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Frequently Asked Questions (FAQ) **Carriage Hills Vacation Owners Association & Carriage Ridge Owners Association** **September 14, 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 LLC (“**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 were sent an email from Kroll with a web link for selecting a preferred payment option on or around August 31, 2022. 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. I cannot locate the email containing the preferred payment option web link. How do I request the link to be re-sent?

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 should also check junk and spam folders if the email cannot be located in an inbox.

Owners can contact the Kroll call centre (contact details later in this FAQ) 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.

4. 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)

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

5. I haven't received the preferred payment web link. Alternatively, I have received the web link, but I cannot select any of the options. Will I still receive the Interim Distribution?

Yes. If no preferred payment option is selected, your Interim Distribution payment will be issued by cheque. The cheque will be sent via standard mail.

Owners are encouraged to select a digital payment option as the administration of cheque payments is expensive relative to other options. In addition, the Receiver will not re-issue cheques which are lost or otherwise undelivered until 180 days after the date of the cheque.

Owners who require technical assistance with the preferred payment options may contact the Kroll call centre (contact details later in this FAQ).

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

Yes. 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 other amounts deducted (please see question 7 relating to deductions).

7. The amount I am shown to receive is less than the per interval distributions shown in the FAQ dated August 26, 2022. Why?

The amount of the Interim Distribution is subject to the deduction of withholding taxes, mortgage obligations and delinquent account balances owing to the Carriage Resort. Owners will be sent a statement detailing the composition of their Interim Distribution payment on or around the date the payment will be made.



8. Why is the review of my claim not completed?

Claims may be subject to further review because Owners have requested an amendment to the information, there are inconsistencies with the information in claims, or their claim conflicts with the claims made by other Owners. You may receive requests for further information from the Receiver and/or Kroll required to process your claim(s). Please respond to such inquiries as quickly as possible so the Receiver can process your claim and issue an interim distribution.

Claim reviews continue to be performed by the Receiver. The Receiver cannot provide estimates on the timeframe for addressing individual claims. Owners with claims subject to further review should await instructions from the Receiver or Kroll in addressing their claim.

Claim review will not be conducted in real-time. Owners should not contact the Receiver or the Kroll call centre expecting that a representative will be able to finalize their claim.

9. I did not file a claim in the Ownership Claims Process. How do I submit a claim?

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 August 23, 2022 pursuant to the Interim Distribution Order. The 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;
- is not entitled to receive a distribution; and
- is not entitled to any further notice in and will not be entitled to participate as a creditor in the proceedings.

The Receiver has no authority to admit claims after the Claims Bar Date nor extend the Claims Bar Date further to permit acceptance of any unfiled claims. Therefore, unless the Court’s approval is obtained, no additional claims will be entitled to participate in distributions from the Carriage Resort including the Interim Distribution.

The admittance of any further claims after the Claims Bar Date would require Court approval. Owners may submit a claim (in the proper form) to the Receiver including an explanation for submitting the claim after the Claims Bar Date. At a future Court hearing concerning distributions from the Carriage Resort, the Receiver will seek the Court’s direction regarding how post-Claims Bar Date submissions be treated and whether they should be admitted.

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

No. The Interim Distribution approved by the Court was based on all submissions as at the Claims Bar Date. A modification to a claim to increase an ownership interest will now be treated as a new claim and is subject to the same restrictions detailed in FAQ #9.

The Receiver will seek the Court's direction regarding how post-Claims Bar Date submissions will be treated and whether they should be admitted.



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

Requests for updates to contact information that have been sent to the Receiver on or before September 9, 2022 will be processed. All requests to update contact information after this date should be directed to the Kroll call center. Please be prepared to provide details of your claim for security verification purposes.

Be aware there is a transition period for updating your email address in all databases. Owners may continue to receive emails from the Receiver at their old email address until the transition is complete.

12. When will the 2021 Financial Statements be available?

A compilation level engagement was performed by Powell Jones LLP for both the Carriage Hills Vacation Owners Association 2021 Financial Statements (the “**CHVOA 2021 Financial Statements**”) and the Carriage Ridge Owners Association 2021 Financial Statements (the “**CROA 2021 Financial Statements**”).

The CHVOA 2021 Financial Statements and the CROA 2021 Financial Statements have now been posted to the Receiver’s case website.

13. I would like to speak to a representative to answer my questions. Who can I contact?

The Kroll call center will be re-opened on September 16, 2022. Kroll 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 interim distribution calculation methodology nor the timing or amount of any future distributions. The Kroll call centre is intended to assist claimants with payment method selection and updating contact information.

14. 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