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

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

NOTICE OF MOTION

TAKE NOTICE THAT an application will be made on behalf of Northwynd Limited Partnership, by its General Partner Northwynd Resort Properties Ltd. ("Northwynd"), before the Honourable Madam Justice B.E.C. Romaine in Chambers at the Calgary Courts Centre, in the City of Calgary, in the Province of Alberta, on Tuesday, June 22, 2010 at the hour of 9:15 in the forenoon, or as soon thereafter as counsel may be heard for an Order:

1. Declaring service of notice of this application and all supporting materials to be good and sufficient and abridging the time for such service, if necessary;

2. Declaring that as of June 15th, 2010, the sum of $53,839,630 is due and owing by Fairmont Resort Properties Ltd. ("Fairmont"), Lake Okanagan Resort Vacation (2001) Ltd., ("LORV") and Lake Okanagan Resort (2001) Ltd. ("LOR") (Fairmont, LORV and LOR are sometimes collectively referred to herein as the "Fairmont Group") to Northwynd;

3. Approving, inter alia:

   a) the Foreclosure Agreement dated as of June 15, 2010 and entered into by Fairmont, LORV, LOR and Northwynd in accordance with the Order of this Honourable Court dated April 27, 2010;

b) the transactions incidental to and contemplated by the Foreclosure Agreement;

c) the vesting of and transferring of title to, the Foreclosed Assets in favour of Northwynd or the Northwynd Affiliated LPs as provided in the Foreclosure Agreement free and clear of and from any and all claims, liens, charges, encumbrances and other interests of any kind or nature with the exception of the Permitted Encumbrances;

d) directing the applicable British Columbia Land Title Office to cancel the existing certificates of title to the Fairmont Lands, the LOR Lands and the LORV Lands (Carthew) and to issue new titles in the name of Northwynd or the Northwynd Affiliated LPs as more particularly described in the Foreclosure Agreement and to discharge all instruments on said certificates of title except for the Permitted Encumbrances identified in the Foreclosure Agreement; and

4. Granting judgment in favour of Northwynd against Fairmont, LORV and LOR, jointly and severally, in the amount of $10,034,813, representing amounts due and owing to Northwynd, less the sums applied against the purchase price under the Foreclosure Agreement;

5. Such further and other relief as counsel may advise and this Honourable Court deems just.

AND TAKE NOTICE that the grounds upon which this application will be made include the following:

1. All terms capitalized in this notice shall be given the meaning provided herein or in the Foreclosure Agreement.

2. By Order dated April 27, 2010 (the "Initial Approval Order"), this Honourable Court authorized and directed Fairmont, LOR and LORV to accept the Offer of Northwynd to acquire the Foreclosed Assets as well as the operations of the Fairmont Group and further directed the parties to negotiate and complete the transaction contemplated by the Offer subject to the ongoing review and approval of the Monitor.

3. In accordance with the Initial Approval Order, the parties have now executed the Foreclosure Agreement dated June 15, 2010.

4. The Monitor has reviewed and approved the Foreclosure Agreement and continues to be of the view that the completion of the transaction between Fairmont, LOR, LORV and Northwynd as outlined in the Foreclosure Agreement, represents the best recovery under the circumstances.

5. The completion of the Foreclosure Agreement will enable Northwynd to carry on the business and operations of Fairmont, LOR and LORV on a going concern basis with ongoing employment for a significant number of existing staff and the continuity of existing timeshare operations and administration without interruption, such that timeshare usage will be essentially unchanged for the numerous timeshare owners who purchased timeshare interests from the Fairmont Group.

6. As of June 15, 2010, the amounts owing to Northwynd by Fairmont and guaranteed by LOR and LORV are $18,596,933 under the Series B loans and $35,242,697 under the Series 1&2 Loans for a total outstanding indebtedness of $53,839,630.

7. The Monitor previously analyzed the value of the assets of Fairmont, LOR and LORV and concluded that in a forced liquidation realizations would not exceed $19,200,000 and in an orderly liquidation would not exceed $33,200,000 . The consideration provided for under the Foreclosure Agreement includes $43,804,817 to be applied against the outstanding indebtedness owed by the Fairmont Group to Northwynd together with additional sums required to repay Debtor in Possession financing, the Administrative Charge, the Directors Charge, the Key Employee Retention Program and certain obligations to suppliers as outlined in the Foreclosure Agreement.

8. Upon application of the portion of the indebtedness owed by the Fairmont Group to Northwynd by way of consideration under the Foreclosure Agreement, the sum of $10,034,813 remains outstanding and is properly due and owing by Fairmont, LORV and LOR to Northwynd.

9. The completion of the Foreclosure Agreement and all transactions incidental thereto represents the best available alternative for not only the economic stakeholders of the

Fairmont Group but also many of the employees, timeshare owners and other parties with an interest in the continuity of the operations..

AND FURTHER TAKE NOTICE that the Applicant will rely upon the Affidavit of Gary L. Bentham sworn June 15, 2010; the 11th Report of Ernst & Young Inc., in its capacity as Monitor of the Fairmont Group (the "Monitor"); all previous reports of the Monitor; the pleadings and other materials filed herein; the materials filed in the proceedings commenced pursuant to the *Business Corporations Act* (Alberta), Action Number, 1001-03452, the provisions of the *Companies' Creditors Arrangements Act* (Canada); the Alberta *Rules of Court*; and such further and other materials as counsel may advise and this Honourable Court permit.

DATED at the City of Calgary, in the Province of Alberta, this 15th day of June, 2010.

BORDEN LADNER GERVAIS LLP

Per: ______________________
JOHN L. IRCANDIA

TO: THE CLERK OF THE COURT

AND TO: THE SERVICE LIST

THE MONITOR FOR POSTING ON THE WEBSITE

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CLERK OF THE COURT
JUN 15 2010
CALGARY, ALBERTA

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File No. 438819-000001