

Frequently Asked Questions (FAQ)

May 21, 2020

As you are aware, Carriage Ridge Owners Association (the “**Association**”) sought Court approval of the appointment of BDO Canada Limited (“**BDO**”) as administrator over the Association and the Carriage Ridge Resort (the “**Resort**”). The Court order was granted on May 15, 2020 (the “**May 15th Order**”).

We understand that many Owners of the Resort (“**Owners**”) have questions with respect to the current Court approved process (the “**Process**”). Below is a list of Frequently Asked Questions that intends to be responsive to questions or concerns raised about the first steps that have been taken, the role of BDO and how the Process may affect the Owners.

1. What happened at the May 15, 2020 hearing?

An Order was granted by the Honourable Madam Justice Conway appointing BDO as Administrator in respect of the Carriage Ridge Owners Association (the “**Appointment Order**”). The Administrator’s role is discussed below.

2. 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 the process adopted is the most likely to permit a restructuring.

3. Do I need to get a lawyer?

You are always free to retain your own lawyer. Presently we believe that Owners 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 if a viable resort can be maintained.

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

The Court approved a notice procedure to the Owners of upcoming hearings, whereby, 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.

5. How can I get the notice directly?

The Administrator has a questionnaire on its website (www.bdo.ca/en-ca/extranets/carriage) to allow Owners to record their updated contact information. The Administrator will email parties directly once the Administrator has the contact information of Owners. However, due to the number of Owners and emails being caught in spam filters, 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. Please complete the questionnaire as soon as possible.

The Restructuring of the Resort

6. What are the first steps in the Process?

The appointment of the Administrator is an important **first step** to restructure the Resort. The next steps, as set out in the Appointment Order, are as follows:

a) Member Contact Information

The Administrator wishes to create an updated Owners contact list including but not limited to the last known physical mailing address and email address of each Owner.

b) Consultative Committee of Owners (the "Consultative Committee")

A meeting will be held by the Consultative Committee, whereby a fifth committee member is to be chosen by the other Consultative Committee members.

c) Assessing Owners Future Intentions

Subject to Court approval, a procedure and plan will be developed and implemented to confirm the interests of the Owners going forward with respect to the Resort. Owners will be able to indicate whether they wish to terminate their relationship with the Resort, or continue if a satisfactory restructuring solution can be developed.

d) Exit Strategy

Subject to Court approval, the Administrator, with the assistance of the Consultative Committee and Board, will develop an exit strategy for those Owners that wish to relinquish their membership.

7. I want to exit the Resort. Can I do that right now?

Unfortunately, that is not presently possible unless you are able to sell your interest in the resort. The Administrator and Boards, in consultation with the Consultative Committee, will develop a process to allow Owners who wish to exit the time-share to do so. This process will be presented to the Court for approval. Once the process is approved then Owners will be able to exit the time-share pursuant to that Court approved process.

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

The Owners' voting and ownership rights are not affected by the May 15th Order.

9. Will the owners be consulted now that the Administrator has been appointed?

Yes. As set out in #6 above, the Appointment Order requires the formation of the Consultative Committee made up of at least five Owners who are representative of the varying interest of the

Owners. The Administrator will consult with the Consultative Committee and the Boards and consider their recommendations in developing the exit process for Owners. The exit process will require the approval of the Court, which will need to be satisfied that the process is fair and reasonable in the circumstances. The Administrator has also established an email address (BDOCarriageRidge@bdo.ca) for direct communications with the Administrator.

10. Who is on the Consultative Committee?

Pursuant to the Appointment Order, the Consultative Committee consists of:

- Chris Diana
- Michael Deegan
- A member of the Ridge board of directors – Laurie Kennedy
- A member of the Hills board of directors – Darren Chapelle
- A fifth member to be chosen by the above committee members

Although Wyndham has the option to be represented on the Consultative Committee, it has chosen not to exercise that option at this time.

The Role of BDO

11. What is BDO's role as Administrator?

BDO is an independent party with expertise in restructuring. As the Administrator, BDO is a neutral party and officer of the Court whose role is consultative and monitoring in nature. The principal functions of the Administrator include, but are not limited to:

- Monitoring the cash flow of the Resort, including any large expenditures, and to assist in developing a plan to resolve any potential cash flow issues;
- Consult with the Consultative Committee and assist the Board in the development of an exit and, if possible, a restructuring plan, including commenting on each plan presented to the Court;
- Facilitate owner surveys to ensure impartiality;
- Provide an opinion to the Court on whether a downsized resort is viable, including changes to the time share and other agreements;
- Develop a sales process for any property that needs to be sold and seek Court approval of that process and the ultimate sale of any property; and
- Present a plan to the Court on what is to be done with any proceeds from the sale of any property.

12. Who does BDO report to?

As a Court officer, the Administrator reports to and takes its direction ultimately from the Court, not the Boards nor Wyndham nor individual Owners. Any Court reports from the Administrator will be publicly available once they are filed with the Court and will be found on BDO's website.

The Resort Operations

13. How does the Process affect the operations of the Resort?

The Process will not affect the current operations of the Resort. At this time, the *status quo* will be maintained and it will be business as usual (subject to the issues surrounding COVID-19). Accordingly, Wyndham will continue to manage the operations of the Resort during the Process. If any significant 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 and Wyndham.

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

Yes. BDO is also the Court-appointed Administrator of Carriage Hills. The Carriage Hills Vacation Owners Association and the Carriage Ridge Owners Association 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. Representatives of both Resorts are included in the Consultative Committee.

15. 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 29, 2020. Further updates will be provided in advance of that date directly by the Resort manager.

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

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