Action No.: 0901-04199

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., c. C-36, AS AMENDED

AND IN THE MATTER OF FAIRMONT RESORT PROPERTIES LTD., LAKE OKANAGAN RESORT VACATION (2001) LTD., LAKE OKANAGAN RESORT (2001) LTD., AND LL DEVELOPMENTS LTD.

AFFIDAVIT OF MURRAY MOORE
(Remainder, Conversion and Monetization Programs)
(sworn June 5, 2009)

I, Murray Moore, of the City of Calgary, in the Province of Alberta, MAKE OATH AND SAY THAT:

I. INTRODUCTION

1. I am the interim Chief Restructuring Officer of Fairmont Resort Properties Ltd., Lake Okanagan Resort Vacation (2001) Ltd., Lake Okanagan Resort (2001) Ltd. and LL Developments Ltd. (collectively "**Fairmont**") and, as such, have personal knowledge of the facts and matters deposed to herein except where otherwise stated to be based on information and where so stated, I believe the same to be true.

II. OVERVIEW

2. On March 30, 2009, FRFL Finance Ltd. and FRPL Management Ltd. applied for and were granted an Initial Order by the Honourable Madam Justice B.E.C. Romaine in relation to Fairmont pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA Proceedings**").

3. A detailed description of the circumstances giving rise to the request for and granting of the Initial Order are described in the Affidavit of Gary L. Bentham sworn on March 30, 2009 and filed in these proceedings.

4. Fairmont's initial efforts to restructure its business operations are described in my Affidavit sworn and filed in these proceedings on April 24, 2009 (the "**Stay Extension Affidavit**"). The stay period prescribed in the Initial Order was scheduled to expire effective April 30, 2009 (the "**Stay Period**"). The Stay Period was initially extended to May 1, 2009 and thereafter to July 31, 2009.

5. In the course of the Stay Extension Affidavit, particularly at paragraphs 6 and 7, it was noted that the management of Fairmont had begun designing a program, defined as the Reversionary Program, to convert leasehold interests into fee simple interests.

6. In the course of the CCAA Proceedings, by an Order dated May 1, 2009, Fairmont has also secured the right to obtain Debtor-in-Possession financing from Century Services Inc. in an amount not to exceed $5,500,000.00.

7. Since the Stay Period was extended, Fairmont has been continuing to work, in conjunction with the Monitor Ernst & Young Inc. ("**E + Y**"), to cut unnecessary costs, increase revenues and generally restructure the business operations.

III. Remainder, Conversion and Monetization Programs

8. One of Fairmont's most significant assets is its customer base at Fairmont Vacation Villas ("**FVV**") and Lake Okanagan Resort ("**LOR**"). FVV and LOR are both condominium style rental properties located in British Columbia. At FVV, there are approximately 18,900 active leases held by approximately 14,740 lessees whereas at LOR there are approximately 4,061 active leases held by approximately 3,471 lessees. In total, between FVV and LOR, there are approximately 23,000 leases to approximately 18,000 lessees.

9. In basic terms, under the current contractual structure, lessees at FVV and LOR hold a 40 year leasehold interest in time share rights. The term left on Fairmont's inventory of leases at FVV and LOR varies from approximately 13 years for those who executed leases when time share rights were first offered by Fairmont to the full 40 year term for those who have recently executed leases.

10. In connection with the CCAA Proceedings, Fairmont's management has undertaken a thorough examination of the time share industry in an effort to ascertain potential opportunities to both enhance time share rights for existing lessees at FVV and LOR and to generate additional revenues for Fairmont. As a direct result of that industry examination, Fairmont's management has devised a three step initiative, namely the "Remainder", "Conversion" and "Monetization" programs, which it believes will meet these objectives and will ultimately form a critical component of a plan of arrangement to its creditors. This three step initiative represents the "Reversionary Program" referenced in the Stay Extension Affidavit.

(i) The Remainder Program

11. It is currently being contemplated by Fairmont's management that, under the Remainder Program, Fairmont will offer an amended and restated lease to existing leaseholders such that immediately prior to the expiry of the existing lease, the leaseholder's interest will convert from a leasehold interest to a fee simple ownership structure unless the leaseholder serves notice that he or she does not wish to have the fee simple transfer completed. The Remainder Program would produce benefits to the current lessees and Fairmont.

12. From the perspective of the current lessees, at the expiry of their current lease term, the leasehold interest would convert into a fee simple interest such that their right to the use of the vacation interval would then not expire as in the case of a lease and arguably their interest will not diminish in value in each succeeding year as is the case with a lease. Though the perceived cash value to individual lessees will be dependent on a number of factors including the remaining term of their lease, the lessee's ability to convert their time share leasehold interval into a fee simple structure, capable of being conveyed and gifted, represents a tangible benefit.

13. Fairmont's management anticipates that the Remainder Program, operating in conjunction with the Conversion Program and the Monetization Program, will produce significant monetary benefits to Fairmont. Though capitalizing the present value of the remainder interest, depending on the balance of time on individual leases, will be challenging, the ability to sell amended and restated lease intervals for a fixed price will generate immediate revenues without adversely impacting the long term cash flow or the viability of Fairmont. Irrespective of whether time share interests are sold under the contemplated Remainder Program or are subject to the current leasehold structure, interest holders will continue to pay yearly maintenance fees.

(ii) The Conversion Program

14. A critical component of the time share industry is exchange companies. Exchange companies afford time share interest holders the right to exchange their interests for interests at other resorts affiliated with that exchange company

15. The time share exchange market is dominated by two major exchange companies: Interval International ("**II**") and Resort Condominiums International LLC ("**RCI**"). Most of the major time share operations are affiliated with either one or the other. II is affiliated with approximately 2,200 resorts worldwide and maintains a website outlining its services at www.intervalworld.com. RCI is affiliated with approximately 4,000 resorts worldwide and maintains a website at www.rci.com.

16. FVV has a current resort affiliation agreement with II which is scheduled to expire in September, 2010 (the "**II FVV Resort Affiliation Agreement**"). Attached hereto and marked as Exhibit **"A"** to this my Affidavit is a true copy of the II FVV Resort Affiliation Agreement. LOR has a current resort affiliation agreement with RCI.

17. Under a traditional exchange program, a time share rights holder is permitted to surrender his or her interest, usually a week at a particular resort, in exchange for a week, of equal or lesser value, at another resort. Value for the interest being surrendered is ascribed depending on a variety of factors including season and size and reputation of the resort. The shortcoming of traditional exchange programs is that they are often perceived as inflexible in that what the individual rights holder surrenders is often less than what he or she receives in return.

18. RCI has recently introduced a points based program which has gained considerable market acceptance (the "Points Program"). Under the RCI Points Program, an individual rights holder is entitled to surrender his or her time share rights in exchange for points that may be "converted", either at once or in a series of transactions, into weekly or nightly resort stays, airline tickets, cruises, golf packages and rental cars. In addition, a holder that surrenders time share rights can accumulate points from a previous year and may also borrow against future allotments. In short, the RCI Points Program offers a great deal of flexibility and is perceived as a significant benefit to time share rights holders as it allows them to "convert" a time share interest into points that may be used for other opportunities.

19. The Points Program is not currently being offered to interest holders at LOR. The current arrangement between Fairmont and RCI at LOR is limited to the traditional exchange program. No "points" based program is currently being offered by II either pursuant to the II FVV Resort Affiliation Agreement or otherwise.

20. In January, 2009, prior to the commencement of the CCAA Proceedings, Fairmont's management team approached RCI regarding the possibility of enhancing the exchange program at LOR and entering into a form of RCI exchange program at Fairmont's Makaha resort in Oahu, Hawaii. Fairmont is not currently affiliated with an exchange company in respect of the Makaha resort. In particular, Fairmont's management team discussed with RCI the possibility Fairmont participating in the Points Program at both LOR and Makaha. Notwithstanding these discussions, no changes were made to the contractual relationship between Fairmont and RCI as it relates to LOR.

21. Following commencement of the CCAA Proceedings, Fairmont's management team again approached RCI for the purposes of ascertaining whether any opportunities might exist to enhance the exchange program at LOR. Fairmont was also interested to determine whether RCI was interested in entering into an exchange relationship at FVV and/or Makaha. In particular, with a strategy of creating a program that would monetize excess inventory, Fairmont's management team sought to determine RCI's interest level in offering the Points Program at each of LOR, FVV and Makaha. To date, no formal agreement has been reached between RCI and Fairmont in respect of the Points Program at these resorts however, discussions are ongoing.

22. Fairmont's management is of the opinion that the introduction of the RCI Points Program to LOR and FVV current rights holders, and prospective purchasers, is critical to the success of the Remainder, Conversion and Monetization Programs and to the generation of cash for both the long term viability of Fairmont and the preparation of a plan of arrangement. A major impediment to Fairmont introducing the Conversion Program to FVV rights holders is that the II FVV Resort Affiliation Agreement prohibits Fairmont from entering into affiliation agreements with any other exchange company.

23. In the event that this Honourable Court approves implementation of the Remainder, Conversion and Monetization Programs, Fairmont also intends to discontinue operation of the "Platinum Club" which is an exchange program, operated by Fairmont exclusively for Fairmont time share interest holders, that permits interest holders to undertake internal exchanges. Under the Platinum Club exchange program, participating interest holders pay annual dues of $89.00 and are thereafter afforded the right to exchange time share interests within any of the Fairmont family of resorts.

24. Given that much of the Platinum Club inventory is used for marketing purposes and because the annual dues are low, the initiative operates at a significant yearly loss. Further, if Fairmont is authorized and entitled to implement the Conversion Program, the RCI Points Program will offer enhanced benefits and services compared to those offered by way of the Platinum Club.

(iii) The Monetization Program

25. Over the course of the past 24 months, Fairmont has experienced significant difficulties leasing non-peak inventory at both FVV and LOR. In particular, due in part to its marketing and pricing programs, Fairmont has a large amount of excess inventory for the winter and shoulder seasons with very little larger unit inventory available for the high summer season.

26. Fairmont's management, in the course of investigating the time share industry generally, has determined that the availability of the RCI Points Program will have the effect of encouraging purchases of Fairmont's excess, non-peak inventory at both FVV and LOR. It is anticipated that purchasers would be inclined to purchase excess, non-peak inventory at FVV and LOR, on the assumption that such inventory is appropriately priced, on the basis they would then surrender their time share right in order to obtain RCI Points that could be used for other more desirable opportunities.

27. Further, in addition to generating revenues from the sale of historically excess inventory, the Monetization Program would result in the reduction of marketing costs over traditional techniques which, in the case of non-peak inventory, often exceeds 50% of gross revenues realized on the traditional lease structure.

28. Though it is contemplated that the excess, non-peak inventory would be sold at discounted rates, it is anticipated that the economic benefits to Fairmont, net of sales and marketing costs and other costs, would be satisfactorily comparable to the net revenues that have been traditionally generated under the existing sales and marketing programs.

29. In preparing this Affidavit, I have reviewed the 2nd Report of E + Y and believe that all of the facts and assumptions contained therein are correct and accurate to the best of my knowledge and understanding. Fairmont, with the assistance of E + Y, has prepared the forecasts appended to the 2nd Report. I have relied on the facts, assumptions and forecasts contained in the 2nd Report, particularly as it relates to the perceived benefits of implementing the Remainder, Conversion and Monetization Programs, in preparing the content of this Affidavit.

(iv) Implementation of the Remainder, Conversion and Monetization Programs

30. It would be possible to implement the Remainder, Conversion and Monetization Programs separately however, it is the opinion of Fairmont's management that these initiatives should be implemented and marketed concurrently. It is anticipated that unifying implementation of the three initiatives will result in greater and quicker acceptance.

31. In order to implement the Remainder, Conversion and Monetization Programs, it is anticipated that, with the assistance of Schinnour, Matkin, Baxter & Pichette, the following documentation will be required:

(a) Amended and Restated Lease documents;

(b) Amended Trust Declaration to permit the issuance of the Amended and Restated Leases which will contain a fee simple conversion;

(c) Promissory Note and Security Agreement - from purchasers in order to secure payment obligations;

(d) Buyers' Certification; and

(e) Amended Disclosure documents.

32. In the event that this Honourable Court approves implementation of the Remainder, Conversion and Monetization Programs, Fairmont intends to repudiate the II FVV Resort Affiliation Agreement immediately and to finalize the negotiation of an Affiliation Agreement with RCI for FVV, LOR and Makaha that incorporates the Points Program. In addition, Fairmont's management has prepared a draft business plan to efficiently and effectively roll out these initiatives.

33. Fairmont is currently in the process of negotiating a Sales and Marketing Agreement with FRPL Group, an affiliate of FRPL Finance Ltd. and FRPL Management Ltd., and others to market, subject to the approval of this Honourable Court, the Remainder, Conversion and Monetization Programs.

34. In the event that this Honourable Court approves implementation of the Remainder, Conversion and Monetization Programs, all net proceeds generated therefrom shall first be applied to repay amounts advanced by Century Services Inc. pursuant to the debtor-in-possession facility.

35. I believe that approval of each of the Remainder, Conversion and Monetization Programs is fair and reasonable in the circumstances.

36. Further, I believe that approval of each of the Remainder, Conversion and Monetization Programs will afford Fairmont an opportunity to continue its restructuring efforts with a view to maximizing the benefit for all stakeholders.

IV. MISCELLANEOUS

37. I am authorized to swear this Affidavit on behalf of Fairmont.

38. I make this Affidavit in support of an application for approval of the Remainder, Conversion and Monetization Programs including all steps necessary to the implementation of those programs.

SWORN BEFORE ME at the City of Calgary, in the Province of Alberta, this 5th day of June, 2009.

D Pichette

A Commissioner for Oaths in and for the Province of Alberta

Daniel A. Pichette
Barrister & Solicitor

Murray Moore

Murray Moore

1318170.v1

THIS IS EXHIBIT "A"
referred to in the Affidavit of
[handwritten name]
Sworn before me this 5
Day of June A.D. 2009
[signature]
A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA
Daniel A. Pichette
Barrister & Solicitor

INTERVAL INTERNATIONAL
The Quality Vacation Exchange Network

RESORT AFFILIATION AGREEMENT

AGREEMENT made and entered into by and between INTERVAL INTERNATIONAL, INC., a corporation duly organized and existing under the laws of the State of Florida, and having its principal place of business at 6262 Sunset Drive, Penthouse One, Miami, Florida 33143, hereinafter referred to as "INTERVAL," and FAIRMONT RESORT PROPERTIES LTD., a/an

Exact Name of Development Entity

LIMITED CORPORATION COMPANY / ALBERTA & BRITISH COLUMBIA, CANADA

Type of Entity and State of Registration

with its principal place of business at FAIRMONT HOT SPRINGS, B.C.,

hereinafter referred to as "AFFILIATE."

WHEREAS, INTERVAL is engaged in the business of providing and operating a vacation exchange service to facilitate the exchange of accommodations between owners of time share or other vacation ownership interests at participating resorts, hereinafter referred to as the "INTERVAL NETWORK," and

WHEREAS, AFFILIATE is developing or has developed a resort vacation ownership program, known as

FAIRMONT VACATION VILLAS AT RIVERSIDE,

Name of Program

located at P.O. BOX 127, FAIRMONT, B.C. CANADA VOB 1LO,

Street Address

to consist of the units and amenities as described herein and to be no less than ______ efficiencies, ______ one-bedroom, 79 two-bedroom, and ______ three-bedroom units, hereinafter referred to as the "PROJECT."

WHEREAS, AFFILIATE desires to include its PROJECT as a participant in the INTERVAL NETWORK.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

A. DEFINITIONS

For purposes of this Agreement, the following are defined terms:

1. "Confirmation" or "Confirmed Exchange" means a written or oral acknowledgment that an exchange request has been fulfilled by INTERVAL.
2. "Exchange Guest" means the individual(s) which has been issued a Confirmed Exchange to the PROJECT by INTERVAL.
3. "Individual Member" means any owner of a vacation interest at the PROJECT for whom a completed and executed Individual Membership Application has been submitted and for whom the appropriate membership fee has been paid to INTERVAL and "Individual Membership" shall be construed accordingly. An Individual Member who is current in the payment of membership fees prescribed by INTERVAL and who is in compliance with all terms and conditions then in effect is referred to as an Individual Member in good standing.
4. "Individual Membership Application" means the form or agreement prescribed by INTERVAL, from time to time, for the enrollment of Individual Members.
5. "Marks" means the trademarks or service marks "Interval International," "Interval International and Logo," "Interval 500," "Five Star Logo," "Flexchange," "Worldex," "Worldex Premier Resorts," "Worldex Premier Resorts and Logo," "WorldCard," "WorldCard Preferred" and such other trademarks and/or service marks as may at any time be owned or claimed by INTERVAL or any associated or affiliated company.
6. "Resort Membership Application" means the form completed by AFFILIATE for application to the INTERVAL NETWORK, and includes all documents and exhibits and any and all representations or undertakings, whether written or oral, given or provided by AFFILIATE, or on AFFILIATE's behalf, to INTERVAL in connection with this Resort Affiliation Agreement, whether before or after the date of execution of said Agreement.

7. "Unit" means each apartment, villa, suite, or other unit of accommodation designed for occupancy at the PROJECT.
8. "Unit Week" means the use and occupancy of a Unit for a one-week period. Each Unit, therefore, has available for use and occupancy up to fifty-two (52) unit weeks per year.
9. "Vacation Interest" means the ownership of, or the right to use, a Unit for a week or any other segment of time.

B. TERM AND RENEWALS

* The initial term of this Agreement is for ten (10) years from the date of execution by INTERVAL. Thereafter, this Agreement will automatically renew for additional periods of ten (10) years each unless either Party gives to the other at least ninety (90) days advance written notice of its intent not to renew.

C. AFFILIATION FEE

AFFILIATE has paid an affiliation fee of $ N/A . Upon execution of this Agreement by INTERVAL, such fee is non-refundable.

D. INTERVAL NETWORK

1. INTERVAL'S DUTIES

INTERVAL will provide:

(a) affiliation for the PROJECT in the INTERVAL NETWORK upon such terms and conditions as are set forth in this Agreement;

(b) an exchange program for use by Individual Members in accordance with the Terms and Conditions of Individual Membership and Exchange as they exist from time to time;

(c) promotional materials, for use by AFFILIATE in accordance with this Agreement, at time of affiliation and thereafter such additional materials as INTERVAL may make available from time to time at INTERVAL's published rates for such materials;

(d) travel-related benefits, privileges and discounts for Individual Members enrolled from the PROJECT who are in good standing with INTERVAL; and

(e) V.I.P. memberships for use by AFFILIATE in accordance with the terms and conditions of such memberships as they exist from time to time.

2. INDIVIDUAL MEMBERSHIP

(a) For all sales subsequent to the effective date of this Agreement, AFFILIATE shall provide INTERVAL with a completed Individual Membership Application executed by each purchaser of a vacation interest at the PROJECT and the applicable one-year membership fee prescribed by INTERVAL no later than thirty (30) days after the execution of a purchase agreement by said purchaser, regardless of the actual date of closing or escrow requirements for said purchase.

(b) All Individual Membership fees due under this Agreement shall be delivered to INTERVAL in accordance with the fees schedule then in effect, without set-off or deduction. INTERVAL, further reserves the right to charge an additional Individual Membership fee for each purchaser of a vacation interest at the PROJECT who owns more than four (4) weeks of occupancy. In the event AFFILIATE receives renewal fees for Individual Memberships, said funds shall be forwarded to INTERVAL without set-off or deduction upon receipt of such fees by AFFILIATE.

(c) Within thirty (30) days of execution of this Agreement, AFFILIATE shall provide INTERVAL with the names, permanent addresses and telephone numbers, as well as the type of accommodations, the unit week(s), and the unit number purchased for all individuals who executed purchase agreements for vacation interests at the PROJECT prior to the effective date of this Agreement.

(d) AFFILIATE agrees that it will at all times refrain from interfering with or otherwise impairing the relationship between INTERVAL and its Individual Members. This paragraph shall survive the expiration or termination of this Agreement.

(e) For each quarter in which AFFILIATE has less than two hundred (200) active Individual Members enrolled from the PROJECT following the expiration of the second (2nd) year of this Agreement, AFFILIATE shall pay INTERVAL a service fee of five hundred dollars ($500.00) per quarter. INTERVAL shall invoice AFFILIATE at the end of each three-month period in which the service fee is payable. AFFILIATE agrees to pay INTERVAL within fifteen (15) days after receipt of such statement.

3. PRECONSTRUCTION OR RENOVATION

(a) In the event the PROJECT's accommodations or facilities are unavailable for occupancy due to construction or renovation, AFFILIATE will advise each purchaser prior to enrollment with INTERVAL that said purchaser will not be entitled to utilize the INTERVAL NETWORK until his/her accommodations and the PROJECT are available for occupancy as determined by INTERVAL. Notwithstanding the PROJECT's accommodations or facilities being unavailable for occupancy due to construction or renovation, AFFILIATE's obligation to enroll all purchasers pursuant to Section D, Paragraph 2(a) hereof shall not be waived. The PROJECT shall be deemed "unavailable for occupancy" until such time as INTERVAL determines in its good faith judgment that the PROJECT is sufficiently complete to be desirable for exchange (i.e., unit complete and fully furnished, amenities available for use). An Individual Member in good standing who is unable to use the exchange privilege due to construction and/or renovation at the PROJECT shall be entitled to use all other benefits, privileges and discounts afforded to Individual Members.

(b) In the event a portion of the PROJECT is under construction or renovation, AFFILIATE agrees that Exchange Guests will be accommodated only in completely renovated and fully furnished units.

4. TERMS AND CONDITIONS

(a) The terms and conditions of the INTERVAL NETWORK, including, but not limited to, the Terms and Conditions of Individual Membership and Exchange, may be changed by INTERVAL from time to time in its sole discretion.

(b) AFFILIATE agrees to comply with all procedures reasonably established by INTERVAL, from time to time, for the operation of the INTERVAL NETWORK.

5. EXCHANGE ACTIVITY

(a) AFFILIATE agrees to honor all Confirmations made by INTERVAL utilizing accommodations relinquished by Individual Members, as well as accommodations provided by AFFILIATE to INTERVAL in accordance with Section E, Paragraph 4, and such other accommodations as may be provided by AFFILIATE to INTERVAL from time to time. If an individual has a Confirmed Exchange at the PROJECT and the unit reserved is not available when the Exchange Guest arrives, AFFILIATE agrees to provide at AFFILIATE's expense other accommodations at a similar location of comparable size and quality for the same time period as that originally confirmed. Additionally, AFFILIATE shall be responsible for all expenses incurred by the Exchange Guest or INTERVAL as a result of the confirmed unit not being available at the PROJECT.

(b) AFFILIATE agrees not to subject an Exchange Guest to AFFILIATE's sales presentation if such individual elects otherwise.

(c) AFFILIATE agrees that during the term of this Agreement or any renewals thereof not to participate in any system or arrangement of exchange with any other resort participating in the INTERVAL NETWORK.

(d) AFFILIATE agrees that during the term of this Agreement or any renewals thereof, that the INTERVAL NETWORK will be the only exchange program represented to prospective purchasers at the PROJECT. AFFILIATE further agrees that the INTERVAL NETWORK shall be utilized for all exchange requests, both internal and external.

E. AFFILIATE'S PROGRAM

1. PHASING AND AMENITIES

(a) The PROJECT is included as a participant in the INTERVAL NETWORK with the mutual understanding that a material condition for the PROJECT's continued participation in the INTERVAL NETWORK is AFFILIATE's strict adherence to the completion and availability of units and amenities as set forth in the attached Addendum.

(b) This agreement encompasses all of the unit(s), building(s) or phase(s) now or hereafter constructed at this location or adjacent thereto. The inclusion of any additional unit(s), building(s) or phase(s), however, shall be subject to adherence to the standards and criteria for new project affiliation in effect at the time of inclusion.

2. WARRANTIES

(a) AFFILIATE warrants that it now owns the real estate and improvements constituting the PROJECT; that there are no proceedings pending or threatened against or affecting AFFILIATE or individuals related thereto in any court or before any governmental authority which involves the possibility of adversely affecting the business condition of AFFILIATE or the PROJECT; that the execution of this Agreement with INTERVAL and its performance hereunder is binding upon AFFILIATE and will not conflict with or result in a breach of any provision of any other agreement, charter, by-law or other instrument to which AFFILIATE may be bound; and that AFFILIATE has and will continue to comply with all applicable laws and regulations of any jurisdiction where compliance is required.

(b) AFFILIATE further agrees to provide INTERVAL with an opinion letter from a licensed independent attorney covering those items set forth in Exhibit "A" hereto within thirty (30) days of execution of this Agreement by AFFILIATE. Failure to provide such opinion letter or any material misrepresentation of the warranties set forth above or any information set forth in the Resort Membership Application shall be grounds for immediate termination of this Agreement by INTERVAL.

3. DISCLOSURE

(a) AFFILIATE agrees to provide either INTERVAL's most recent disclosure statement or the following statement to all purchasers at the PROJECT prior to their execution of any contract for purchase:

"This Resort has an agreement with Interval International, Inc. ("Interval") of Miami, Florida, wherein Interval provides a vacation exchange program in which owners of vacation interests at this Resort may exchange their use periods with owners in another participating resort.

"Interval is an independently-owned and operated service company. This Resort is not an agent for Interval and cannot make any representations or promises concerning Interval's current or future services. Representations or promises about Interval's program are limited to the current written materials which Interval supplies.

"For purposes of exchange Interval has grouped participating resorts by vacation area. All time periods for each vacation area have been designated as Red (high demand), Yellow (medium demand) or Green (low demand). Reference should be made to Interval's most recent Vacation Area Color Codes to determine the relative demand (for exchange purposes only) of the accommodations being purchased.

"Interval's exchange program is called "Dual Exchange" because two different methods are available for utilizing the program. Members may choose either the "Deposit First" exchange method or the "Request First" exchange method. When the Deposit First method is used a member may not request accommodations which are in greater demand than those being relinquished. Members utilizing the Request First method may request any week without regard to demand, but as a practical matter owners of low or medium demand accommodations should not expect to exchange to high demand accommodations.

"All exchanges are arranged on a space available basis and neither Interval nor any developer can guarantee the fulfillment of a specific request. In order to request a week, a week must be relinquished.

"Purchasers are advised to carefully review Interval's most recent publications and the Terms and Conditions of Individual Membership and Exchange prior to their purchase and to understand the procedures prior to submitting an exchange request. All terms and conditions of the Interval exchange program, including membership and exchange fees charged, may be changed by Interval in its sole discretion upon advance written notice to members.

"While it is anticipated that this Resort and Interval will maintain an ongoing relationship, there is no assurance that this Resort will still be affiliated with Interval at some future time. In the event that this Resort's affiliation with Interval is terminated or not renewed, Individual Members may lose their membership rights with Interval, including the exchange privilege."

(b) INTERVAL may revise or modify this statement by providing written notice of same to AFFILIATE.

4. RESERVE ACCOMMODATIONS

(a) AFFILIATE agrees to make available as reserve accommodations for INTERVAL's exclusive use __N/A__-bedroom units at the PROJECT each week of the year commencing __N/A__ and continuing thereafter until AFFILIATE has sold ninety percent (90%) of the total number of vacation interests available at the PROJECT.

(b) Affiliate shall provide INTERVAL, no later than October 1 of each year, with a schedule of the units reserved for INTERVAL's exclusive use in accordance with subparagraph (a) above.

(c) If for any reason AFFILIATE is unable to provide the reserve accommodations delineated above, AFFILIATE shall be obligated to provide comparable accommodations at a similar location at AFFILIATE's expense.

(d) Additionally, if for any reason INTERVAL is unable to utilize the reserve accommodations set forth above due to AFFILIATE's fault (i.e., incomplete affiliation file, construction delays) and AFFILIATE has not provided alternate accommodations as set forth in subparagraph (c) above, AFFILIATE shall be obligated to provide an equal number of comparable accommodations at the PROJECT after elimination of the deficiency which prevented INTERVAL from utilizing such reserve accommodations at such dates as are reasonably specified by INTERVAL.

5. MAINTENANCE OF STANDARDS

(a) AFFILIATE acknowledges the necessity for and agrees to establish a comprehensive program in order to assure the continued high standards of service, appearance, cleanliness, quality and management as evidenced at the time of the PROJECT's affiliation in the INTERVAL NETWORK. AFFILIATE further agrees to establish a comprehensive program for the major renovations of the units, amenities, common elements and exterior of the PROJECT.

(b) If it should be deemed necessary by INTERVAL as a result of consumer complaints to inspect the PROJECT, AFFILIATE shall pay the actual cost of travel to the PROJECT for one INTERVAL representative. AFFILIATE further agrees to provide without charge suitable accommodations at the PROJECT for such INTERVAL representative, subject to availability.

(c) While INTERVAL may inspect as often as it deems necessary, AFFILIATE shall pay such expenses no more than once in any calendar year, except in the event the PROJECT is under construction or renovation, in which event AFFILIATE may also be required to pay such expenses for one additional inspection during such construction or renovation period.

(d) It shall be considered prima facie evidence of failure to maintain standards if INTERVAL receives resort evaluations from Exchange Guests which rate the PROJECT's facilities and amenities below an acceptable level as determined by INTERVAL. AFFILIATE will be advised in writing of such evaluations.

6. SALES REPRESENTATIONS

(a) AFFILIATE agrees to incorporate promotional materials furnished by INTERVAL into the sales program at the PROJECT. Additionally, AFFILIATE agrees to use its best efforts to promote the INTERVAL NETWORK and to fully and accurately describe the use of the INTERVAL NETWORK to all prospective purchasers at the PROJECT. INTERVAL agrees to provide, throughout the term of this Agreement and any renewals hereof, the current version of the INTERVAL film and AFFILIATE agrees to purchase same at INTERVAL's published rate. In addition, AFFILIATE agrees to show same to all prospective purchasers at the PROJECT throughout the term of this Agreement and any renewals hereof.

(b) AFFILIATE acknowledges and agrees that it will not rely upon the INTERVAL NETWORK as the primary motivation for its sales. AFFILIATE must offer Individual Membership in INTERVAL as an adjunct service to its purchasers for occasional use only.

(c) AFFILIATE further acknowledges and agrees that membership in INTERVAL will not be offered as an investment interest or in conjunction with the sale of a security.

(d) AFFILIATE further agrees that all sales and marketing related to the PROJECT shall be the responsibility of AFFILIATE. AFFLIATE shall provide INTERVAL with thirty (30) days' prior written notice if any individual or entity other than AFFILIATE is marketing the PROJECT. INTERVAL may, in the exercise of reasonable business judgment, prohibit such individual or entity, other than AFFILIATE, from representing membership in INTERVAL in conjunction with its marketing of the PROJECT. Additionally, INTERVAL reserves the right to suspend AFFILIATE's authority to represent the INTERVAL NETWORK to prospective purchasers in the event that repeated complaints arise regarding sales practices at the PROJECT.

(e) AFFILIATE further agrees to immediately indemnify and hold harmless INTERVAL against all actions, suits, demands, losses, expenses, costs and fees, including attorneys' fees, of whatever kind and nature incurred by INTERVAL arising out of or in connection with the sale or marketing of the PROJECT. The provisions of this subparagraph (e) shall survive the expiration or termination of this Agreement.

7. COLLATERAL MATERIALS

(a) The Resort Membership Application, plans, renderings, blueprints, models, designs, documents or other exhibits submitted by AFFILIATE to INTERVAL contain representations of the current or future design, configuration, legal structure and marketing of the PROJECT. Said representations are specifically incorporated into and made a part of this Agreement.

(b) AFFILIATE agrees to immediately notify INTERVAL of any change in the information set forth in the Resort Membership Application, plans, renderings, blueprints, models, designs, documents or such other exhibits submitted to INTERVAL with respect to the PROJECT. INTERVAL shall have the right to terminate this Agreement upon thirty (30) days prior written notice if there is any material change in such information.

8. AUDIT INFORMATION

(a) AFFILIATE shall provide INTERVAL with the names, permanent addresses and telephone numbers, the type of accommodations, unit week and unit number purchased including the date of sale for all owners of vacation interests at the PROJECT on an annual basis as of December 31 of each year or as requested by INTERVAL during the term of this Agreement. Such information shall be provided within twenty (20) days of the above-referenced date or within twenty (20) days of INTERVAL's written request for said information. AFFILIATE further agrees to provide, within twenty (20) days of INTERVAL's written request, a list of all unit numbers in the PROJECT, as well as the sleeping capacity for each such unit and a yearly calendar for the PROJECT.

(b) INTERVAL shall also have the right to inspect the PROJECT's sales records upon reasonable notice during normal business hours at the PROJECT or at such other place as these records may be kept.

9. CHARGES

(a) AFFILIATE agrees to impose the responsibility to pay any bed tax, transient occupancy tax or similar tax levied by any governmental body on the owner of the accommodations which are to be occupied by an Exchange Guest.

(b) AFFILIATE acknowledges and agrees that the Exchange Guest shall be responsible for all personal charges (i.e., telephone calls and meals), as well as any damage to the accommodations that they or their guests cause. Consequently, INTERVAL shall not be liable for any loss incurred or damage to the PROJECT's accommodations, facilities or amenities caused by an Exchange Guest.

(c) AFFILIATE agrees to provide all Exchange Guests with the same rights and privileges, and at the same rates, as those afforded to owners of vacation interests at the PROJECT.

F. USE OF NAME, LOGOS, SERVICE MARKS AND MATERIALS

1. USE IN PROMOTIONAL MATERIALS

(a) AFFILIATE agrees to indicate in its promotional materials that the PROJECT is a member resort of INTERVAL. Additionally, AFFILIATE shall be entitled to use in its promotional materials the INTERVAL logo and such other service marks, trademarks, trade names, or logos that INTERVAL has indicated in writing that AFFILIATE may use. INTERVAL, however, expressly prohibits the use of any material describing or offering the services of INTERVAL without first obtaining its prior written approval. INTERVAL reserves the right to prohibit the making of representations or the use of material which, in the judgment of INTERVAL, do not accurately reflect INTERVAL and the INTERVAL NETWORK.

(b) AFFILIATE acknowledges and agrees that INTERVAL is the owner or licensee of the Marks. AFFILIATE further agrees to observe such reasonable requirements with respect to service mark and trademark registrations as INTERVAL may require from time to time, including, without limitation, affixing an ® adjacent to all such registered marks in any and all uses thereof.

(c) Any use of the INTERVAL name and logo or any other Marks which INTERVAL has authorized AFFILIATE to use in writing must fully and prominently disclose that AFFILIATE is an independent organization and not affiliated with INTERVAL except as provided by this Agreement. AFFILIATE further acknowledges and agrees that any goodwill associated with the use of the INTERVAL name and logo or any other Marks shall inure directly and exclusively to INTERVAL.

2. RESTRICTIONS ON USE

(a) The rights arising under this Agreement are exclusive to the PROJECT. AFFILIATE shall not use the INTERVAL name and logo or any other Mark or otherwise make any reference to its participation in the INTERVAL NETWORK in its promotional material in conjunction with any other project other than that specifically designated in this Agreement. AFFILIATE further agrees not to use the names or photographs of other projects participating in the INTERVAL NETWORK in AFFILIATE's promotional material without obtaining the prior written consent of INTERVAL.

(b) AFFILIATE agrees that it will not, directly or indirectly, register or attempt to register any of the Marks or any name or mark which is similar or likely to be confused with the Marks.

G. SALE, LEASE OR ASSIGNMENT

1. AFFILIATE agrees to provide INTERVAL with sixty (60) days prior written notice of its intent to sell or lease the PROJECT to any third party.

2. Within thirty (30) days after receipt by INTERVAL of such written notice from AFFILIATE, INTERVAL shall:

(a) consent to such sale or lease and to the assignment of this Agreement to such third party if such sale or lease is in fact consummated. Concurrent with the consummation of such sale or lease, AFFILIATE shall cause such third party to agree in writing, in form and substance satisfactory to INTERVAL, to perform under this Agreement. An executed copy of such assumption agreement shall be promptly delivered to INTERVAL; or

(b) terminate this Agreement (if and only if INTERVAL shall not have exercised its rights under subparagraph (a) above), which notice of termination shall establish the date of termination ninety (90) days after the date of receipt by INTERVAL of AFFILIATE's original notice. If AFFILIATE shall not have consummated such sale or lease by the established termination date to the third party named in the original notice to INTERVAL, then the termination notice sent to AFFILIATE shall be null and void, and this Agreement shall continue in full force and effect.

3. The voluntary or involuntary sale, assignment, transfer or other disposition of a controlling interest in AFFILIATE or the PROJECT (i.e., the possession, directly or indirectly, of the power to direct the management and sales of the PROJECT, whether through ownership of stock, by contract or otherwise) shall be deemed a sale or lease and shall be subject to the provisions set forth in paragraphs 1 and 2 of this Section G.

4. Subject to the foregoing paragraphs of this Section G, this Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

H. SUSPENSION AND TERMINATION

1. SUSPENSION

(a) In the event that AFFILIATE is in violation of any provision of this Agreement, INTERVAL shall have the right, without prejudice to its right to terminate this Agreement, to suspend processing of new memberships, Individual Membership renewals, the use of the INTERVAL NETWORK by Individual Members, and the right of AFFILIATE to represent the INTERVAL NETWORK to prospective purchasers at the PROJECT or to impose such other conditions as INTERVAL deems reasonably necessary.

(b) If bankruptcy proceedings are filed by or against either Party, then the other Party may suspend all further performance of this Agreement until such Party assumes or rejects this Agreement pursuant to Section 365 of the Bankruptcy Code or any similar or successor provision. Any such suspension of further performance by the other Party pending the bankrupt Party's assumption or rejection will not be a breach of this Agreement and will not affect the other Party's right to pursue or enforce any of its rights under this Agreement or otherwise.

(c) Notwithstanding the foregoing, in the event AFFILIATE and the PROJECT regain active status with INTERVAL, AFFILIATE shall be obligated to enroll all individuals, who purchased at the PROJECT while AFFILIATE was in a suspended status, as members of INTERVAL.

2. TERMINATION UPON NOTICE

This Agreement may be terminated upon notice in writing:

(a) If either Party shall become insolvent; or

(b) If either Party shall make an assignment for the benefit of creditors.

3. TERMINATION UPON 30-DAY NOTICE

(a) In the event that either Party defaults in the performance of any of the provisions of this Agreement and fails to rectify such default within thirty (30) days after receipt of written notice of same, this Agreement may be terminated upon written notice to the defaulting party.

(b) In the event that AFFILIATE does not enroll a minimum of one hundred twenty-five (125) Individual Members within one year of the effective date of this Agreement or fails to enroll a minimum of one hundred twenty-five (125) Individual Members within the subsequent twelve (12) month period that this Agreement is in effect, INTERVAL shall be entitled to terminate this Agreement upon thirty (30) days prior written notice to AFFILIATE.

4. EFFECT OF TERMINATION

(a) In the event that this Agreement is terminated due to AFFILIATE's failure to maintain the standards of INTERVAL, which failure in INTERVAL's judgment will impair the desirability or availability of the PROJECT to Exchange Guests, INTERVAL may suspend the exchange privileges of Individual Members but shall not be responsible for the reimbursement of any Individual Membership fees previously paid to INTERVAL.

(b) In the event this Agreement is terminated for any cause which in INTERVAL's judgment will not impair the desirability or availability of the PROJECT, INTERVAL may continue to provide its exchange program to Individual Members until the expiration of the current year of each such membership. All such Individual Members in good standing shall be entitled to full benefits of Individual Membership during that year. At the expiration of said year, INTERVAL shall have the option of whether to allow renewals of said Individual Memberships.

(c) AFFILIATE and INTERVAL agree to continue honoring all Confirmations into the PROJECT made prior to termination of this Agreement, as well as all Confirmations issued to Individual Members prior to termination. Additionally, AFFILIATE agrees to honor all Confirmations into the PROJECT in accordance with Section D, Paragraph 5(a) after termination.

(d) AFFILIATE expressly waives any claim or demand it may have for refund of any affiliation fee or Individual Membership fees received by INTERVAL prior to termination.

(e) Upon termination, AFFILIATE shall immediately discontinue: (i) representing the INTERVAL NETWORK to purchasers; (ii) utilizing all INTERVAL materials and equipment and shall return same to INTERVAL within thirty (30) days thereafter; and (iii) utilizing all advertising materials which contain the INTERVAL name, logos or any other Marks or otherwise associate the PROJECT with INTERVAL.

(f) Upon termination, so long as INTERVAL continues to provide its exchange program to Individual Members, AFFILIATE agrees not to solicit, directly or indirectly, nor to assist any third party, directly or indirectly, in the solicitation of such Individual Members for membership or participation in any exchange program or system of exchange other than the INTERVAL NETWORK.

(g) The provisions of this Paragraph 4 shall survive the expiration or termination of this Agreement and shall continue to govern the relationship between the Parties.

I. REMEDIES

1. A Party shall be entitled to damages which it has incurred and injunctive or other equitable relief for any violation by the other Party of the provisions of this Agreement. In no event, however, shall INTERVAL be liable to AFFILIATE for incidental, special or consequential damages. In addition, the prevailing Party may recover all costs, including reasonable attorneys' fees, incurred in any action or any appeal thereto or in otherwise obtaining compliance with the terms of this Agreement, whether or not such matter proceeds to the filing of a complaint. The Parties agree that time of entitlement as to such fees and costs shall be the point at which breach or default by the other occurs. The provisions of this Paragraph shall survive the expiration or termination of this Agreement, and nothing herein shall be construed to restrict the right to institute proceedings at law or equity to obtain injunctive or other relief on account of any default hereunder, whether or not a Party has exercised its right to terminate this Agreement.

2. The remedies set forth in this Agreement are not exclusive, and the election of one remedy shall not prohibit the pursuit of other available remedies.

J. INDEMNIFICATION

Both INTERVAL and AFFILIATE agree that during the term of this Agreement they will forever protect, save, keep harmless and indemnify the other Party against and from any and all claims, demands, judgments, damages, suits, losses, penalties, expenses, costs and liabilities of any kind or nature whatsoever arising, directly or indirectly, out of or in connection with this Agreement, the operation of the PROJECT and the operation of the INTERVAL NETWORK, attributable to the negligent performance or intentional misconduct of the other Party, its officers, representatives, agents, brokers, salespersons, associates or employees. INTERVAL's total liability to AFFILIATE pursuant to this section, however, shall be limited to the fees paid to INTERVAL by AFFILIATE under this Agreement. The provisions of this Section J shall survive the expiration or termination of this Agreement.

K. WAIVER

The failure of either Party to exercise any power given it hereunder or to insist upon strict compliance with the terms of this Agreement shall not constitute a waiver of that Party's right to demand exact compliance with the terms hereof. Waiver by a Party of any particular default by the other shall not affect or impair its rights with respect to any subsequent defaults of the same or of a different kind; nor shall any delay or omission by a Party to exercise any rights arising from any default affect or impair its right as to such default or any future default. Further, no custom or course of dealings of the Parties at variance with the terms hereof shall constitute a waiver of that Party's right to demand later compliance.

L. MISCELLANEOUS

1. All notices provided for by this Agreement shall be deemed given if in writing and delivered by hand, air express, or by registered or certified mail, return receipt requested, to the addresses set forth on page one of this Agreement or to such other address as may be specified in accordance with this procedure.

2. Time shall be of the essence as to all provisions of this Agreement.

3. Should any part of this Agreement be declared invalid or unenforceable for any reason, it shall be adjusted rather than voided, if possible, to achieve the intent of the parties. Any invalidity resulting from the length of a period of time shall be considered reduced to a period of time which would cure such invalidity. In any event, the invalidity of any provision of this Agreement, shall not affect any other provision of this Agreement which shall be deemed valid and enforceable to the greatest extent possible.

4. This Agreement shall be construed under the laws of the State of Florida. The Parties acknowledge and agree that the Courts of Dade County, Florida have proper and exclusive jurisdiction over the Parties and the subject matter hereof, unless INTERVAL determines in its sole discretion that the action should be brought in the jurisdiction in which AFFILIATE or the PROJECT is located.

5. This Agreement is exclusively between and for the benefit of INTERVAL and AFFILIATE. Nothing herein shall be construed to make any purchasers, Exchange Guests, Individual Members or other individuals or entities, a third party beneficiary to this Agreement.

6. AFFILIATE agrees that during the term of this Agreement and for a period of one (1) year after this Agreement is terminated for any reason, AFFILIATE shall not, without INTERVAL's prior written consent, hire, employ, or pay any person who was employed or paid by INTERVAL during the term of this Agreement, or directly or indirectly induce any such person to terminate or alter his/her relationship with INTERVAL.

7. Both Parties acknowledge and agree that nothing contained in this Agreement shall be construed to create a joint venture, partnership, franchise or agency and neither Party shall have the power or authority to bind or obligate the other.

8. The headings and captions in this Agreement are for convenience only and shall not be referred to in the interpretation of this Agreement.

9. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which when taken together shall constitute one and the same Agreement.

10. If more than one person or entity constitutes AFFILIATE hereunder, such persons or entities shall be jointly and severally liable for each and every obligation of AFFILIATE under this Agreement.

11. This Agreement contains the entire agreement of the Parties, with respect to the subject matter hereof, and supersedes any oral or written representation, inducement or promise not contained herein and may not be modified, except in writing signed by all Parties. The person executing this Agreement on behalf of AFFILIATE hereby warrants that he is an officer thereof and is duly authorized to execute this Agreement on AFFILIATE's behalf.

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals.

AFFILIATE:

By: Douglas T. Morcom
Authorized Officer

Attest: C. Khan

DOUGLAS T. MORCOM/DIRECTOR
Name and Title

JULY 20, 1990
Date

INTERVAL INTERNATIONAL, INC.:

Accepted in Miami, Florida, this 18th day of September, 1990

By: Craig M. Nash
Authorized Officer
Craig M. Nash President

EXHIBIT "A"

INTERVAL INTERNATIONAL
ATTORNEY'S OPINION LETTER

The following must be addressed in an Opinion Letter from an independent licensed attorney pursuant to Section D, Paragraph 3, of the Resort Affiliation Agreement:

1. A description of how title to the property which is the subject of the Resort Affiliation Agreement is held and confirmation that AFFILIATE will be conveying fee title or contractual occupancy rights to purchasers at the Project.
2. Confirmation that the legal structure and marketing of the Project is in compliance with all local, state and federal laws, both where the property is located and where the property will be marketed.
3. Confirmation that all purchase monies shall be escrowed or guaranteed by an independent third party of standing (i.e., bank, trust company, attorney, etc.) until the purchaser receives his interest in the Project.
4. Confirmation that the legal structure protects purchasers' interests in the Project and a statement that such purchasers shall be entitled to the undisturbed use of the units, amenities and facilities for the duration of the vacation ownership program. The Opinion Letter should describe, at a minimum, the legal protection afforded a purchaser in the event of:
   (a) AFFILIATE's failure to complete the Project or otherwise perform under its agreement with a purchaser;
   (b) bankruptcy or insolvency of AFFILIATE; or
   (c) recordation of mortgages or liens by AFFILIATE subsequent to the conveyance or transfer of the vacation ownership interest to a purchaser.
   (d) sale of the underlying fee by AFFILIATE.
5. Confirmation that the person executing the Resort Affiliation Agreement has the authority to bind AFFILIATE.

INTERVAL
INTERNATIONAL
The Quality Vacation Exchange Network

ADDENDUM
FOR
PURPOSE-BUILT
RESORT TIME SHARE PROGRAMS

THIS ADDENDUM is attached to and made a part of the Resort Affiliation Agreement, by and between Interval International, Inc., a Florida corporation, hereinafter referred to as "INTERVAL" and Fairmont Resort Properties Ltd., hereinafter referred to as "AFFILIATE."

The parties to the above-referenced Agreement mutually agree as follows:

A. The PROJECT is included as a participant in the INTERVAL NETWORK with the mutual understanding that a material condition for the PROJECT'S continued participation in the INTERVAL NETWORK is AFFILIATE'S strict adherence to the completion and availability of the units and amenities as set forth herein.

B. Name of exterior designer Crossier Group

Name of contractor Rick Scheidt

The exterior theme will be Stucco, Red tile roofing, and doors/windows covering the entire building on both sides.

The cost of the exterior construction will not be less than $

C. The PROJECT'S units shall be completed and available for use as follows:

Phase I of 10 units units completed and available no later than January 1991

Phase II of * units completed and available no later than

Phase III of * units completed and available no later than

Phase IV of * units completed and available no later than

* Each phase will be built as needed with a total of 79 units.

Name of interior designer: Resort Source Design

The interior decor theme will be: Upscale, contemporary theme

Per unit design and outfitting cost will not be less than $ 25,000. which will include:

Kitchen: Refrigerator, Stove, Microwave, Dishwasher, Garbage Disposal, Cutlery/ Stoneware/ Glasses to accommondate the unit size, Coffee maker, Blender, Toaster, Tile countertops, Pink-stained woodplank flooring, White-washed cabinets, Washer and Dryers.

Bathroom(s): Quality linoleum, Bath tub &/or showers, upscale towels, fan

Living Room: Sleeper sofa, chairs, coffee/ end tables, lamps, TV, stero, VCR, silk plants &/or trees, and tasteful artwork.

Dining Room: Quality furnishings, tasteful artwork, silk plant centerpiece.

Bedroom(s): Antique queen size green-stain sleigh beds, hugh antique armour in master, nightstand, lamp (country-french theme)

Balcony/Patio: Each suite will have a balcony and never-ending panoramic view of the mountains and wildlife.

INITIALS:

D. The overall grounds will receive not less than $ 1 million of landscaping.

E. The following amenities will be completed and available for use as follows:

- Five mineral pools completed and available for use no later than completed.
- Two 18 hole golf courses completed and available for use no later than completed.
- Onsite Downhill &Cross country skiing completed and available for use no later than completed.
- Sports Center (racquetball, squash, tennis, fitness room, indoor swim ~~pool, spa &massage, pool table, large~~ completed and available for use no later than
  TV, games, reading material) completed and available for use no later than completed.
- Horseback riding completed and available for use no later than completed.
- Windemere Lake with all lake activities completed

The cost of the above amenities will not be less than $ ________

F. All other terms and conditions of the above-referenced Agreement shall be applied to and made a part of this Addendum.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals.

AFFILIATE:

By ________________________ (Authorized Officer)

Mr. Doug Morcom, Director
(Name and Title)

____
(Date)

ATTEST ________________________ (Secretary)

NORMAN LAMBERT
(Name)

INTERVAL INTERNATIONAL, INC.:

Accepted in Miami, Florida this 18th day of September, 19 90

By ________________________ (Authorized Officer)

Craig M. Nash, President
(Name and Title)

ADDENDUM TO RESORT AFFILIATION AGREEMENT

THIS ADDENDUM is attached to and made a part of the Resort Affiliation Agreement (the "Agreement") dated September 18, 1990 by and between INTERVAL INTERNATIONAL, INC., a Florida corporation ("INTERVAL"), and FAIRMONT HOT SPRINGS RESORT, LTD. ("AFFILIATE"), for the time share program known as FAIRMONT HOT SPRINGS VILLAS, also known as FAIRMONT VACATION VILLAS AT MOUNTAINSIDE (the "PROJECT"). INTERVAL and AFFILIATE are sometimes jointly referred to as the "Parties".

The Parties mutually agree as follows:

1. The second "WHEREAS" clause of the Agreement shall be modified to include an additional twenty (20) two-bedroom units at the PROJECT as designated on Exhibit "A", attached hereto and incorporated herein (the "Additional Units"), making a total of one hundred and sixteen (116) units currently in the PROJECT and all of the unit(s), building(s), or phase(s) now or hereafter constructed at this location or adjacent thereto. (However, any inclusion of additional units shall be subject to adherence to the Resort Affiliation Agreement and addenda thereto and the affiliation standards and criteria then in effect). The Additional Units shall be subject to the terms and conditions of the Agreement and any addenda thereto. AFFILIATE acknowledges that any limitation of total units referred to in the second "WHEAREAS" clause does not apply.

2. AFFILIATE agrees to honor all confirmations made by INTERVAL utilizing accommodations relinquished by Individual Members, as well as any other accommodations provided to INTERVAL at the PROJECT, for as long as Individual Members elect to renew their memberships with INTERVAL and INTERVAL continues to provide exchange services to same.

(a) If an Exchange Guest arrives at the PROJECT and the unit confirmed is not available, AFFILIATE agrees to provide at AFFILIATE's expense other accommodations at the PROJECT or at a similar location of comparable size, quality, and resort amenities for the same time period as that originally confirmed. Additionally, AFFILIATE shall be responsible for all expenses incurred by the Exchange Guest or INTERVAL as a result of the unavailability of the confirmed unit at the PROJECT.

(b) So long as Individual Members elect to renew their memberships with INTERVAL and INTERVAL continues to provide exchange services to Individual Members, AFFILIATE agrees that it will at all times refrain from interfering with or otherwise impairing the relationship between INTERVAL and such Individual Members. AFFILIATE acknowledges that INTERVAL shall have the right to solicit Individual Members for, including but not limited to, renewal of their individual memberships with INTERVAL.

(c) In the event that another exchange program provides exchange services to owners of vacation interests at the PROJECT, AFFILIATE agrees that such other exchange program or programs shall not be provided with a priority for accommodations at the PROJECT in the event of a double booking. Notwithstanding the foregoing, this subparagraph shall not be construed to allow AFFILIATE to contract with another exchange program or company if otherwise prohibited by the Agreement.

(d) AFFILIATE acknowledges that the maintenance of high standards of service, appearance, cleanliness, quality and management are essential to the operation of INTERVAL's exchange program. Accordingly, INTERVAL shall have the right to suspend or terminate exchange privileges of Individual Members in the event such standards fall below those which are acceptable for participation in the INTERVAL exchange program.

(e) The provisions of this Paragraph 2 shall survive the expiration or termination of the Agreement.

3. Where there is a conflict between the terms and conditions of this Addendum and the terms and conditions of the Agreement, the terms and conditions of this Addendum control. All other terms and conditions of the Agreement shall be applied to and made a part of this Addendum.

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals.

FAIRMONT HOT SPRINGS RESORT, LTD.

By: Douglas Morgan
(Authorized Officer)

Douglas Morgan
(Name and Title)
Director

Attest: [signature]
(Signature)

Norman Lambert
(Name)

INTERVAL INTERNATIONAL, INC.:

Accepted in Miami, Florida, this 10th day of December, 1990.

By: Craig M. Nash
(Authorized Officer)

Craig M. Nash, President
(Name and Title)

EXHIBIT "A"

The following is a list of the four buildings that constitute the 20 additional units at FBC:

Building T	Units 1 through 6
Building W	Units 1 through 4
Building X	Units 1 through 6
Building Z	Units 1 thourgh 4

SECOND ADDENDUM TO RESORT AFFILIATION AGREEMENT

THIS SECOND ADDENDUM is attached to and made a part of the Resort Affiliation Agreement (the "Agreement") dated September 18, 1990 by and between INTERVAL INTERNATIONAL, INC., a Florida corporation ("INTERVAL"), and FAIRMONT RESORT PROPERTIES LTD., a limited corporation, registered in Alberta and British Columbia, Canada ("AFFILIATE"), for the resort vacation ownership program known as FAIRMONT VACATION VILLAS AT RIVERSIDE (the "PROJECT"). INTERVAL and AFFILIATE are sometimes referred to as the "Parties".

WHEREAS, AFFILIATE represents that the PROJECT is still under construction but that the anticipated occupancy date for the PROJECT is January 13, 1991; and

WHEREAS, AFFILIATE desires its owners who are members in good standing with INTERVAL to be able to exchange through the INTERVAL NETWORK prior to the time construction at the PROJECT is fully completed; and

WHEREAS, INTERVAL desires to accommodate AFFILIATE as long as it can be certain that its Exchange Guests will be assured of accommodations.

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. The above recitals are true and correct and incorporated herein.

2. AFFILIATE guarantees that in the event construction at the PROJECT is not completed by January 13, 1991 and Exchange Guests have been confirmed into the PROJECT for unit weeks subsequent to that date and prior to the completion of the PROJECT, then in that event, AFFILIATE shall provide alternate accommodations at the Fairmont Vacation Villas at Mountainside (also known as Fairmont Hot Springs Villas) of comparable size, quality and resort amenities for the same time period as that originally confirmed. Additionally, AFFILIATE shall be responsible for all expenses incurred by the Exchange Guest or INTERVAL as a result of the unavailability of the confirmed unit at the PROJECT.

3. INTERVAL shall allow owners at the PROJECT who are Individual Members in good standing with INTERVAL to participate in the INTERVAL NETWORK upon the final execution of this Addendum so long as those Individual Members relinquish weeks with INTERVAL with occupancy dates on or after January 13, 1991. AFFILIATE acknowledges INTERVAL is relying on AFFILIATE's assurances in Section 2, above.

4. Where there is a conflict between the terms and conditions of this Addendum and the terms and conditions of the Agreement, the terms and conditions of this Addendum control. All other terms and conditions and definitions of the Agreement shall be applied to and made a part of this Addendum.

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals.

FAIRMONT RESORT PROPERTIES LTD.

By: Douglas Morton
(Authorized Officer)

Douglas Morton Director
(Name and Title)

Attest:
(Signature)

Norman Lambert
(Name)

INTERVAL INTERNATIONAL, INC.:

Accepted in Miami, Florida, this 10th day of December, 1990.

By: Craig M. Nash
(Authorized Officer)

Craig M. Nash, President
(Name and Title)

Action No. 0901-04199

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., c. C-36, AS AMENDED

AND IN THE MATTER OF FAIRMONT RESORT PROPERTIES LTD., LAKE OKANAGAN RESORT VACATION (2001) LTD. LAKE OKANAGAN RESORT (2001) LTD.,, AND LL DEVELOPMENTS LTD.

AFFIDAVIT OF MURRAY MOORE
(Remainder, Conversion and Monetization Programs)
Sworn June 5, 2009

CLERK OF THE COURT
JUN - 5 2009
CALGARY, ALBERTA

Macleod Dixon LLP
Barristers & Solicitors
3700 Canterra Tower
400 Third Avenue S.W.
Calgary, Alberta
T2P 4H2

Howard A. Gorman
howard.gorman@macleoddixon.com

Telephone: (403) 267-8222
Fax: (403) 264-5973