

INFORMATION CIRCULAR

Annual General Meeting of Members and Separate Class Meetings of the Residential, Lodging and Commercial Members

BLUE MOUNTAIN VILLAGE ASSOCIATION

To be held November 23, 2019

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation by the management of the Blue Mountain Village Association (the "Association") of proxies to be used at the annual general and the separate class meetings (the "Meetings") of the members of the Association (the "Member"), which are to be held at the time and place and for the purposes set forth in the accompanying notice of meeting (the "Notice").

APPOINTMENT OF PROXYHOLDERS AND REVOCATION OF PROXIES

The persons named in the accompanying proxy (the "Proxy") are officers and/or directors of the Association. A Member has the right to appoint a person (who need not be a Member) to represent the Member at the Meetings other than the persons designated in the Proxy furnished by the Association. To exercise this proxy right, the Member must either insert the name of the other person in the blank space provided in the Proxy or submit another appropriate form of proxy. The Member must deliver or send by email or facsimile the duly completed Proxy to the offices of the Association as indicated on the Proxy not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time for holding the Meetings.

A Member who has submitted a Proxy may revoke it by (a) depositing an instrument in writing signed by the Member or by an authorized attorney or, if the Member is a corporation, by a duly authorized officer, either: (i) at the offices of the Association, at any time up to and including the last business day preceding the day of the Meetings or any adjournment thereof, or (ii) with the Chairman of the Meetings on the day of the Meetings or any adjournment thereof, (b) transmitting, by telephonic or electronic means, a revocation that complies with paragraph (i) or (ii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of the Member or the attorney, as the case may be, or (c) in any other manner permitted by law, including the Member personally attending at the Meetings and voting the voting units represented thereby or, if the Member is a corporation, by a representative of that corporation attending at the Meetings and voting such voting units.

EXERCISE OF DISCRETION OF PROXYHOLDERS

The persons named in the Proxy will vote or withhold from voting the voting units referred by such Proxy in accordance with the direction of the Member signing the Proxy on any ballot that may be called for at the Meetings. In the absence of such direction, the said voting units will be voted FOR: (i) the election of the directors recommended by the Nominating Committee, (ii) the appointment of auditors, at such remuneration as may be determined by the board of directors of the Association. The Proxy confers discretionary authority upon the persons named therein with respect to any amendments of the matters identified in the Notice of Meetings and with respect to other matters that may properly be brought before the Meetings. As of the date hereof, management of the Association knows of no such amendments or other matters to be brought before the Meetings.

SIGNING OF PROXY

The Proxy must be signed by the Member or the Member's duly appointed attorney authorized in writing or, if the Member is a corporation, by a duly authorized officer. A Proxy signed by a person acting as attorney or in

some other representing capacity (including a representative of a corporate Member) should indicate that person's capacity (following his signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Association). A Member or any attorney may also sign the Proxy or a power of attorney authorizing the creation of a proxy by electronic signature provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of the Member or the attorney, as the case may be.

VOTING UNITS

As at the date of the most current audited year end of the Association, there were 37,025 voting units of the Association allocated to Members; each carrying the right to one vote on all matters to be voted upon at the Meetings by the class or classes of Members entitled to vote thereon. The number of votes a Member may cast at the Meetings is only relevant if a poll is demanded regarding any matter to be voted on. Each Member may request management of the Association to advise him regarding the number of voting units allocated to him.

HOLDERS OF VOTING UNITS

As at the date of the most current budget of the Association, the total voting units of the Association are allocated as follows:

- Blue Mountain Resorts LP has 16,160 voting units (representing 43.6 %)
- Lodging Members (rental units) as a group have 12,044 voting units (representing 32.5%)
- Commercial Members as a group have 4,249 voting units (representing 11.5%)
- Skyline Blue Mountain Developments Inc. has 2,600 voting units (representing 7%)
- Residential Members have 1,489 voting units (representing 4%)
- Associate Members have 483 voting units (representing 1.3%)

CLASS VOTING RIGHTS

Each class of Lodging Owners (renters), Residential Owners (non-renters) and Commercial Members are entitled to elect a director representative to the board of directors of the Association. This will be done at separate class meetings held in conjunction with the annual general meeting by those Members. Skyline Blue Mountain Developments Inc. is entitled to elect one director representative based on meeting certain obligations to transfer the public lands and amenities in the Village core to the Association. Blue Mountain Resorts LP is entitled to elect three director representatives. Their entitlement to elect such directors is subject to making certain minimum fee contributions to the Association.

ELECTION OF DIRECTORS

The Board of Directors has accepted the slate of the seven nominees listed below as recommended by the Nomination Committee. Each nominee elected as a director will hold office until the next annual meeting of the Members or until his successor is duly elected, unless his or her office is vacated earlier in accordance with the general bylaw of the Association. NOTE: See Special Resolution Appendix 2, which indicates that Lodging, Homeowner and Commercial Member Class Directors hold their seats for a 2-year term. The President of the Association is a director by virtue of his or her office.

The following table and the notes thereto set forth the names of the persons proposed by the Board of Directors for election as directors, all other positions and offices within the Association now held by them, their principal occupation or employment and the periods during which they have served as directors of the Association. The members of the Audit Committee, the Nominating Committee, the Plunge Committee and the Compensation Committee are also identified in the following table.

<u>Name and Municipality of Residence</u>	<u>Positions Currently Held</u>	<u>Principal Occupation</u>	<u>Became a Director</u>
<u>Skyline Blue Mountain Village Inc</u>			
Paul Mondell Toronto, ON	Director	Senior Vice President, Development Skyline Communities	May 27, 2016
<u>Blue Mountain Resort</u>			
James Henry ^{1, 2, 3} Barrie, ON	Chair and Director	Vice President, Hospitality Blue Mountain Resorts LP	April 19, 2008
Dan Skelton Blue Mountains, ON	Director	President & COO Blue Mountain Resorts LP	November 12, 2016
<u>Residential Owners</u>			
Steven Troster ^{1, 2} Toronto, ON	Director	Lawyer Private practice in Toronto and The Blue Mountains	July 16, 2005
<u>Lodging Owners</u>			
Maurice Byrne ^{1, 3, 4} Blue Mountains, ON	Director	Business Executive Brosna Communications International Telecoms and food & beverage industries	November 21, 2009
<u>Commercial Tenants</u>			
Bill Vomvolakis ² Blue Mountains, ON	Director	Owner Tholos Restaurant Firehall Pizza Company, Inc.	November 14, 2015
<u>Ex-officio Director</u>			
Andrew Siegwart ⁴ Meaford, ON	Director	President Blue Mountain Village Association	November 14, 2015

Notes:

1. Member of the Audit Committee	2. Member of the Nominating Committee
3. Member of Compensation Committee	4. Member of Plunge Committee

Town Representative

Peter Bordignon assumed The Blue Mountains representative seat on February 8, 2019. The Town representative participates in the Board discussions but is not a director of the Association and does not have a vote.

AUDIT COMMITTEE

The Board has approved an Audit Committee Charter that sets out the scope and responsibilities of the Committee. Best practices would have all members of the Audit Committee sitting as independent directors. This is not possible given the current structure of the board. The Charter does require the chair of the Committee to be either an independent director or a non-director appointed by the board. All non-independent directors must be identified. If the chair of the Committee perceives that any decision of the Committee is not made in an independent manner, the Chair will report this perception to the board. The members of the Audit Committee are also required to be financially literate as determined by the board. The members of the Audit Committee are as follows:

<u>Name</u>	<u>Positions Currently Held</u>	<u>Principal Occupation</u>	<u>Status</u>
Maurice Byrne Blue Mountains, ON	Director Chair	Business Executive Brosna Communications International Telecoms and food & beverage	Independent
James Henry Barrie, ON	Director	Vice President, Hospitality Blue Mountain Resorts LP	Non-Independent
Steven Troster Toronto, ON	Director	Lawyer, private practice	Independent

DIRECTORS AND OFFICERS REMUNERATION

The President was the only executive officer of the Association to receive a salary and bonus from the Association in the fiscal period in excess of \$100,000. The directors of the Association do not receive any fees or other remuneration for serving in such capacity. The Association has purchased directors' and officers' liability insurance that provides coverage of \$10,000,000, with no deductible. The annual premium is \$5,640.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There are potential conflicts of interest to which the directors of the Association may be subject in connection with the operations of the Association. These may arise in the course of director deliberations due to the fact that each director is elected by a specific class of Members and may, therefore, identify more closely with the interests and concerns of such class. Notwithstanding such interests and concerns, directors are required by law to always act in the best interests of the Association and the membership as a whole. Such conflicts of interest, if any, will be subject to the procedures and remedies provided under the Corporations Act (Ontario).

GENERAL

Management of the Association has no knowledge, as at the date hereof, of any business, other than that set forth in the Notice of Meetings, to be presented for action by the Members at the Meetings. However, the Proxy solicited hereunder confers upon the proxy holder the discretionary right to exercise the powers conferred thereunder in respect of any other matters and proposals that may properly be brought before the Meetings.

The contents and the sending to Members of this Information Circular have been approved by the directors of the Association.

November 1, 2019



Andrew Siegart, President