Schedule "A"

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. 1985, 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.

BEFORE THE HONOURABLE	) **AT THE CALGARY COURTS CENTRE,**
	) **IN THE CITY OF CALGARY, IN THE**
MADAM JUSTICE B.E.C. ROMAINE	) **PROVINCE OF ALBERTA, ON MONDAY,**
	) **THE 30TH DAY OF OCTOBER, 2009.**
IN CHAMBERS	

AMENDED AND RESTATED INITIAL ORDER

UPON THE APPLICATION of FRPL Finance Ltd. and FRPL Management Ltd. (the "Applicants"); **AND UPON** having read the Petition and the Affidavit of Gary L. Bentham, filed; **AND UPON** noting that Ernst & Young Inc. has consented to act as Monitor; **AND UPON** noting that each of Fairmont Resort Properties Ltd. ("Fairmont"), Lake Okanagan Resort Vacation (2001) Ltd. ("LORV"), Lake Okanagan Resort (2001) Ltd. ("LOR") and LL Developments Ltd. ("LL") (sometimes collectively referred to herein as the "Fairmont Group") have been provided notice of this application and have consented to this Order; **AND UPON** hearing counsel for the Applicants and the Fairmont Group;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. The time for service of notice of this application is hereby abridged and service is deemed to be good and sufficient such that this application is properly returnable today.

Application

2. The Applicants are creditors of the Fairmont Group, and each of Fairmont, LORV, LOR and LL is a company to which the CCAA applies.

Plan of Arrangement

3. The Fairmont Group and the Applicants shall each have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan") between, among others, the Fairmont Group and one or more classes of its secured and/or unsecured creditors as it deems appropriate.

Possession of Property and Operations

4. The Fairmont Group shall:

   (a) subject to the provisions of paragraph 4B hereof, remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property");

   (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of its business (the "Business") and Property, including conveying title to purchasers of timeshare units sold in the ordinary course of the Business and, with the approval of the Monitor or order of this Court, to issue credits to holders of timeshare units issued by the Fairmont Group in the ordinary course of the Business; and

   (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

Chief Restructuring Officer

4A. The engagement of a chief restructuring officer ("CRO") of Fairmont Group having the powers and obligations set out below, is authorized, subject to approval of this Court and the Monitor both as to the qualifications of the prospective CRO and the financial terms of the prospective CRO's engagement. Pending the appointment of a CRO in accordance with this provision, Murray Moore, the chief financial officer of the Fairmont Group, is authorized on an interim basis to exercise the powers of the CRO, is entitled to the protections provided to the CRO and is subject to the obligations of the CRO, all as set out in this Order.

4B. The CRO is authorized, subject to the direction of the Monitor and where required hereunder, the Court, to manage the business operations, affairs and restructuring of the Fairmont Group including, without limiting the generality of the foregoing:

(a) to oversee and direct the Restructuring (as hereinafter defined) including, without limitation, engaging in discussions and negotiations with creditors, investors, customers or others;

(b) to review the Fairmont Group's business operations and assess and implement opportunities for cost reduction and revenue enhancement, including without limiting the generality of the foregoing, exercising the rights of the Fairmont Group pursuant to paragraphs 4(c) and 10;

(c) to oversee and direct the preparation of the Fairmont Group's cash flow statements and the dissemination of financial and other information in these proceedings;

(d) to shut down the business of the Fairmont Group, or any portion thereof, and to distribute, sell or otherwise dispose of any of the Property of Fairmont Group with the approval of the Monitor or as permitted by this or any other Order of this Court;

(e) subject to the approval of the Applicants and other restrictions contained in this Order, to approve all disbursements of the Fairmont Group on such basis as the CRO considers appropriate;

(f) to have full access to the books, records and key personnel of the Fairmont Group as may be necessary for the completion of its duties under this Order;

(g) to report to this Court, the Applicants, and other stakeholders as the CRO, in its discretion, considers appropriate;

(h) to consider the interests of and take direction from, subject to the Monitor's approval, the Applicants as the principal secured lenders of the Fairmont Group, and to ensure that the Applicants are fully advised with respect to all material developments respecting the Fairmont Group; and

(i) to perform such other duties as are required to carry out the powers and obligations conferred upon the CRO by this Order or any further Order of this Court.

4C. The Fairmont Group and its shareholders, officers, directors, employees, agents, representatives and former shareholders, officers, employees, agents and representatives, shall co-operate fully with the CRO in the exercise of its powers and discharge of its duties and obligations, including, but not limited to, providing the CRO with access to the Fairmont Group's books, records, assets and premises as the CRO requires.

4D. No director, officer, shareholder, employee, agent, representative or former director, officer, shareholder, employee, agent or representative of the Fairmont Group, nor any party related to the business of the Fairmont Group, shall interfere with the CRO's management of the business and affairs of the Fairmont Group and the Restructuring and the exercise of his powers, duties, rights and obligations in connection therewith.

4F. The CRO shall not incur any liability or obligation as a result of the fulfillment of its duties, and no action or other proceedings may be commenced against the CRO relating to its appointment or its conduct as CRO except with the prior leave of this Court obtained on at least seven days notice to the Fairmont Group, the Applicants, the CRO and the Monitor and provided further that any liability of the CRO hereunder shall not in any event exceed the quantum of the fees and disbursements paid to or incurred by the CRO in connection herewith. In addition, all of the protections granted to the directors and officers of the Fairmont Group in this Order shall apply *mutatis mutandis* for the benefit of the CRO and the CRO shall be entitled to the benefit of the Directors' Charge granted in this Order.

5. To the extent permitted by law, the Fairmont Group shall be entitled but not required to pay the following expenses, incurred prior to or after this Order:

   (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, bonuses and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

   (b) the fees and disbursements of any Assistants retained or employed by the Fairmont Group in respect of these proceedings, at their standard rates and charges.

6. Except as otherwise provided to the contrary herein, the Fairmont Group shall be entitled but not required to pay all reasonable expenses incurred by the Fairmont Group in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

   (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

   (b) payment for goods or services actually supplied to the Fairmont Group following the date of this Order.

7. The Fairmont Group shall remit, in accordance with legal requirements, or pay:

   (a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of:

      (i) employment insurance;

(ii) Canada Pension Plan; and

(iii) income taxes,

but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;

(b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Fairmont Group in connection with the sale of goods and services by the Fairmont Group, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

(c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Fairmont Group.

8. Until such time as the Fairmont Group repudiates a real property lease in accordance with paragraph 10(c) of this Order, the Fairmont Group may pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Fairmont Group from time to time for the period commencing from and including the date of this Order ("Rent"), but shall not pay any rent in arrears.

9. Except as specifically permitted in this Order, the Fairmont Group is hereby directed, until further order of this Court:

(a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Fairmont Group to any of its creditors as of the date of this Order;

(b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and

(c) not to grant credit or incur liabilities except in the ordinary course of the Business.

Restructuring

10. The Fairmont Group shall, at the direction of the Monitor, and subject to such covenants as may be contained in the Definitive Documents, as hereinafter defined, have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its business or operations and to dispose of redundant or non-material assets not exceeding $50,000 in any one transaction or $250,000 in the aggregate (or in excess of these amounts, by order of this Court);

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate on such terms as may be agreed upon between the Fairmont Group and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;

(c) in accordance with paragraphs 11 and 12, vacate, abandon or quit any leased premises and/or repudiate any real property lease and any ancillary agreements relating to any leased premises, on not less than seven (7) days' notice in writing to the relevant landlord on such terms as may be agreed upon between the Fairmont Group and such landlord, or failing such agreement, to deal with the consequences thereof in the Plan;

(d) repudiate such of its arrangements or agreements of any nature whatsoever, whether oral or written, as the Fairmont Group deems appropriate on such terms as may be agreed upon between the Fairmont Group and such counter-parties, or failing such agreement, to deal with the consequences thereof in the Plan; and

(e) pursue all avenues of refinancing and offers for material parts of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or any sale (except as permitted by subparagraph (a) above),

all of the foregoing to permit the Fairmont Group to proceed with an orderly restructuring of the Business (the "Restructuring").

11. The Fairmont Group shall provide each of the relevant landlords with notice of the Fairmont Group's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Fairmont Group's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Fairmont Group, or by further order of this Court upon application by the Fairmont Group on at least two (2) days' notice to such landlord and any such secured creditors. If the Fairmont Group repudiates the lease governing such leased premises in accordance with paragraph 10(c) of this order, it shall not be required to pay Rent under such lease pending resolution of any such dispute, and the repudiation of the lease shall be without prejudice to the Fairmont Group's claim to the fixtures in dispute.

12. If a lease is repudiated by the Fairmont Group in accordance with paragraph 10(c) of this order, then:

(a) during the notice period prior to the effective time of the repudiation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Fairmont Group and the Monitor 24 hours' prior written notice; and

(b) at the effective time of the repudiation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Fairmont Group in respect of such lease or leased premises and such landlord shall be entitled to notify the Fairmont Group of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

No Proceedings Against the Fairmont Group or the Property

13. Until and including April 29, 2009 or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court (each, a "Proceeding") shall be commenced or continued against or in respect of the Fairmont Group, the CRO or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Fairmont Group or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

No Exercise of Rights or Remedies

14. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person"), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Fairmont Group or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:

(a) empower the Fairmont Group to carry on any business which the Fairmont Group is not lawfully entitled to carry on;

(b) exempt the Fairmont Group from compliance with statutory or regulatory provisions relating to health, safety or the environment;

(c) prevent the filing of any registration to preserve or perfect a security interest; or

(d) prevent the registration of a claim for lien.

15. Nothing in this Order shall prevent any party from taking an action against the Fairmont Group where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

No Interference With Rights

16. During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Fairmont Group, except with the written consent of the Fairmont Group and the Monitor, or leave of this Court.

Continuation of Services

17. During the Stay Period, all persons having:

(a) statutory or regulatory mandates for the supply of goods and/or services; or

(b) oral or written agreements or arrangements with the Fairmont Group, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Fairmont Group,

are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Fairmont Group or exercising any other remedy provided under such agreements or arrangements. The Fairmont Group shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Fairmont Group in accordance with the payment practices of the Fairmont Group, or such other practices as may be agreed upon by the supplier or service provider and each of the Fairmont Group and the Monitor, or as may be ordered by this Court. Nothing in this

Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided after the date of this Order.

No Obligation to Advance Money or Extend Credit

18. Notwithstanding anything else contained in this Order, no creditor of the Fairmont Group shall be under any obligation after the making of this Order to advance or re-advance any monies or otherwise extend any credit to the Fairmont Group.

Proceedings Against Directors and Officers

19. During the Stay Period, and except as permitted by subsection 11.5(2) of the CCAA and paragraph 20 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Fairmont Group with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Fairmont Group whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Fairmont Group, if one is filed, is sanctioned by this Court or is refused by the creditors of the Fairmont Group or this Court.

Directors' And Officers' Indemnification And Charge

20. The Fairmont Group shall indemnify its directors and officers from all claims, costs, charges and expenses relating to the failure of the Fairmont Group, after the date hereof, to make payments of the nature referred to in subparagraphs 6(a), 7(a), 7(b) and 7(c) of this Order which they sustain or incur by reason of or in relation to their respective capacities as directors and/or officers of the Fairmont Groups except to the extent that, with respect to any officer or director, such officer or director has participated in the breach of any related fiduciary duties or has been negligent or guilty of wilful misconduct.

21. The directors and officers of the Fairmont Group, including the CRO, shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property,

which charge shall not exceed an aggregate amount of $100,000, as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 37 and 39 herein.

22. Notwithstanding any language in any applicable insurance policy to the contrary:

(a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and

(b) the Fairmont Group's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

Appointment of Monitor

23. Ernst & Young Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property and the Fairmont Group's conduct of the Business with the powers and obligations set out in the CCAA or set forth herein and that the Fairmont Group and its shareholders, officers, directors, Assistants and the CRO shall advise the Monitor of all material steps taken by the Fairmont Group pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations.

24. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Fairmont Group's receipts and disbursements, Business and dealings with the Property and in particular, to identify and recommend to the Fairmont Group and the Applicants opportunities for the reduction of costs, expenses and overhead, and where the Monitor considers it to be necessary or appropriate, to direct that the Fairmont Group implement such reductions of costs, expenses and overhead;

(b) report to this Court and to the Applicants at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Fairmont Group;

(c) assist the Fairmont Group and the CRO, to the extent required by the Fairmont Group and the CRO, in the dissemination to the DIP Lender and its counsel on a periodic basis as reasonably determined between the Monitor and any DIP lender, of financial and other information as agreed to between the Fairmont Group and the DIP Lender which may be used in these proceedings, including reporting on a basis as reasonably required by the DIP Lender;

(d) advise the Fairmont Group and the CRO in its preparation of the Fairmont Group's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than monthly, or as otherwise agreed to by the DIP Lender;

(e) advise the Fairmont Group, the CRO and the Applicants with respect to the development of the Plan and any amendments to the Plan;

(f) advise the Fairmont Group and the CRO, to the extent required by the Fairmont Group and the CRO, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(g) provide to the Applicants and Resort Funding LLC all financial and other reports and information being provided to the DIP Lender, and advise the Applicants of all material developments and respond in a timely fashion to any reasonable request of the Applicants respecting the Business, the Property and the Restructuring;

(h) have full and complete access to the books, records and management, employees and advisors of the Fairmont Group, including the CRO, and to the Business and the Property to the extent required to perform its duties arising under this Order;

(i) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(j) consider, and if deemed advisable by the Monitor, prepare a report and assessment on the Plan; and

(k) perform such other duties as are required by this Order or by this Court from time to time.

25. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation.

26. The Monitor shall provide any creditor of the Fairmont Group and the DIP Lender with information provided by the Fairmont Group in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Fairmont Group is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Fairmont Group may agree.

27. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

28. The Monitor, counsel to the Monitor and counsel to the Applicants and the Fairmont Group shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Fairmont Group as part of the costs of these proceedings. The Fairmont Group is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants and the Fairmont Group on a monthly basis and, in addition, the Fairmont Group is hereby authorized to pay to the Monitor, counsel to the Monitor, retainers in the respective amount[s] of $50,000, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

29. The Monitor and its legal counsel shall pass their accounts from time to time.

30. The Monitor, counsel to the Monitor, counsel to the Applicants, and the Fairmont Group's counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of $750,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 37 and 39 hereof.

DIP Financing

31. The Fairmont Group is hereby authorized and empowered to obtain and borrow under a credit facility from FRPL Finance Ltd. (the "Initial DIP Lender") in order to finance the Fairmont Group's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed $500,000 unless permitted by further order of this Court.

32. Such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Fairmont Group and the Initial DIP Lender dated as of March 30, 2009 (the "Commitment Letter").

33. The Fairmont Group is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "Definitive Documents"), as are contemplated by the Commitment Letter or as may be reasonably required by the Initial DIP Lender pursuant to the terms thereof, and the Fairmont Group is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the Initial DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

34. The Initial DIP Lender shall be entitled to the benefits of and is hereby granted a charge (the "DIP Lender's Charge") on the Property to secure all obligations under the Definitive Documents incurred on or after the date of this Order which charge shall not exceed the aggregate amount owed to the Initial DIP Lender under the Definitive Documents. The DIP Lender's Charge shall have the priority set out in paragraphs 37 and 39 hereof.

35. Notwithstanding any other provision of this Order:

(a) the Initial DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the Interim DIP Lender, upon five (5) days notice to the Fairmont Group and the Monitor, may exercise any and all of its rights and remedies against the Fairmont Group or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Fairmont Group and set off and/or consolidate any amounts owing by the Initial DIP Lender to the Fairmont Group against the obligations of the Fairmont Group to the Initial DIP

Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Fairmont Group and for the appointment of a trustee in bankruptcy of the Fairmont Group, and upon the occurrence of an event of default under the terms of the Definitive Documents, the Initial DIP Lender shall be entitled to seize and retain proceeds from the sale of the Property and the cash flow of the Fairmont Group to repay amounts owing to the Initial DIP Lender in accordance with the Definitive Documents and the DIP Lender's Charge, but subject to the priorities as set out in paragraphs 37 and 39 of this Order; and

(c) the foregoing rights and remedies of the Initial DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Fairmont Group or the Property.

36. The Initial DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Fairmont Group under the CCAA, or any proposal filed by the Fairmont Group under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made hereunder.

Validity and Priority of Charges

37. The priorities of the Directors' Charge, the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $750,000);

Second – DIP Lender's Charge; and

Third – Directors' Charge (to the maximum amount of $100,000).

38. The filing, registration or perfection of the Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "Charges") shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right,

title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

39. Each of the Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.

40. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Fairmont Group shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge or the DIP Lender's Charge, unless the Fairmont Group also obtains the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Directors' Charge and the Administration Charge, or further order of this Court.

41. The Directors' Charge, the Administration Charge, the Commitment Letter, the Definitive Documents and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") and/or the Initial DIP Lender or any subsequent DIP Lender thereunder shall not otherwise be limited or impaired in any way by:

(a) the pendency of these proceedings and the declarations of insolvency made in this Order;

(b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;

(c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;

(d) the provisions of any federal or provincial statutes; or

(e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Fairmont Group, and notwithstanding any provision to the contrary in any Agreement:

(f) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, including the Commitment Letter or the Definitive Documents, shall create or be deemed to constitute a new breach by the Fairmont Group of any Agreement to which it is a party;

(g) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges, or the Fairmont Group entering into the Commitment Letter, or] execution, delivery or performance of the Definitive Documents; and

(h) the payments made by the Fairmont Group pursuant to this order, including the Commitment Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute fraudulent preferences, fraudulent conveyances, oppressive conduct, settlements or other challengeable, voidable or reviewable transactions under any applicable law.

Allocation

42. Any interested Person may apply to this Court on notice to any other party likely to be affected, for an order to allocate the Administration Charge, the DIP Lender's Charge and the Directors' Charge amongst the various assets comprising the Property.

Service and Notice

43. The Monitor shall, within ten (10) business days of the date of entry of this Order, send a copy of this Order to all known creditors of the Fairmont Group, other than employees and creditors to which the Fairmont Group owes less than $1000, at their addresses as they appear on the Fairmont Group's records, and shall promptly send a copy of this Order:

(a) to all Persons requesting notice; and

(b) to any other interested Person requesting a copy of this Order.

Compliance with this provision shall relieve the Monitor of any further obligation with respect to Section 11(5) of the CCAA.

44. The Fairmont Group and the Monitor shall be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or e-mail to the Fairmont Group's creditors or other interested Persons at their respective addresses as last shown on the records of the Fairmont Group and that any such service or notice by courier, personal delivery, facsimile transmission or e-mail shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing. The Monitor may post a copy of any or all such materials on its website at **www.ey.com/ca/frpl** which shall be established for informational purposes.

General

45. The Applicants, the Fairmont Group or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

46. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Fairmont Group, the Business or the Property.

47. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Fairmont Group, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Fairmont Group and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the

Monitor in any foreign proceeding, or to assist the Fairmont Group and the Monitor and their respective agents in carrying out the terms of this Order.

48. Each of the Applicants, the Fairmont Group and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

49. Any interested party (including the Applicants, the Fairmont Group and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

50. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.

J.C.Q.B.A.

Approved as to form
as Amended and Restated:

Macleod Dixon LLP

Per:
Counsel for the ~~Applicants~~
CCAA Parties / Fairmont

Borden Ladner Gervais

Per:
Counsel for FRPL Finance Ltd. and ~~FRPL~~ Management Ltd.

Blake Cassels & Graydon

Per:
Counsel for the Monitor

Davis LLP

Per:
Counsel for Resort Funding LLC

Entered this 2 day
of FEB, 2010
Clerk of the Court

Action No.: **0901-04199**

IN THE COURT OF QUEEN'S BENCH
OF ALBERTA

JUDICIAL DISTRICT OF CALGARY

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 FAIRMONT RESORT PROPERTIES LTD., LAKE OKANAGAN RESORT VACATION (2001) LTD., LAKE OKANAGAN RESORT (2001) LTD. AND LL DEVELOPMENTS LTD.

AMENDED AND RESTATED INITIAL ORDER

CLERK OF THE COURT
FEB 02 2010
CALGARY, ALBERTA

MACLEOD DIXON LLP
Barristers and Solicitors
3700 Canterra Tower
400 Third Avenue S.W.
Calgary, Alberta T2P 4H2

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