

Carriage Hills' AGM November 19, 2019

Casino Rama, Orillia, Ontario

Owners AGM Report prepared by and for the CHCR Owners Facebook Group

NOTE TO READERS: This Owners AGM Report ("Report") represents a collection of observations, perspectives, and notes provided to the editors by several timeshare owners who were in attendance at the recent Carriage Hills AGM. To simplify the readability by those who were not in attendance at the AGM, the information in this Report has been organized and presented by theme rather than following the strict chronological order of AGM events. This Report has been prepared in good faith and is being released for general information purposes as an aide memoire. It is not intended to serve as Official Minutes of the Meeting. While the information contained in this Report has been assembled with all due care, the editors do not warrant or represent that the Report is completely free from errors or omission. The Report is made available on the understanding that the note-takers and editors shall have no liability (including liability by reason of negligence) to the users for any loss, damage, cost or expense incurred or arising by reason of any person using or relying on the information and whether caused by reason of any error, negligent act, omission or misrepresentation in the information or otherwise. Any omissions, or suggested corrections, can be brought to the attention of Don Agnew email dja62@outlook.com.

AGENDA (as included in AGM package mailed in October to Carriage Hills Owners)

1. Call to Order
2. Introductions
3. Proof of Notice
4. Certification of Quorum
5. Election – Introduction of Candidates, Collection of Ballots
6. Approval of Prior Minutes
 - a. 2018 Annual Meeting
7. Reports
8. New Business
 - a. Resolution for Assessment Roll Over
 - b. Auditor Resolution
 - c. Timeshare Agreement – Article 11.05(b)
 - d. Future Transition Strategy
9. Election Results
10. Adjournment

Topic: Introductions

Present representing the Volunteer Board members:

Board President: Mr. Darren Chapelle

Board Vice-President (outgoing): Mr. Robert Gazey

Board Secretary (outgoing): Ms. Tracey Bell

Board Treasurer: Ms. Michelle Reesor

Board Director: Mr. Alan Bone

Present as Wyndham employees:

Resort General Manager (& representing Wyndham): Mr. Esa Paltanen
 Assistant General Manager: Mr. Frank Bourdoun (*Editors' Note: not sure of spelling?*)
 Maintenance Manager: Colin
 Front Office Manager: Eva
 Guest Services Manager: Vanessa Marshall
 Accountant: Pat
 Administrative Support: Sarah
 Administrative Support Brandi Hope
 Wyndham Governance: Karen Rose

Topic: Request to Amend Agenda's list of New Business to add Finance and Operations Questions Collected from CHCR Owners Facebook Group

After the call to order, a request was made from the floor to amend the agenda to add the submission of a list of financial and operational questions gathered from the Facebook group to Agenda Item #8 so that the questions would be included in the official minutes of the meeting. However, this request was denied by the CHVOA President, who said that the agenda had already been approved at the earlier AGM event that took place on October 19th at Liberty North. (*Editors' comment: the agenda was not, and could not have been, approved at the earlier AGM since the vast majority of eligible-voting Owners who showed up to attend the meeting, had not yet been permitted to enter the meeting room. Despite this, the requester did not push the matter and, instead, posed a request to the Board during the Q&A session, which the President opened after the AGM was officially adjourned.*)

Topic - Quorum:

The Secretary certified that a Quorum (15% by person or by proxy) had been achieved. Total eligible voting interest is 1188, total number of valid proxies received online before start of meeting was 2533, or 25.80%. Total number of owners in attendance is 577. (*Editors' Note: The number 577 (owners?) was mentioned as being in attendance. Not sure where this number came from or when that count was taken. There was no specific mention of proxies held by the Board. There were over 1200 in the meeting room.*)

Topic- Election of Directors –

The President invited nominations from the floor, indicating that candidates would be given a maximum of 3 minutes to make a speech, and noted that voters would be interested in knowing the candidate's position on the obsolescence resolution. (*Editors' Note: Tracey Bell had initially indicated that she would run for re-election and, as such, her name was added to the ballot but she eventually elected to withdraw her interest in running. Robert Gazey also decided not to run for re-election so two positions needed to be filled through this election.*)

Gordon Aue rose and approached the floor microphone to introduce himself as the candidate identified on the ballot. He has been a timeshare owner since 1990 and an Owner at Carriage Hills since 1997. He provided his diverse academic and experiential background and noted his certifications (CPA, CMA, certified in Risk and Information Controls). He expressed his interest in wanting to help address the challenges facing Carriage Hills. He did not provide any references to specific challenges and did not provide his opinion on the Obsolescence Motion even when urged by attendees to do so. As attendees continued to call for Mr. Aue's position on the obsolescence motion, the President directed to the audience that questions to the candidates would not be taken.

Scott Harrison was nominated by Pauline Morris. He spoke from the back of the room, thanking people for attending, and acknowledged Owners who had travelled from as far away as Alberta to attend the meeting. He described his experience being on the Board from 2013-2018, including the time when Wyndham took over the Property from Shell and when Esa's team was taking over the management of the property. He indicated his concern for; the recent growth in the level of 'Bad Debt'; that the Board didn't seem to be digging into why the Bad Debt was rising; and for the rising number of Owners that are turning to expensive and ill-advising exit companies. He shared his personal experience when visiting one of the timeshare exit companies, learning that their strategy was to ask for an upfront fee of \$4K and directing him not to pay his maintenance fees. He expressed his priority interest in assessing the Bad Debt, and to looking into exit companies that may be advising their clients not to pay their maintenance fees. He expressed support for the Obsolescence motion and believed that the vast majority of those in attendance at the AGM were in support of the Obsolescence declaration, while also acknowledging that there were a couple of Owners in the audience that don't support the motion; but that Wyndham needs to hear from Owners who have until now been silent.

Manoo Missaghi nominated himself, indicated that he was a certified management consultant, has been an organizer and founder of a number of non-profit organizations, has been in business for 40 years, and has been chairman of a big non-profit organization for many years. Has been in the business of running organizations from more than 20 years. Offering his services because as an owner experiencing concerns that we have bought versus what we have received is not what should be in place. He expressed concern that the property has decreased in value compared to similar properties elsewhere rising significantly in value. He offered to work honestly and with integrity as a professional. A woman from the audience asked Mr. Missaghi for his position on Obsolescence. The Board President responded by indicating that questions would not be taken.

Lori Faber-Smith was nominated by Wenda McEachern. Lori referred to her statements at previous meetings regarding her commitment to work for Owners to achieve an Exit Strategy as top priority. Lori withdrew her candidacy after Kurt Fleckenstein (see below) was nominated.

Michael Deegan, was nominated (woman's name not captured). Michael indicated that this was the first time he was standing as a Board nominee for Carriage Hills. He was past-President at Carriage Ridge when Wyndham bought out Shell. He acknowledged working with Scott Harrison when Scott was on the CH Board, and referred to the time as "tumultuous" learning the ropes on how Wyndham did things. He explained that he worked well with Gord Minor (*Wyndham representative*) negotiating the legal lawsuit to get the faulty siding addressed, saving the Owners "6 figures plus" in repair costs. He offered that the Obsolescence is the only option for the Directors considering the debt issue & current financials. He offered that it would be important to have people on the Board who know Roberts Rules of Order, who isn't afraid to have a professional parliamentarian to run a meeting, and who can get up to speed quickly with the Bylaws and work quickly to find a solution before we sink deeper.

Kurt J Fleckenstein from Orlando, Florida, was nominated by Esa Paltanen, who read from a sheet of paper containing a written biography on Mr. Fleckenstein. Mr Fleckenstein graduated with a degree in accounting and history from the University of Florida and went to obtain his Masters in accounting from the University of South Florida. Thereafter he worked for 8.5 years in public accounting at Arthur Anderson and PWC. Then he went to Marriott Vacation Property International and became VP of Resort Operations Accounting. He established the accounting function for the resort management division for Centex Holmes in Florida. Currently, Kurt is VP of Home Ownership Association Accounting for Wyndham Vacation Ownership. Esa indicated that he had a letter from Wyndham (*name unclear, sounded like Kelly Mackelvit? But was described as a Wyndham's COO, albeit the specific division was not stated*) authorizing Esa to nominate Kurt Fleckenstein. The information verbally shared about Mr. Fleckenstein did not include any indication regarding Mr. Fleckenstein's position (or Wyndham's position) on the obsolescence resolution. There were many verbal protests from attendees questioning the validity of this candidate from Orlando who was nominated via mystery letter apparently signed by Wyndham's COO. A request for disclosure of the date on the Wyndham letter was denied.

Topic: Resolutions - Obsolescence

Immediately after the call to order, a request was made from the floor to separate the vote for directors from the vote for Article 11.05(b) Obsolescence resolution given the uncertainty in how the voting counts were to be processed for each voting topic.

The CVHOA President sought a motion to recess the meeting to consult with the Board's lawyer on the matter. The audience of Owners opposed the formal motion to recess. The President left the stage and disappeared behind the stage curtain to speak to legal counsel. The details of the consultation were not shared with the audience. Upon returning to his seat, the President indicated that the request was being denied and the voting process would not be split. He went on to indicate that the vote for obsolescence could not pass because the number of registered voters was well below the amount that would be needed to cross the required 75% affirmative threshold. However, the President indicated that the vote would still take place alongside the election of Board Directors election so that the board would have that information from the members and use that information going forward.

When the President was asked by an audience member the exact number of owners that would be required to meet the 75% threshold, the President indicated that there were 8,872 intervals in the resort, and that 75% would have to be represented in an affirmative vote for obsolescence. *(Editors' note: The Timesharing Agreement indicates that Obsolescence of the Property will be declared if "Owners of at least seventy-five percent (75%) of Intervals" vote to do so. A few days after the AGM, additional questions seeking clarification from the President were posed, but clear answers have not yet been received.)*

When the President was asked about voter eligibility for owners who are delinquent in paying their maintenance fees (estimated to be approximately 1700 Owners), the response was that a legal opinion on that matter had not been sought because of the low voter turnout.

When the President was asked what the Board was doing to reach out to all Owners in order to improve voter turnout, the President acknowledged that it was very difficult process since even if the ~1700 defaulting owners were included in the vote, the 75% threshold would still not be able to be met because of the incomplete and outdated nature of the mailing list (ie containing invalid email addresses and invalid mailing addresses) and that it is difficult to contact people who don't want to be contacted with most of those being in default.

The Secretary added that even if the defaulting owners were removed from the voting process, we would need 5250 Owners to vote in favour of Obsolescence motion, and we only had "2533 vote online" and 577 voting in person and Wyndham has about 1000 votes.

When asked for clarification about Wyndham's voting power, the President indicated that Wyndham owns approximately 1000 timeshare units.

When asked if the Board has pursued getting any help from a third-party organization and outside help, the President indicated that BDO and its firm of lawyers are to look for a strategy that would establish a path forward for Owners who wish to leave their timeshare and a path for those who wish to remain. It was expected that "good news" would likely

be coming in “right away” in “early 2020”. The Board acknowledged that it wants every owner to get what they want.

Later in the meeting, when the question surfaced again about obtaining a more robust Owners contact list, the Resort Manager acknowledged that the billing company (*Equiant*) has a more current and accurate mailing list given that ~80% of the owners are paying their bills; however, the Resort Manager also indicated that the Board did not have access to that list and admitted that if the billing company received address/email update information from Owners, that this updated information was not made available to the Board.

When asked if the billing company could include Obsolescence voting information in billing mail outs, the Board did not provide a response. However, the President indicated that within the next billing cycle, the billing company will be changing and the robustness of the mailing list is expected to improve.

(Editors' Note: Several of the statements above regarding numbers associated with the Obsolescence voting are misleading because there are different terms that are being blended together. There are: "INTERVALS" (broken down into categories of 'every year (EY)' intervals and 'every other year (EOY)' intervals). "Votes" (Our bylaws say 'Class A Shares permit EY interval owners to have 2 votes and EOY interval owners to have 1 vote. Whereas Class B Shares permit each EY deede to have 8 votes and each EOY deede to have 4 votes.) The numbers of each Class of voting rights owned or exercised by Wyndham are unknown. "OWNERS". (Some timeshare contracts have more than one person listed on the contract/deed...but presumably all of these people on a single deed collectively represent 'one Owner' for any purpose requiring the count of 'Owners'.). "PURCHASER", which is an important term used in a time-sharing agreement, because the time-sharing agreement indicates that Carriage Hills Resort Corporation, ie a legal entity presumably now owned outright by Wyndham, is a "tenant in common" with each Purchaser. The timesharing agreement suggests that 'Carriage Hills Resort Corporation' is a co-owner with each tenant-in-common purchaser. So does that mean that Carriage Hills Resort Corporation gets to vote as an owner alongside every purchaser? Exactly how many "Owners" do we really have here? If you take 8,872 intervals less 1700 delinquent, less 1,000 Wyndham, less 100 in hands of board, that adds to just over 6,000 that must all vote the same for obsolescence. That does not take into account of the 300 "lost owners" from undeliverable packages.)

The President stated that the resolution was put in to appease owners who have asked for an obsolescence vote over the last couple of years. He made it clear before the voting process was initiated that the motion could not pass because of the insufficient number of registered owners/intervals. *(Editors' Note: It was unclear whether the vote was 1 vote for each owner or weighted by the number of intervals each own held. It appeared that there was little thought given in the planning of the Resolution).*

Attendees were instructed to write-in the names of Nominees from the floor & to mark their Ballots/Proxy forms. The President was asked “Would attendee votes override votes previously filed online.” The answer provided was “Yes” and that their “Member # is required.” Those without their proxy form, or the replacement voting forms made available to some people at the registration desk, scrambled to find blank paper & write out their votes with their Member # (contract #) noted on their paper. Some voters

commented amongst themselves that putting their name and ID on a ballot that was being collected in such an open manner might violate the requirement for a vote by “secret ballot;” some were concerned how their votes may or may not have been counted if they did not have the ID #s. *(Editors’ Note: The overwhelming feedback from Owners exiting the meeting was that the whole voting procedure was disorganized and poorly defined.)*

Topic- Election and Obsolescence Voting Results

The President indicated that he would not give all vote results, but rather announced that Gordon Aue secured the greatest number of votes and Kurt Fleckenstein secured the second highest number of votes. When pressed later, the following voting numbers were provided:

Gordon Aue	4202
Kurt Fleckenstein	1881
Scott Harrison	1710
Michael Deegan	1515
Manoo Missaghi	130

Regarding the Obsolescence vote, the President announced that there were insufficient numbers of votes to meet the 75% threshold. The number of “yes” votes was 4604. The number of “no” votes is 698. It was not clear whether these numbers represented numbers of owners or numbers of intervals or numbers of votes. It was also not clear whether these votes included votes coming from owners in default of paying their maintenance fees, and what the number would need to be to cross the 75% required threshold.

When the validity of Kurt Fleckenstein’s nomination (and thus his election victory) was challenged by audience cries of: “Is he an Owner?” “How does he qualify to be a Director?” “Darren, you protested this sort of thing two years ago.” The President left the stage to consult with a lawyer that was out of sight behind the stage’s backdrop curtain. After a short delay, the lawyer came forward from behind the stage curtain and delivered his opinion on the eligibility of Mr. Fleckenstein’s nomination. The lawyer was introduced as Michael Rotzstain from GSNH (Goldman Sloan Nash & Haber), which has been hired to advise the Board of Directors. *(Editors’ note: According to GSNH’s website, Mr. Rotzstain is a Restructuring & Insolvency specialist).* Mr. Rotzstain indicated that section 6.1 of the By-laws allows for Wyndham, as the entity identified in the Timesharing Agreement as “Carriage Hills Resort Corporation” (i.e., the Developer) to appoint its representative, even if that representative is not himself a member of the Carriage Hills Owners Association. *(Editors’ note: section 6.1 of the By-laws requires that Directors must be “a member of the Association entitled to vote at the time of such member’s election or a representative of Carriage Hills designated by Carriage Hills”.)* The President accepted the lawyer’s interpretation of By-laws and declared that Kurt Fleckenstein was an eligible nominee and thus his election victory was valid.

Topic: Resolutions – Assessment Roll Over (presented while voting ballots were being counted)

The President read out a statement indicating that any surplus of funds will be rolled over for use to pay resort expenses in the following year

Topic: Resolutions – Auditor (presented while voting ballots were being counted)

The President read out a statement indicating Powell Jones LLP has been selected as the Auditor for the next business year.

Topic: Transition Strategy (presented while voting ballots were being counted)

The President read out the previously released detailed statement regarding the Board's decision to retain BDO Dunwoody and GSNH law firm. *(Editors' note: this statement is available through the members-only portal on the CarriageHillsoa.ca website, and was emailed only to Owners who had an e-mail address on the Resort's Members List.*

Topic – Property Report: (presented while voting ballots were being counted)

The Resort Manager, spoke with a slide show about renovations and improvements at the Resort. He called for a show of hands of attendees who had been at the resort over the past year. About 1/3 of attendees responded, they had. Gold Crown status was granted again for 2020; survey cards collected from visitors to the resort from Sept 1 to Aug 31 feed into this rating system.

Carriage House restorations included \$100,000 for pool & hot tub repairs & refurbishing; BBQ Pavilion – new roof & eaves troughs; Norfolk & Concord buildings – new kitchen appliances & counters, furniture, paint, carpet, art, curtains, 43" wall mount TVs ...

2020 proposed \$1.6 million for Carriage House flooring, hot water tanks - repairs & replacements, repair/replacements for the Dry-O-Tron, Phase 2 exterior painting, outside lighting. The Manager commented, "We may not get to spend these funds", *(Editors' Note: presumably a reference to the financial situation being very tight).*

The Manager spoke about the *Vetta Spa* being built across from CR - a \$1.5 million development. ... 45 mins closer to Toronto than Scandinavian Spa in Collingwood, 7 pools, restaurant & bar. Spa is targeted to open in the fall of 2020. He stated it should be a boon for the resort.

Topic -Treasurer's Report (delivered while voting ballots were being counted)

The Treasurer read a statement noting the Audit Report by Powell, Jones had been distributed with the AGM package and certifies that "in the opinion of the Auditor, the audit presents fairly the financials of Carriage Hills." The Treasurer cited some figures from Sept 30, 2019 account statement that are posted on the CH web site:

Operations deficit \$1.4 million “reflects the time of year & cash flow issues”
 Cash balance \$3.82 million in Operations & Replacement Reserves
 Receivables \$1.7 million (net of applicable allowance for uncollectable accounts)
 Total Assets \$ 6 million
 Liabilities (as of end of Sept) \$ 4.7 million
 Fund Balance as of end of Sept shows an Operating deficit of \$1.4M and
 Reserve Balance of 2.7M combined.
 Total Owners Equity of \$1.25M

(Editors' Note: The Treasurer's Report was delivered in its entirety in less than 5 minutes and was immediately followed by the 2020 Budget Report with no opportunity for attendees to pose questions.)

Topic: 2020 Budget

For the 2020 Budget Report, the President read a brief statement that indicated that the Budget had been distributed in owner's package and that Management and the Board had worked hard to keep the fees down but noted that an increase was necessary because of Bad Debt & HST.

Editors' Note: The 2020 Budget statement was delivered in its entirety in under 15 seconds and no opportunity was provided for questions from attendees, including how the Board plans to address the \$1.4M operating deficit.)

Topic – Owners Survey Results

The Secretary spent approximately 25 minutes presenting the survey results (*Editors' note: the slide deck containing all of the presented information, is available via the members-only portal of the carriagehillsoa.ca website, under the tab labelled “Announcement from the Board of Directors”*).

The survey prompted approximately 3,000 responses from the 6,000 emails sent out; Of the remaining 3000, 2,000 were noted to have been successfully delivered and opened but did not reply. (*Editors' note: the Facebook group saw a significant amount of conversation when the survey was issued. Many facebook members noted that they did not receive the survey and efforts were made to try and get the survey sent to those requesting a copy of the survey. It is not known how many facebook members are not present on the Resort Owners Mailing List.*)

General discussion of results: 85% owners have owned for 15-20 years, 60% are weeks owners, 74% would choose to exit within 2 years, 95% would not purchase another timeshare, 53% know nothing about selling or secondary market, 65% do not know that the timeshare agreement requires 66 2/3 vote to change, 89% feel they do not have a complete understanding of content of timeshare agreement or by-laws, 80% still have a copy of timeshare agreement and by-laws, 94% are aware that deeded ownership can be given to your heirs, 59% members know the perpetuity clause could be a debt owed by your estate, 76% do not feel CH maintenance fees provide good value for vacation plans, 71% of owners did not know 10% of owners are delinquent (all owners encouraged to pay

their fees). There was 10% delinquency at time of survey, closer to 20% today. 82% of owners have never attended a CH AGM, 77% would not attend AGM if held on weekend, 40% of owners are over 65 years old, 40% of owners are between 50 and 64, 43% of owners have had income decreased from when they bought.

Question from the floor - Will the Board re-survey owners each year or two?

Answer - maybe, will be up to new board. Last survey was 2 years ago, and only 400 responded vs 3000 this year. Board has investigated and found no Secondary Market businesses are able to help you sell your timeshare.

Topic – Questions & Answers

After adjourning the meeting, the agenda turned to the Q&A session. (The Q&A session was suspended and the meeting was reconvened when the votes had been tabulated).

Legend for those answering questions:

DC - Darren Chapelle

AB - Alan Bone

TB - Tracey Bell

EP - Esa Paltanen (Wyndham)

1. If rentals by non-owners have gone up because units are available from defaulting owners, where does the income go from those rentals? Is it used to offset Owners Maintenance Fees?

TB – Rental income is split 60% to Carriage Hills to offset expenses and the remaining 40% goes to Wyndham, who is managing the rental platform.

2. Who owns the land?

All owners have a deed and share in the ownership of all the property. The developer sold all the deeds, so anyone who owns a deed owns their piece of the property.

3. Why do we not have one ballot sheet for each vote instead of a code on one sheet?

TB – NORDIS is the company retained to keep track of deeds and voting rights for each deed; it makes required adjustments.

4. Is Wyndham contributing Maintenance Fees?

DC – Wyndham pays fees for their deeds. Two full time employees of Wyndham are on-site at CH to manage the Extra Holiday bookings

TB – EXTRA HOLIDAYS VACATIONS is owned by Wyndham and rents available units to the public and pays CH 60% of the profit.

5. What has Wyndham paid this year?

EP - \$1.2 million was paid November 12.

6. Would multiple email address records help locating delinquent owners?

DC – Wyndham's system allows only one email address/deed.

7. We have difficulty booking Bonus Time but we see many short stay renters at the resort; don't short stay rentals cause a lot of wear and tear for little return?

EP – Booking Bonus Time is always difficult on short notice or last minute, and also depends on time of year (busy or not). You can book 60 days in advance and the earlier you book the higher chance you have of getting bonus time. Wyndham can rent its share as it chooses. Occupancy rates are only about 60% but the 40% availability is not when people want it.

8. Can some provision be made for dogs?

TB – I too have a dog and would like to bring it to CH, but the time share agreement specifically does not allow pets. A vote was held and only 23%% of owners voted. 66 2/3% voting in favour is needed to change the Time Sharing Agreement.

9. I have had difficulty renting my unit with staff not accepting them on arrival, why?

EP – Management has no issue with this, however, you must ensure that the person's name using the interval is on the reservation.

10. Base calculation – If Wyndham has 10%, and delinquent owners take 20% voting off the table, how can the remaining group of owners meet the 66 2/3% or 75% thresholds.

DC – If Wyndham has different views, we are handcuffed by the Timesharing Agreement. BDO is working on a solution for us.

11. What's this thing about rollover of assessment funds

DC – It's a legal requirement for a non-profit to officially declare that any money left at the end of the fiscal year needs to be moved to pay expenses in the next year.

12. At what point are we insolvent?

DC – We don't know the tipping point but with 20% delinquent we're paying \$300 extra per deed; if another 20%, it would equal \$600 extra per deed; and so on. More and more Owners are defaulting. Our Bad Debt collections are working which is great but more people are defaulting faster than we are collecting from old owners who are defaulting. BDO is being sought to provide a solution proposal.

13. Those maintenance fees and numbers of defaulting owners will keep going up, right?

DC – Yes, and we are hoping that BDO will come up with a solution.

14. We know owner lists are inaccurate. Who is responsible? Delinquent owners that can't be reached – how can they be found?

DC&TB&EP – We try every way possible to get information, every year. The billing agent may have better information but that information does not flow back to the Association. The collection agency also has means to get some of this information. Having new website has been helpful but there are limitations to the ability and availability of resources to reach out to people. Privacy laws place limitations that make it difficult to locate owners that don't want to be found.

15. We pay 100% of maintenance fees, renters get weeks for less.

DC - \$130 per day from Extra Holidays is less than the maintenance fee but it helps offset costs. High time rents often go higher, up to \$250 per night. Bonus time is available at lower cost to Owners.

16. We bought, now renters get to pay less

DC – The Timesharing Agreement gives Wyndham the right to rent all empty units and keep 100% of the rent so we should be happy getting something.

17. Is the % delinquents affecting our voting counts to reduce our ability to pass anything

DC – The 66 2/3% voting thresholds for making changes to the Timesharing agreement include the delinquent deeds for voting. ie it's 66 2/3% of all owners, including delinquent owners.

18. What is BDO going to do for exit strategy and is BDO going to protect owners? Will owners have any say in how the BDO information and advice is used.

DC – Can't disclose the details per counsel's advice. I don't know of details to disclose. When information is available to be shared, owners will be informed.

19. Rentals have increased due to delinquencies, what does this income go towards?

TB - It goes towards operation: split 60% for Association, 40% for Wyndham (they manage the process, do the advertising, etc.).

20. What happens to votes for delinquent owners?

DC - Their voting rights are suspended, not eligible to vote.

21. When we do maintenance & replace equipment what happens to the appliances that are removed?

EP - If less than 5 years old it becomes shelf stock (keep for spares). If it is greater than 5 years old it is donated to Habitat for Humanity.

22. Reserve/Replacement Fund - why are we spending so much?

DC - The use of this funding is restricted and must be used for upkeep. There is a study done every 2-5 years & report written to identify what needs to be done. Also, there were some delays in doing work from the previous board and has been or is being done now.

TB - Equipment and material (such as paintings) had already been ordered before the delinquency rate jump suddenly from 10 - 20 % in only 1 to 2 months.

23. For the vote taken today there is only one proxy form but I have more than 1 vote?

AB - The proxy/ballot shows the number of votes for each owner.

TB - Nordis has the number of votes for each owner identified in the data base. If your vote is changed (ie replacing an earlier online vote with an in-person vote at the AGM) the database picks up how many votes you have.

24. Are delinquent people part of the problem with respect to inaccurate owner contact information?

DC - Yes. Some people do not want to be found. The collection agency has done a good job at trying to get this information.

25. The rate paid for rentals are low, why are we not asking for higher rental payments?

DC - The current rate is about \$130/day & rental rates vary with time of year/demand. They get the best rates they can at the time of rental.

26. With respect to the exit strategy, who is protecting us (the owners) re BDO and any

recommendations or actions to be taken?

DC - This is a very big research process to develop. We don't have any information yet.

27. An Owner representing the Facebook Group made a request that their list of finance and operation questions, which were not allowed to be added to the Agenda (under New Business) be accepted by the Board to address and provide written answers within 30 days.

DC – Agreed that the Board would review the questions and provide answers.

(end)

The 2020 AGM is tentatively scheduled for October 27, 2020 and that updates on the schedule and location for the 2020 AGM will be provided on the members-only portal of the carriagehillsoa.org website.