

## Canadian Bondholder FAQ

(also known as Noteholders in the Court documents)

These FAQs should be read in conjunction with the general FAQs posted on the Monitor's website [www.ey.com/ca/wigi](http://www.ey.com/ca/wigi)

1. Which bond issuing companies have filed for CCAA?
  - a. Walton Income 5 Investment Corporation
  - b. Walton Income 6 Investment Corporation
  - c. Walton Income 7 Investment Corporation
  - d. Walton Income 8 Investment Corporation
  - e. Walton Income 9 Investment Corporation
  - f. Walton Income 10 Investment Corporation
  - g. Walton Income 11 Investment Corporation
  - h. Walton Income 12 Investment Corporation
  - i. Walton CA Highland Falls Investment Corporation
  - j. Walton AB Southridge Debt and Equity Corporation
  - k. Walton U.S. Dollar Income 1 Corporation
  - l. Walton U.S. Dollar Income 2 Corporation
  - m. Walton 2016 Bond Corporation
  - n. Walton 2016 Income Corporation

Note: This FAQ does not address notes issued by McConachie Asset Management Corporation or McConachie Development Investment Corporation. These obligations will be covered by the CCAA of those specific entities. Please refer to the development project FAQ on the Monitor's website.

2. Will I still receive interest payments during and after the CCAA process?

Payment of most pre-filing obligations by the Walton entities under CCAA protection is stayed under the Initial Order and so ongoing monthly interest payments will not be made to bondholders from and after the CCAA court filing date of April 28, 2017.

3. What do these CCAA proceedings mean for my bonds?

Amounts owed to you under your bonds, including both principal and interest, will be included in your claim against the company that issued your bonds. The funds raised from the sales of bonds were lent by the bond issuing companies to WIGI, and those companies will in turn be creditors of WIGI for the amount of those loans in the CCAA process. WIGI intends to propose a plan of compromise or arrangement to its unsecured creditors, including the bond issuing companies. Bondholders' claims will be addressed either directly or through the claims of the bond issuing companies in the plan.

4. What will be offered to bondholders under the plan?

Currently it is anticipated that the plan will offer to restructure the claims of WIGI Canada's unsecured creditors by some combination of a distribution of a portion of the proceeds from the sale of certain of WIGI's Canadian assets, to the extent funds are available after payment of prior ranking debt, and conversion of unsecured creditors' debt into either beneficial ownership

or shares in a new corporation which will hold the remainder of WIGI's unsold assets. The purpose of the plan will be to deliver to bondholders and other unsecured creditors of WIGI the realizable value of all the Canadian assets of WIGI, including its interests in pre-development land projects and land development projects. WIGI's intention is to provide its creditors the maximum available recovery for assets through proceeds from an orderly, court supervised sale of those assets which can be sold, and the opportunity to participate the recovery of additional value in the longer term from monetization of those assets that are not currently saleable. It is also WIGI's hope that by offering a restructuring plan to bondholders it will be possible to minimize the costs that would otherwise have to be incurred by the unsecured creditors to obtain a recovery on their investments and debts.

5. What is the role of the independent bondholder committee (also known as the Noteholder Committee in the Court documents)?

The bondholder committee is an independent steering committee which has been approved by the court, and includes representation from different market sectors to provide a balanced voice on behalf of the bondholders. This committee will have independent legal counsel whose fees are paid by WIGI. Given the large number of bondholders and the lack of a formal mechanism for collective action or decision-making by bondholders, the intention behind the creation of the committee is to provide an efficient way for the bondholders to receive independent advice and ensure that their interests are being fairly and competently represented. The committee will be responsible for reviewing and negotiating the treatment of bondholders under any CCAA plan with WIGI, and any plan will ultimately be presented to all creditors, including bondholders, to be voted upon. The committee cannot approve the plan or compromise the interests of bondholders without a vote by bondholders.

6. What is the value of the WIGI assets which will be offered under the plan?

WIGI Canada's assets include its ownership interests in Canadian development projects of which it is either the sole owner or an investor, its interests in Canadian pre-development lands ("PDLs") which it is administering for investors and intercompany receivables. Where WIGI is either the sole owner or the majority owner of development projects, the projects will likely be offered for sale and WIGI is optimistic that most of those projects will be sold. Where WIGI holds minority interests in development projects those interests may also be offered for sale or held for the term of the project. WIGI's PDL interests will not be sold at this time except for one PDL project, Walton Ontario Land. WIGI is working on a long term solution for the PDL entities in an effort to maximize the value in these investments and this solution will be part of WIGI's restructuring plan.

At this time the structure of the plan has not been finalized and an accurate assessment of total recoveries to bondholders cannot be made. Prior to the plan being circulated to be voted on by unsecured creditors, including bondholders, the Monitor will publish a report on the plan that will assess the range of potential recoveries to the bondholders and other unsecured creditors both under the plan and in the absence of a plan, and the Monitor will also comment on the overall fairness of the plan.

7. Will I have the right to vote on the plan as a bondholder?

Yes. Once the plan has been approved by the bondholder committee and approved for circulation to unsecured creditors by the court, a creditors' meeting will be held for the plan to be voted on by the bondholders and other unsecured creditors. For the plan to be approved as

a whole, it must be approved by a majority in number of unsecured creditors, holding 2/3 in value of all unsecured creditors voting, either at the meeting in person or by proxy.

8. How long will this process take?

Once the plan is finalized, a court application will be made to approve the plan for circulation to unsecured creditors. The Monitor will then mail the appropriate documentation out to each unsecured creditor, including each bondholder, for them to make an informed decision regarding the proposed plan. A creditors' meeting will then be held approximately five weeks after the package is mailed by the Monitor. Assuming the plan is approved by unsecured creditors, a second court application will be made to have the plan sanctioned/approved by the court.

9. What if the plan is not approved by the bondholders?

If the plan is not approved by the bondholders or the court, it is likely that WIGI and the bond issuing companies would have no alternative but to enter into a bankruptcy or other liquidation proceeding.

10. If I submitted a bond early redemption request prior to the CCAA proceeding, will that be paid out? Can I submit a redemption request now?

No. All redemptions requests outstanding at the CCAA filing date of April 28, 2017 are stayed by the CCAA proceedings and will not be processed.

No further early redemption requests will be processed. All bondholder claims will be dealt with collectively under the plan.

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For additional questions relating to the CCAA process, please email your questions to [wigi.questions@ca.ey.com](mailto:wigi.questions@ca.ey.com) and the FAQ sheets will be updated accordingly.