac, direct deposit, etc.), but I have not received my payment. What should I do?

If you have not received your electronic payment by April 10, 2024, you may contact the Call Centre (discussed herein) for assistance with your payment. Please be prepared to provide your Payee ID when contacting the Call Centre to assist with locating your payment.

15. What happens if I do not claim my Final Distribution payment?

Per direction of the Court, any Unclaimed Distributions will be donated to the charitable organizations the Alzheimer Society of Canada and Habitat for Humanity Canada (split equally between the two organizations).

16. I missed filing an ownership claim in the Ownership Claim Process. Can I file a claim now?

No, additional ownership claims in will not be accepted under any circumstance.

All Owners were directed to submit their claims by 5:00 p.m. (Toronto time) on April 11, 2022 (the “**Claims Bar Date**”), which date was subsequently extended by the Court to April 24, 2023 (the “**Extended Claims Bar Date**”). The Extended Claims Bar Date has passed. Any Owner (or other claimant) who did not submit their claim by the Claims Bar Date:

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

17. I did not claim my full ownership interest on my claim. Can I increase my ownership interest on my claim?

No. The distributions approved by the Court were based on all submissions as at the Extended Claims Bar Date.

Reporting and Taxes

18. Will I receive a statement detailing the Final Distribution and deductions related to my account?

Yes. Owners will be sent a statement detailing the composition of their Final Distribution payment (“**Statement**”) on or around April 8, 2024. The Statement will not include the cost associated with the selected preferred payment option but will detail all other amounts deducted, if any.

For your convenience, the Statement will also include details of the combined Interim Distribution and Final Distribution payments you received.

19. I need information to file my income tax filings. Who can I contact?

The Receiver will provide a Statement which details the composition of an Owner’s total distribution payments from the receivership. No other information will be provided by the Receiver for tax filing or reporting purposes. Owners should reference their own records to locate information for tax filings.

If you have questions regarding the tax implications of your Final Distribution, please contact your tax professional. Neither Kroll nor the Receiver can provide Owners with tax advice.



20. How do I recover the withholding taxes deducted from my Final Distribution payment?

The Receiver has provided a listing containing Owners' Name, Equiant Account No., Mailing Address, Phone Number and Amount of the Withholding Tax to the Canada Revenue Agency, as instructed. Owners should reference their own records to locate information for tax filings.

If you have questions regarding the tax implications of your Final Distribution, please contact your tax professional. Neither Kroll nor the Receiver can provide Owners with tax advice.

Questions and Contact Information

21. Will the Call Centre re-open to assist me with receiving my Final Distribution?

Yes, the Call Centre will be open from March 11, 2024 to April 12, 2024 to assist owners in receiving their Final Distribution payment. The Call Centre can be contacted at the following coordinates.

Toll free in Canada or the United States: (844) 205-4338
Outside Canada or the United States: (312) 345-0605
Email: carriageinfo@ra.kroll.com

When contacting Kroll, please be sure to have your name, Equiant ID, mailing address and/or email address available for security validation purposes.

Note that Kroll will not be able to answer questions about the Final Distribution calculation methodology.

Once the Call Centre is closed, owners can contact the Receiver with inquiries regarding the final distribution payment.

22. There are a number of parties involved. Who do I contact about certain questions?

a) BDO Canada Limited (the "Receiver")

The Receiver is responsible for the overall administration of the receivership estate. This includes calculating the amount of the Final Distribution, the amounts owing to each Owner, determining which claims are subject to ongoing review (i.e. reserves) and reviewing claim submissions.

The Receiver is a professional accounting firm and does not maintain a call centre. 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

b) Kroll Restructuring Administration LLC (the "Claims Agent")

Kroll has been retained by the Receiver to create the online claims portal, respond to inquiries and otherwise assist in the Ownership Claims Process. At the direction of the Receiver, Kroll will re-open a call centre for a short time to answer Owner inquiries. The Call Centre is intended to assist claimants with payment method selection (before the selection deadline), updating contact information and payment confirmations.

Please note these phone number and email address will only be active from March 11, 2024 to April 12, 2024. Inquiries after the Call Centre is closed should be directed to the Receiver.

c) Western Alliance Bank (the "Banking Partner")



The services of Western Alliance Bank and its division Digital Disbursements will be used for payment of the Final Distribution. Preferred payment selections and any submitted banking information are gathered by the Banking Partner for processing payments. The Banking Partner does not maintain a call centre and inquiries related to Final Distribution payments should be directed to the Call Centre.

Future Matters

23. When is the next court hearing?

The February 13, 2024 Court hearing was intended to be the final court hearing of these receivership proceedings. However, in an endorsement dated February 13, 2024, the Honourable Justice Conway advised that a dissolution order could not be granted until after the affairs of the corporation have been fully wound-up. Justice Conway advised the Receiver may bring a motion or application to seek the dissolution order at a later date.

The Receiver will schedule a Court hearing to seek the dissolution orders at a later date.

Owners may continue to visit the Receiver's case website for any information concerning the Receivership.

Please note the Carriage Resorts original websites (<https://carriagehillsoa.ca> and <https://carriageridge.ca/>) will be shut-down at the end of February 2024. Information on the Receivership may be obtained from the Receiver's case website.

24. Where may I obtain information with regards to the Receivership?

All information related to the Receivership can be found at the following link to the Receiver's case website <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/carriage-hills>. 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