

INSTRUCTION LETTER FOR THE CLAIMS PROCESS OF

LAKE OKANAGAN RESORT VACATION (2001) LTD. (“Lake Okanagan Resort Vacation”)

AND

LAKE OKANAGAN RESORT (2001) LTD. (“LOR”)

A. Claims Process

By order of the Court of Queen’s Bench, Judicial District of Calgary dated March 18, 2010 (the “**Claims Procedure Order**”), which is attached hereto without Schedules (other than Schedule “A”), under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) the Monitor has been authorized to conduct a claims process (the “**Claims Process**”). A copy of the Claims Procedure Order may be found on the Monitor’s website at: www.ey.com/ca/frpl. This letter provides instructions for completing the Proof of Claim. For your information, at this point, there is no proposed plan under the CCAA or any other immediate distribution as Lake Okanagan Resort Vacation and LOR are still assessing their options. Defined terms which are not defined herein shall have the meaning ascribed thereto in the Claims Procedure Order.

The Claims Process is intended for any Person asserting a Pre-Filing Claim of any kind or nature whatsoever against Lake Okanagan Resort Vacation and/or LOR arising before March 30, 2009, and any Subsequent Claim arising after March 30, 2009 as a result of a disclaimer or repudiation after March 30, 2009 of any contract, lease, employment agreement, or other arrangement or agreements of any nature whatsoever, whether oral or written, and any amending agreement related thereto.

If you have any questions regarding the Claims Process, please contact the Court-appointed Monitor at the address provided below.

All enquiries with respect to the Claims Process should be addressed to:

Ernst & Young Inc., the Court-appointed Monitor
of Lake Okanagan Resort Vacation and LOR
Attn: Mr. Orest Konowalchuk, CA
Ernst & Young Tower
1000, 440-2nd Avenue S.W.
Calgary, Alberta T2P 5E9
E-mail: Orest.Konowalchuk@ca.ey.com
Fax: (403) 206-5075

B. For Creditors Submitting a Proof of Claim

To avoid the barring and extinguishment of any Claim you may have against Lake Okanagan Resort Vacation and/or LOR you are required to file a Proof of Claim with the Monitor at the address indicated above, in the form attached hereto so as to be received by 5:00 p.m. (Mountain Time) on April 30, 2010 (the “**Claims Bar Date**”).

To avoid the barring and extinguishment of any Subsequent Claim you may have against Lake Okanagan Resort Vacation and/or LOR, you are required to file a Proof of Claim, in the form attached hereto, so as to be received by the later of: (a) the Claims Bar Date, and (b) 5:00 p.m. (Mountain Time) on the day which is 20 days after the date of the applicable repudiation or disclaimer (the “**Subsequent Claims Bar Date**”).

A separate Proof of Claim must be filed for a Claim against each of Lake Okanagan Resort Vacation and LOR.

Additional Proof of Claim forms can be found on the Monitor’s website at www.ey.com/ca/frpl or obtained by contacting the Monitor at the address indicated above and providing particulars as to your name, address, facsimile number and e-mail address. Once the Monitor has this information, you will receive, as soon as practicable, additional Proof of Claim forms.

PROOFS OF CLAIM WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE OR SUBSEQUENT CLAIMS BAR DATE, AS APPLICABLE, WILL BE BARRED AND EXTINGUISHED FOREVER, UNLESS OTHERWISE ORDERED BY THE COURT.

Yours truly,

**Ernst & Young Inc., in its capacity as Court-appointed
Monitor of the Lake Okanagan Resort Vacation and LOR**

A handwritten signature in black ink, appearing to read 'Neil Narfason', with a long horizontal line extending to the right.

Neil Narfason, CA•CIRP
Senior Vice-President

SCHEDULE "A"

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, as amended**

**AND IN THE MATTER OF
Lake Okanagan Resort Vacation (2001) Ltd. ("Lake Okanagan Resort Vacation")
&
Lake Okanagan Resort (2001) Ltd. ("LOR")**

Proof of Claim

For Claims Arising Before March 30, 2009 or Claims Arising from Repudiation of Agreements since March 30, 2009

CLAIM AS AGAINST (Check only 1 box for each Claim form):

- ☐ Lake Okanagan Resort Vacation
or
☐ LOR

Regarding the claim of _____ (referred to in this form as the
"Creditor") (name of Creditor)

All notices or correspondence regarding this claim to be forwarded to the creditor at the following address:

Telephone: _____ Fax: _____

I, _____ residing in the _____
(name of person signing claim) (city, town, etc.)

of _____ in the Province of _____
(name of city, town, etc.)

Do hereby certify that:

1. ☐ I am the Creditor
or

☐ I am _____ of the Creditor.
(if an officer or employee of the company, state position or title)

2. I have knowledge of all the circumstances connected with the claim referred to in this form.

3. A. Has the claim set out herein been sold, transferred or assigned by the Creditor to another party?

☐ Yes ☐ No

- B. Particulars of Assignment(s) (if you answered yes to 3(a)):

- i) Full Legal Name of Assignee(s): _____
(If a portion of the claim has been assigned, insert full legal name of assignee(s) of the claim. If there is more than one assignee, please find attached a separate sheet with the required information.)

- ii) Full Mailing Address of Assignee(s): _____
- iii) Telephone Number of Assignee(s): _____
- iv) Fax Number: _____
- v) Attention (Contact Person): _____

4. **Proof of Claim (Check only 1 box):**

☐ Lake Okanagan Resort Vacation

or

☐ LOR

was and still is indebted to the Creditor as follows:

(i) PRE-FILING CLAIM:

\$_____ (insert value of claim)
(Currency)

(ii) SUBSEQUENT CLAIM:

\$_____ (insert value of claim)
(Currency)

(claim arising after March 30, 2009 resulting from the disclaimer or repudiation after March 30, 2009 of any contract, lease, employment agreement, or other arrangement or agreements of any nature whatsoever, whether written or oral, and any amending agreement related thereto)

(iii) TOTAL CLAIM(S): \$_____

The indebtedness referred to in paragraph 4 is in the following currency:

☐ Canadian Dollars ☐ United States Dollars

5. **Nature of Claim:**

☐ A. **UNSECURED CLAIM.** \$_____.
In respect to the said debt, the Creditor does not and has not since March 30, 2009, held any assets of Lake Okanagan Resort Vacation or LOR as security.

☐ B. **SECURED CLAIM.** \$_____.
In respect of the said debt, the Creditor holds assets of Lake Okanagan Resort Vacation or LOR valued at \$_____ as security:

Provide full particulars of the security, including the date on which the security was given and the value at which the Creditor assesses the security together with the basis of valuation, and attach a copy of the security documents as Schedule "A"

6. Particulars of Claim

Other than as already set out herein, the particulars of the undersigned's total Pre-Filing Claim and/or Subsequent Claim are attached.

(Provide all particulars of the claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the claim, name of any guarantor which has guaranteed the claim, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by Lake Okanagan Resort Vacation or LOR to the Creditor and estimated value of such security.

7. Filing of Claims

This Proof of Claim form must be received by the Monitor by no later than **5:00 p.m. (Mountain Time) on April 30, 2010 (the "Claims Bar Date")**.

Proof of Claim for Subsequent Claims arising after March 30, 2009 resulting from a disclaimer or repudiation after March 30, 2009 of any contract, lease, employment agreement, or other arrangement or agreements of any nature whatsoever, whether oral or written, and any amending agreement related thereto, must be received by the later of: **(a) the Claims Bar Date and (b) 5:00 p.m. (Mountain Time) on the day which is 20 days after the date of the applicable repudiation or disclaimer (the "Subsequent Claims Bar Date")**.

FAILURE TO FILE YOUR PROOF OF CLAIM AS DIRECTED BY THE CLAIMS BAR DATE OR SUBSEQUENT CLAIMS BAR DATE, AS APPLICABLE, WILL RESULT IN YOUR CLAIM BEING BARRED AND EXTINGUISHED FOREVER UNLESS OTHERWISE ORDERED BY THE COURT AND YOU WILL BE PROHIBITED FROM MAKING OR ENFORCING A CLAIM AGAINST LAKE OKANAGAN RESORT VACATION OR LOR.

This Proof of Claim must be delivered by registered mail, personal delivery, email (in PDF format), courier or facsimile transmission at the following address:

Ernst & Young Inc., the Court-appointed Monitor
of the Lake Okanagan Resort Vacation and LOR
Attn: Mr. Orest Konowalchuk, CA
Ernst & Young Tower
1000, 440-2nd Avenue SW
Calgary, Alberta T2P 5E9
Fax: (403) 206-5075
Email: Orest.Konowalchuk@ca.ey.com

Dated at _____, this ____ day of _____, 2010.
Insert city and date of signature

Witness

(signature of individual completing the form)

Must be signed and witnessed