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 A PLAN OF COMPROMISE OR ARRANGMENT OF FAIRMONT RESORT PROPERTIES LTD., LAKE OKANAGAN RESORT VACATION (2001) LTD., LAKE OKANAGAN RESORT (2001) LTD., AND LL DEVELOPMENTS LTD.

SIXTH REPORT OF THE MONITOR

ERNST & YOUNG INC.

MARCH 15, 2010

TABLE OF CONTENTS OF THE SIXTH REPORT

INTRODUCTION 3

LISTING OF APPENDICIES TO THE SIXTH REPORT

APPENDIX A	Disclosure Documents

INTRODUCTION

1. On March 30, 2009, FRPL Finance Ltd. ("FRPL") and FRPL Management Ltd. applied to the Alberta Court of Queen's Bench (the "Court"), with the consent of the Fairmont Group (defined below), to seek and obtain creditor protection for Fairmont Resort Properties Ltd., Lake Okanagan Resort Vacation (2001) Ltd., Lake Okanagan Resort (2001) Ltd., and LL Developments Ltd. (collectively the "Fairmont Group") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended, (the "*CCAA*") pursuant to an order of this Honourable Court dated March 30, 2009 (the "Initial Order").

2. Pursuant to the Initial Order, Ernst & Young Inc. was appointed monitor of the Fairmont Group during these *CCAA* proceedings (the "Monitor").

3. The purpose of this sixth report (the "Sixth Report") is to provide this Honourable Court with a copy of the documents (the "Disclosure Documents") that were provided by FRPL to its series 1, 2 and B bondholders (the "Bondholders"). The Disclosure Documents consist of, *inter alia*,:

    (a) March 8, 2010 letter to its Bondholders;

    (b) petition that was filed with the Court by FRPL on March 4, 2010 (the "Petition") with respect to a proposed arrangement under section 193 of the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended (the "ABCA"), pursuant to the terms of a plan of arrangement (the "ABCA Plan") affecting and involving: FRPL, Northwynd Properties Real Estate Investment Trust (the "Northwynd Trust"), Northwynd Limited Partnership ("Northwynd LP"), Fairwynd Developments Inc., and the Bondholders;

    (c) interim order of the Honourable Justice Kent granted March 5, 2010;

    (d) notice of meeting of the Bondholders to be held on April 13, 2010;

(e) notice that pending Bondholder approval, the final court approval order was directed to be heard before a Justice of the Court on April 14, 2010 at 9:00 a.m. MST;

(f) an information circular with respect to the enforcement of secured claims of FRPL and the ABCA Plan; and

(g) the ABCA Plan.

4. The Disclosure Documents are attached as Appendix "A" hereto.

5. In the Disclosure Documents, FRPL is seeking direction from its investors on the restructuring of the secured interests held for the benefit of the Bondholders as against the Fairmont Group. FRPL has, in consultation with the Fairmont Group management and the Monitor, concluded that there are two restructuring alternatives available for the Fairmont Group: 1) a reorganization plan; and 2) a liquidation of the assets of the Fairmont Group.

6. The ABCA Plan contemplates the development of the Fairmont Groups' Canadian and certain of its international businesses and assets within Northwynd Trust, a new trust to be wholly owned by the Bondholders.

7. The Bondholders are being asked to consider a resolution to approve the ABCA Plan whereby Bondholders would exchange their bonds for trust units in Northwynd Trust. Northwynd Trust, through its wholly owned limited partnership, Northwynd LP, would acquire the loans made to the Fairmont Group and certain of its subsidiaries by FRPL and accompanying security interests in the Fairmont Group's assets, all of which will be subject to approval by this Court in these CCAA Proceedings.

8. The Disclosure Documents also contain detailed information with respect to:

(a) Financial statements of FPRL;

(b) Financial projections of Northwynd Trust;

(c) Pro Forma balance sheet of Northwynd Trust; and

(d) A summary of the Monitor's liquidation analysis of the Fairmont Group under both orderly and forced liquidation scenarios.

9. The Monitor will report in greater detail to this Honourable Court on the Disclosure Documents, the result of FRPL's investor meeting and the Monitor's liquidation analysis and the implications these events/analyses have on these CCAA Proceedings. This further report is expected to be issued in mid-April, 2010.

All of which is respectfully submitted this 15th March 2010.

ERNST & YOUNG INC.
in its capacity as Court Appointed
Monitor of the Fairmont Group

Neil Narfason, CA•CIRP, CBV
Senior Vice-President

Orest Konowalchuk, CA
Manager

APPENDIX A

Disclosure Documents

APPENDIX A

FRPL FINANCE LTD.

NOTICE OF MEETING OF THE HOLDERS OF

10% Series 1 Mortgage Bonds Due 2009
12% Series 2 Mortgage Bonds Due 2011
12% Series B Mortgage Bonds Due 2010

to be held April 13, 2010

and

INFORMATION CIRCULAR

with respect to the

ENFORCEMENT OF SECURED CLAIMS

and a proposed

PLAN OF ARRANGEMENT

involving

FRPL FINANCE LTD., BONDHOLDERS
AND CERTAIN OTHER ENTITIES

March 8, 2010

TABLE OF CONTENTS

Letter to Bondholders
Notice of Extraordinary Meeting
Notice of Petition
INFORMATION CIRCULAR 1
Introduction 1
Currency and Exchange Rates 1
Information for United States Bondholders 1
Forward-Looking Information 2
GLOSSARY OF TERMS 3
Conventions 8
SUMMARY INFORMATION 9
The Meeting 9
Background 9
Reorganization Plan 10
Selected Pro Forma Financial Information for Northwynd REIT 13
Distribution Policy of the Trust 13
Northwynd Business Plan 14
Asset Liquidation 16
Recommendation of the FRPL Directors and Management 18
Approvals 18
The Trust 19
Northwynd LP 19
The General Partner 19
Certain Canadian Federal Income Tax Considerations .20
BACKGROUND 21
Loan Default and CCAA Order 21
Recent Developments 24
Consideration of Alternatives 25
POST-REORGANIZATION BUSINESS PLAN 26
Northwynd Business Plan 26
Recovery through Management Performance 26
Capital Repatriation Program 27
Operating Structure 27
Sales and Marketing 28
Remainder Conversion Program 28
Normal Course of Business Timeshare 28
Fairmont Vacation Villas 29
Lake Okanagan Resort 30
Capitalization and Financing 31
Corporate Governance, Management and Operating Platform 34
The Vision 34
ASSET LIQUIDATION PROPOSAL 35
ARRANGEMENT 37
Effect of the Arrangement 37
Details of the Arrangement 38
Arrangement Agreement 40
Conditions to the Arrangement Becoming Effective 40
Approvals and Conditions 40
Recommendation of the FRPL Board of Directors 42
Timing 42
Procedure for Exchange of Securities 42
Outstanding Certificates and Fractional Securities 43
Interests of Certain Persons in the Arrangement 43
Expenses of the Arrangement 43
Securities Law Matters 43
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS 43
NON-CANADIAN INCOME TAX CONSIDERATIONS48
INFORMATION CONCERNING FRPL 48
DESCRIPTION OF THE FAIRMONT ASSETS 52
Lake Okanagan Resort 53
Fairmont Vacation Villas 53
General Security Agreement Assets 54
INDUSTRY OVERVIEW 55
INFORMATION CONCERNING THE TRUST 56
General 56
Activities of the Trust 56
Strategy of the Trust 57
Trustees 58
Administration Agreement 58
Conflict of Interest Restrictions and Provisions 59
DECLARATION OF TRUST AND DESCRIPTION OF UNITS 59
Trust Units 59
Issuance of Units 60
Method of Payment of Distributions 61
Purchase of Units 61
Trust Unit Redemption Right 61
Meetings of Unitholders 62
Limitation on Non-Resident Ownership 62
Amendments to the Declaration of Trust 63
Term of the Trust 64
Take-Over Bids 64
Information and Reports 64
Auditors 64
DISTRIBUTION POLICY 65
General 65
Projected Distributable Cash 65
PRO FORMA CAPITALIZATION OF THE TRUST 65
PRO FORMA AND PROJECTED FINANCIAL INFORMATION FOR THE TRUST 65
INFORMATION CONCERNING NORTHWYND LP 66
General 66
Partnership Units 66
Amendment and Approval 67
Business Strategy 67
INFORMATION CONCERNING THE GENERAL PARTNER 67
General 67
Functions and Powers of General Partner 67
Withdrawal or Removal of the General Partner 67
Directors 67
TRUSTEES, DIRECTORS AND MANAGEMENT 68
Trustees of the Trust 68
Directors and Officers of the General Partner 68
Liability of Trustees 70
Incentive Plans 70

RISK FACTORS 70
GENERAL PROXY MATTERS 77
Solicitation of Proxies 77
Appointment and Revocation of Proxies 77
Signature of Proxy 77
Voting of Proxies 78
Exercise of Discretion of Proxy 78
Voting Securities and Principal Holders Thereof 78
Procedure and Votes Required 78
OTHER MATTERS 79

APPENDICES

Appendix A - Arrangement Resolution
Appendix B - Interim Order
Appendix C - Plan of Arrangement
Appendix D - Financial Statements of FRPL
Appendix E - Financial Projections of the Trust
Appendix F - Pro Forma Balance Sheet of the Trust

FRPL FINANCE LTD.

March 8, 2010

Dear Bondholders:

Management of FRPL Finance Ltd. ("**FRPL**") invites the holders ("**Bondholders**") of Series 1 and 2 Mortgage Bonds ("**Series 1/2 Bonds**") and Series B Mortgage Bonds ("**Series B Bonds**") (collectively, the "**Bonds**") of FRPL to attend a meeting of Bondholders (the "**Meeting**") to be held at 10:00 a.m. (Calgary time) on April 13, 2010 at the BMO Centre (Boyce Theatre), 1410 Olympic Way S.E., Stampede Park, Calgary, Alberta.

As you may be aware, the proceeds from the sale of the Bonds were advanced to Fairmont Resort Properties Ltd. ("**Fairmont**") at the time the Bonds were issued in 2005, 2006 and 2007. Fairmont failed to make payments due to FRPL on December 31, 2008 and has remained in default with respect to these loans since that time. Consequently, FRPL has been in default of payment obligations pursuant to the Bonds during this period and remains in default. On March 30, 2009, FRPL obtained a Court order, with the consent of Fairmont, to protect Fairmont from the claims of creditors pending efforts to pursue a restructuring of these claims (the "**CCAA Proceedings**"). The stay of actions against Fairmont has been subject to several extensions and will expire on April 15, 2010.

FRPL management has assessed various options for recovery of FRPL's loans to Fairmont and payment of amounts due to Bondholders. The two alternative courses of action identified by FRPL management and to be considered by Bondholders at the Meeting are a reorganization plan developed by Fairmont management, in conjunction with Fairmont's court-appointed Monitor, and a liquidation of the assets of Fairmont.

Reorganization Plan

Management has reviewed and provided input into Fairmont's plan for reorganizing its assets and carrying on Fairmont's business in a new ownership structure (the "**Reorganization Plan**"). The Reorganization Plan, which is explained in more detail in the accompanying Information Circular, contemplates the development and exploitation of Fairmont's Canadian and certain of its international businesses and assets (the "**Fairmont Assets**") within a new real estate investment trust (the "**Trust**") to be wholly owned by the Bondholders. If the Reorganization Plan is successfully executed, Bondholders could begin receiving cash distributions in the near term and could, if Fairmont's projections are correct, potentially receive cash distributions over the next five years equal to or greater than their original investment in the FRPL Bonds, or a 100% recovery of their investment. In addition to receiving income distributions and potentially recovering their investment, Bondholders would still own a significant percentage of the Trust at the end of the five year period. The proposed name for the new Trust is Northwynd Properties Real Estate Investment Trust ("**Northwynd**"). More information regarding the Northwynd business plan and the assumptions underlying the projections can be found in the attached Information Circular and in particular in Appendix "E".

In order to implement the Reorganization Plan, Bondholders will be asked at the Meeting to consider a resolution to approve a Plan of Arrangement under the *Business Corporations Act* (Alberta) whereby Bondholders would exchange their Bonds for trust units in Northwynd. Northwynd, through a wholly owned limited partnership ("**Northwynd LP**"), would acquire the loans made by Fairmont to FRPL and accompanying security interests in the Fairmont Assets (the "**Fairmont Security**"). Northwynd LP would subsequently take steps under the Fairmont Security to acquire ownership and control of the Fairmont Assets. Subject to timing of the Court approval process, we expect that the Fairmont Assets would be transferred to Northwynd LP and be under the Trust's control and direction by May 15, 2010.

After assuming control and ownership of the Fairmont Assets, Northwynd intends to distribute at least 90% of the net income generated by those assets to holders of trust units ("**Unitholders**") as well as return of capital distributions as cash becomes available. Unitholders would potentially recover the equivalent of their investment in the FRPL Bonds over time and would participate in any growth associated with the Fairmont Assets through a tax efficient investment.

A Board of Trustees initially consisting of three individuals and subsequently elected by Trust Unitholders would oversee the activities of Northwynd. The Board of Trustees would report to Unitholders on the Trust's activities on a quarterly basis.

Fairwynd Resort Properties Ltd., a corporation to be ultimately owned by Northwynd and established to serve as general partner of Northwynd LP (the "**General Partner**"), would be responsible for the development, operation and management of the Fairmont Assets. The General Partner will have a Board of Directors initially consisting of one individual and an additional two directors appointed by the Trustees after closing. It is anticipated that the Trustees will make additional appointments to the Board of Directors of the General Partner in due course.

Although the Reorganization Plan can provide investors with a return of their capital and a regular income stream, there are risks that could impact Northwynd's ability to achieve their business and financial targets. The Reorganization Plan is contingent upon arranging a bridge financing loan to repay CCAA financing and to provide cash working capital. Although that financing is in process, it has not been finalized. Second, the achievement of the Northwynd business plan is dependent on several key revenue assumptions, including the continued strong revenue performance of the remainder / conversion program. It is assumed that an additional $22 million will be realized over the next six years. Should this and other revenue assumptions not be realized to the extent assumed then expected revenues will decline. A third significant risk is that the vacation resort market will not improve to the extent that Northwynd management expects over the next five years. Each of these, and other risks may cause the expected results from the Northwynd plan to change. FRPL is of the view however that these risks can be appropriately managed and that Northwynd's plan can be achieved.

Asset Liquidation

The alternative to adoption of the Reorganization Plan is a liquidation of the Fairmont Assets. If the Bondholders choose to support a liquidation, they will need to sign a form of direction (the "**Liquidation Direction**") authorizing and directing Computershare Trust Company of Canada, the trustee that administers the Bonds (the "**Trustee**"), to take enforcement action pursuant to security interests (the "**Security**") granted by Fairmont to secure the repayment of the Bonds. The Security encumbers various Fairmont Assets including its interests in Lake Okanagan Resort and Fairmont Vacation Villas in British Columbia. If the holders of 25% of the principal amount of each of the Series 1/2 Bonds and the Series B Bonds that are issued and outstanding sign a direction instructing the Trustee to enforce the Security and to liquidate the Secured Assets and provided that the Trustee is indemnified and funded to its satisfaction then, upon completion of the CCAA Proceedings, the Trustee will appoint a receiver to liquidate the Secured Assets and distribute the sale proceeds to Bondholders (the "**Liquidation**").

Ernst & Young Inc., the court appointed Monitor of Fairmont, have prepared recovery analyses under both an orderly liquidation scenario, whereby the Fairmont assets could be held and sold in an orderly fashion, but within a one year timeline, and a forced liquidation scenario whereby the assets would be sold as soon as possible but within a four month time period. As discussed in more detail in the Information Circular, the recoveries under the two liquidation scenarios range from 37% to 90% of total debt due to Series B Bondholders and from 50% to 69% for the Series 1/2 Bondholders. Total debt is defined to be the Bondholders original investment principal plus accrued but unpaid interest to September 30, 2008.

We have reviewed the liquidation analyses and, in our view, achievement of the estimated recoveries are subject to a number of uncertainties, which include:

- Due to the slowdown in the vacation property market that started in 2008, there is a considerable amount of similar real estate on the market from other distressed sellers and we would expect buyers to treat the sale of the Fairmont Assets as a distress sale. We would expect those buyers to be generally very opportunistic bargain hunters and in some cases, the only buyers.

- Due also to the vacation property market slowdown, there is little demand for development lands. We would expect that the Fairmont development lands would sell at prices significantly below the orderly liquidation values if the receiver was not prepared to wait for market improvements.

- Ernst & Young Inc. has assumed that the timeshare and lease conversion revenue programs will provide significant cash flow throughout the liquidation period, generating net revenue after all selling and overhead costs of almost $3.3 million. There is no assurance that the personnel and infrastructure required to maintain these revenue programs can be sustained in an asset liquidation and if not, it is likely that revenue would be lost.
- the costs of liquidation, although provided for in Ernst & Young's estimates, may vary significantly with the time and effort required to complete the liquidation. There is no assurance that the present management team and other key employees could be retained to oversee or assist with the liquidation process and, to the extent they cannot be retained, realization costs could be expected to increase.

We believe that each of these factors has the potential to cause a material decline in the estimated recoveries from a liquidation of the Fairmont Assets.

Recommendation

Management of FRPL believes that, on balance, the Reorganization Plan is the better option for Bondholders and recommends that Bondholders vote in favour of the Reorganization Plan and not support the Liquidation Direction. The Reorganization Plan must be approved by at least two-thirds of the aggregate principal amount of Series 1/2 Bonds and Series B Bonds, voting separately, represented at the Meeting, in person or by proxy.

Your vote is important regardless of the principal amount of Bonds that you own. Whether or not you plan to attend the Meeting, please deposit the enclosed form of proxy, properly completed and signed, in the manner specified on the proxy and by the deadlines specified in the proxy. Voting by proxy will not prevent you from voting in person if you choose to attend the Meeting, but will ensure that your vote will be counted if you are unable to attend.

Bondholders who hold their Bonds through an intermediary (such as a bank, trust company, securities broker, trustee or other) or who otherwise do not hold their Bonds in their own name should note that only proxies deposited by holders who appear on the records maintained by the Trustee as registered holders of Bonds will be recognized and acted upon at the Meeting.

The accompanying Information Circular provides a detailed description of the Reorganization Plan as well as the Liquidation and includes certain additional information to assist you in deciding how to vote at the Meeting. **You are urged to read this information carefully and, if you require assistance, to consult your own legal, tax, financial or other professional advisor.**

Management of FRPL believes that the Reorganization Plan should be approved and implemented. We urge you to give serious attention to the attached material and we recommend that you vote in favour of it in person or by proxy at the Meeting on April 13, 2010.

Yours truly,

(signed) *"Edward Nycholat"*
Edward Nycholat
President and Director

FRPL FINANCE LTD.

NOTICE OF MEETING OF BONDHOLDERS
to be held April 13, 2010

NOTICE IS HEREBY GIVEN that, pursuant to an order (the "**Interim Order**") of the Court of Queen's Bench of Alberta dated March 5, 2010, a meeting (the "**Meeting**") of the holders of Series 1 and 2 Mortgage Bonds ("**Series 1/2 Bondholders**") and Series B Mortgage Bonds ("**Series B Bondholders**") (collectively, the "**Bondholders**") of FRPL Finance Ltd. ("**FRPL**") will be held at BMO Centre (Boyce Theatre), 1410 Olympic Way S.E., Stampede Park, Calgary, Alberta on April 13, 2010, at 10:00 a.m. (Calgary time) for the following purposes:

(a) to consider and, if thought advisable, to authorize and direct Computershare Trust Company of Canada (the "**Trustee**") to exercise its authority to enforce the security held by the Trustee on behalf of the Bondholders (the "**Security**") and to liquidate the secured assets;

(b) provided that Bondholders do not elect to enforce the Security, to consider pursuant to the Interim Order and, if thought advisable, to pass, with or without variation, special resolutions of Series 1/2 Bondholders and Series B Bondholders, the full text of which is set forth in Appendix A to the accompanying Information Circular, to approve a plan of arrangement (the "**Arrangement**") under section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**"); and

(c) to transact such further and other business as may properly be brought before the Meeting or any adjournment thereof.

Specific details of the matters to be put before the Meeting are set forth in the Information Circular.

The record date for determination of Bondholders entitled to receive notice of and to vote at the Meeting is February 26, 2010. Only Bondholders whose names have been entered in the respective registers of Bondholders on the close of business on that date will be entitled to receive notice of and to vote at the Meeting.

A Bondholder may attend the Meeting in person or may be represented by proxy. Bondholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for holders of Series 1/2 Bonds or Series B Bonds as applicable for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxies must be received by Computershare Trust Company of Canada, 100 University Avenue, Toronto, Ontario, M5J 2Y1 not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment thereof.

DATED at Calgary, Alberta, this 8th day of March, 2010.

BY ORDER OF THE BOARD OF DIRECTORS OF FRPL FINANCE LTD.

(signed) *"Edward Nycholat"*
Edward Nycholat
President and Director

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

IN THE MATTER OF SECTION 193 OF THE *BUSINESS CORPORATIONS ACT*, R.S.A. 2000, c. B-9;

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING FRPL FINANCE LTD., NORTHWYND PROPERTIES REAL ESTATE INVESTMENT TRUST, NORTHWYND LIMITED PARTNERSHIP, FAIRWYND RESORT PROPERTIES LTD. AND THE BONDHOLDERS OF FRPL FINANCE LTD.

NOTICE OF PETITION

NOTICE IS HEREBY GIVEN that a petition (the "**Petition**") has been filed with the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") on behalf of FRPL Finance Ltd. ("**FRPL**") with respect to a proposed arrangement (the "**Arrangement**") under section 193 of the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended (the "**ABCA**"), pursuant to the terms of a plan of arrangement (the "**Plan of Arrangement**") affecting and involving: (i) FRPL, Northwynd Properties Real Estate Investment Trust, Northwynd Limited Partnership and Fairwynd Resort Properties Ltd.; and (ii) the holders of Series 1 and 2 Mortgage Bonds and Series B Mortgage Bonds ("**Bonds**") of FRPL (collectively, the "**Bondholders**"), which Arrangement is described in greater detail in the Information Circular of FRPL dated March 8, 2010 (the "**Information Circular**") accompanying this Notice of Petition. At the hearing of the Petition, FRPL intends to seek:

(a) a declaration that the terms and conditions of the Arrangement are fair to Bondholders;

(b) an order approving the Arrangement pursuant to the provisions of section 193 of the ABCA;

(c) a declaration that the Arrangement will, on the filing of the Articles of Arrangement pursuant to the provisions of section 193 of the ABCA, become effective in accordance with its terms and will be binding on and after the Effective Date (as defined in the Arrangement Agreement); and

(d) such other and further orders, declarations and directions as the Court may deem just.

The Court has been advised that its order approving the Arrangement, if granted, will constitute the basis for an exemption from the registration requirements of the *Securities Act of 1933*, as amended, of the United States of America with respect to the securities to be issued pursuant to the Arrangement.

AND NOTICE IS FURTHER GIVEN that the said Petition was directed to be heard before a Justice of the Court of Queen's Bench of Alberta, Calgary Courts Centre, 601 – 5th Street SW, Calgary, Alberta, on the 14th day of April, 2010 at 9:00 a.m. (MST), or as soon thereafter as counsel may be heard. Any Bondholder or any other interested party desiring to support or oppose the Petition may appear at the time of the hearing in person or by counsel for that purpose. **Any Bondholder or any other interested party desiring to appear at the hearing is required to file with the Court of Queen's Bench of Alberta, Judicial District of Calgary, and serve upon FRPL on or before 4:00 p.m. (MST) on April 13, 2010, a notice of intention to appear, including an address for service in the Province of Alberta, together with any evidence or materials which are to be presented to the Court.** Service on FRPL is to be effected by delivery to the solicitors for FRPL at their address set out below. If any Bondholder or any other such interested party does not attend, either in person or by counsel, at that time, the Court may approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, without any further notice.

AND NOTICE IS FURTHER GIVEN that no further notice of the Petition will be given by FRPL and that in the event the hearing of the Petition is adjourned only those persons who have appeared before the Court for the application at the hearing shall be served with notice of the adjourned date.

AND NOTICE IS FURTHER GIVEN that the Court, by Order dated March 5, 2010, has given directions as to the calling of a meeting of Bondholders for the purpose of those Bondholders voting on a resolution to approve the Arrangement.

AND NOTICE IS FURTHER GIVEN that a copy of the said Petition and other documents in the proceedings will be furnished to any Bondholder or other interested party requesting the same by the undermentioned solicitors for FRPL on written request delivered to those solicitors as follows:

Borden Ladner Gervais LLP
1000, 400 - 3rd Avenue S.W.
Calgary, Alberta T2P 4H2
Attention: John Ircandia

DATED at Calgary, Alberta, this 8th day of March, 2010.

BY ORDER OF THE BOARD OF DIRECTORS OF FRPL FINANCE LTD.

(signed) *"Edward Nycholat"*

Edward Nycholat
President and Director

INFORMATION CIRCULAR

Introduction

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of FRPL for use at the Meeting and any adjournments thereof. No person has been authorized to give any information or make any representation in connection with the Arrangement, the Liquidation or any other matters to be considered at the Meeting other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied on as having been authorized.

Certain information and analysis contained in this Information Circular relating to Fairmont, the Secured Assets and the business prospects for the Partnership was prepared, directly or indirectly, by management of Fairmont in consultation with management of FRPL. Management of FRPL has reviewed and approved this information for inclusion in the Information Circular and has relied extensively on management of Fairmont in the preparation of this Information Circular.

All summaries of, and references to, the Arrangement in this Information Circular are qualified in their entirety by reference to the complete text of the Plan, a copy of which is attached as Appendix C to this Information Circular. **You are urged to carefully read this Information Circular and the full text of the Plan.**

All capitalized terms used in this Information Circular but not otherwise defined herein have the meanings set forth under "*Glossary of Terms*". Information contained in this Information Circular is given as of March 1, 2010 unless otherwise specifically stated.

Currency and Exchange Rates

All dollar references in this Information Circular are in Canadian dollars, unless otherwise indicated.

Information for United States Bondholders

The Trust Units that are received under the Arrangement have not been registered under the 1933 Act, and are being issued to Bondholders in the United States in reliance on the exemption from registration set forth in section 3(a)(10) thereof. The solicitation of proxies for the Meeting is not subject to the requirements of section 14(a) of the 1934 Act. Accordingly, this Information Circular has not been prepared in accordance with disclosure requirements applicable in the United States.

The enforcement by Bondholders of civil liabilities under United States' securities laws may be affected adversely by the fact that FRPL, the Trust and the General Partner are organized or settled, as applicable, under the laws of Alberta, Canada, that their officers, a majority of their Trustees and a majority of their directors, as applicable, are residents of countries other than the United States, that the experts named in this Information Circular are residents of countries other than the United States, and that all or substantially all of the Secured Assets and the assets of the parties to the Arrangement and their respective directors, officers and trustees, as applicable, are located outside the United States.

THE TRUST UNITS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY IN ANY STATE OF THE UNITED STATES, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY SUCH SECURITIES REGULATORY AUTHORITY PASSED ON THE ADEQUACY OR ACCURACY OF THIS INFORMATION CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Forward-Looking Information

This Information Circular contains forward-looking information including, among others, statements relating to FRPL and Northwynd's objectives, strategies to achieve those objectives, management beliefs, plans, estimates, projections and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts including, in particular, Northwynd's expectations regarding future cash distributions to Unitholders. Forward-looking statements generally can be identified by words such as "outlook", "objective", "may", "will", "expects", "intend", "estimate", "anticipate", "believe", "should", "plans", "project", "budget" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect FRPL's, Fairmont's and Northwynd's current beliefs and are based on information currently available to their management. Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements are not guarantees of future performance and are based on Management's estimates and assumptions that are subject to risks and uncertainties, including those described below under "Risk Factors" which could cause the actual results and performance of Northwynd to differ materially from the forward-looking statements contained in this Information Circular. Those risks and uncertainties include, among other things, risks related to: demand for timeshare product, prices of timeshare product, demand for lease conversion toffee simple ownership, the demand for whole ownership condominium product, availability of cash for distributions; development and financing relating to the lands at Fairmont Hot Springs and Lake Okanagan Resort; availability of short term operating financing; availability of financing for timeshare note monetization interest rate and other debt related risk; tax risk; construction risks; availability of third party timeshare marketing resources; competition for vacation property investments; environmental matters; and changes in income tax legislation. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking statements include that the general economy will return to stability; interest rates are relatively stable; and equity and debt markets continue to provide access to capital. FRPL cautions that this list of factors is not exhaustive. Although the forward-looking statements contained in this Information Circular are based upon what FRPL believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements.

All forward-looking statements in this Information Circular are qualified by these cautionary statements. These forward-looking statements are made as of the date of the Information Circular and FRPL and Northwynd do not undertake any obligation to update forward-looking statements.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Information Circular, including the Summary hereof:

"**ABCA**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

"**ACB**" means adjusted cost base within the meaning of the Tax Act;

"**Administration Agreement**" means the agreement to be entered into on the Effective Date between the Trust and the General Partner pursuant to which the General Partner will provide certain administrative and support services to the Trust, as it may from time to time be amended, supplemented or restated;

"**affiliate**" or "**associate**" when used to indicate a relationship with a person, has the same meaning as set forth in the ABCA;

"**applicable law**" means any applicable law, including any statute, regulation, by-law, treaty, guideline, directive, rule, standard, requirement, policy, order, judgment, decision, injunction, award, decree or resolution of any governmental authority, whether or not having the force of law;

"**Arrangement**" means the proposed arrangement, under the provisions of section 193 of the ABCA, on the terms and conditions set forth in the Plan;

"**Arrangement Agreement**" means the arrangement agreement dated as of March 5, 2010, among FRPL, the Trust, the General Partner and Northwynd LP providing for the implementation of the Arrangement, as it may from time to time be amended, supplemented or restated;

"**Arrangement Resolution**" means the special resolution approving the Arrangement in substantially the form attached as Appendix A to this Information Circular, which special resolution will be voted on by Bondholders at the Meeting;

"**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required under subsection 193(10) of the ABCA to be filed with the Registrar after the Final Order has been made to give effect to the Arrangement;

"**Bondholders**" means collectively, or any one or more of, the holders of Series 1/2 Bonds and Series B Bonds;

"**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in Calgary, Alberta, for the transaction of banking business;

"**Capital Repatriation Program**" means the proposed program to be implemented by Northwynd to return capital to former Bondholders by way of the redemption of Series B Trust Units which reflect the principal amount of the Bonds;

"**Cash Flow of the Trust**" means for, or in respect of, any Distribution Period: (i) all cash amounts which are received by the Trust for, or in respect of, the Distribution Period including, without limitation, interest, dividends, distributions, proceeds from the disposition of securities, returns of capital and repayments of indebtedness; plus (ii) the proceeds of any issuance of Trust Units or any other securities of the Trust, net of the expenses of distribution and, if applicable, the use of proceeds of any such issuance for the intended purpose; less the sum of (iii) all amounts which relate to the redemption of Trust Units and which have become payable in cash by the Trust in the Distribution Period and any expenses of the Trust in the Distribution Period; and (iv) any other amounts (including taxes) required by law or the Declaration of Trust to be deducted, withheld or paid by or in respect of the Trust in such Distribution Period;

"**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

"**CCAA Entities**" means Fairmont, LOR, LORV and LL Developments Ltd.;

"**CCAA Order**" means the initial order issued by the Court of Queen's Bench of Alberta granting a stay of proceedings with respect to Fairmont, LOR, LORV and LL Developments Ltd.;

"**Certificate**" means the certificate of arrangement to be issued by the Registrar pursuant to subsection 193(11) of the ABCA, giving effect to the Arrangement;

"**Closing**" means the completion of the transactions contemplated by the Arrangement Agreement;

"**Computershare**" means Computershare Trust Company of Canada;

"**control**" means: (i) the direct or indirect, beneficial ownership of or the exercise of control or direction by a person over, securities of a second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation; (ii) in the case of a partnership, other than a limited partnership, a person holds more than 50% of the interests of the partnership; or (iii) in the case of a limited partnership, the general partner of the limited partnership is controlled by a person as determined in (i);

"**Court**" means the Court of Queen's Bench of Alberta;

"**CRA**" means the Canada Revenue Agency;

"**Declaration of Trust**" means the declaration of trust of the Trust dated as of March 4, 2010, between the settlor of the Trust and the Trustees, as it may from time to time be amended, supplemented or restated;

"**Depository**" means Computershare Investor Services Inc. at its offices referred to in the Letter of Transmittal;

"**Distributable Cash**" means all amounts available for distribution in respect of any Distribution Period to holders of Series A Trust Units in accordance with the distribution policy approved by the Trustees from time to time;

"**Distribution Payment Date**" in respect of a Distribution Period means on or about the date that is 15 days immediately following the end of the Distribution Period or, if that day is not a Business Day, the next following Business Day, or such other date determined from time to time by the Trustees;

"**Distribution Period**" means each calendar quarter, or such other periods as may be hereafter determined from time to time by the Trustees from and including the first day thereof and to and including the last day thereof;

"**Distribution Record Date**" means on or about the last Business Day of each Distribution Period, or, if that day is not a Business Day, the next following Business Day, or such other date determined from time to time by the Trustees, except that December 31 shall in all cases be a Distribution Record Date;

"**Effective Date**" means the date the Arrangement is effective under the ABCA;

"**Effective Time**" means 12:01 a.m. (Calgary time) on the Effective Date regardless of the time of the Closing on that date;

"**Eligible Institution**" means a Canadian Schedule 1 chartered bank, a major trust company in Canada, a member of the Securities Transfer Agent Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange, Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Industry Regulatory Organization of Canada, members of the Financial Industry Regulatory Authority or banks and trust companies in the United States;

"**Exempt Plans**" means, collectively, trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans, and tax free savings accounts each as defined in the Tax Act;

"**Extraordinary LP Resolution**" means a written resolution approved by limited partners holding 66⅔% of LP Units or a resolution passed by limited partners holding 66⅔% of LP Units at a duly constituted meeting;

"**Fairmont**" means Fairmont Resort Properties Ltd., a corporation incorporated pursuant to the ABCA;

"**Fairmont Loan Agreements**" or "**Fairmont Loans**" means the Series B Loan and the Series 1 & 2 Loan;

"**Final Order**" means the order of the Court approving the Arrangement to be applied for following the approval of the Arrangement at the Meeting to be granted pursuant to the provisions of subsection 193(9) of the ABCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"**FMV**" means fair market value;

"**Forbearance Agreement**" means the Forbearance Agreement dated February 18, 2009 entered into by FRPL with Fairmont, LOR, LORV and certain other subsidiaries of Fairmont;

"**FRPL**" means FRPL Finance Ltd., a corporation incorporated pursuant to the ABCA;

"**FRPLM**" means FRPL Management Ltd., a corporation incorporated under the ABCA;

"**FVV**" means the premises comprising the Fairmont Vacation Villas at Fairmont Hot Springs, British Columbia;

"**General Partner**" means Fairwynd Resort Properties Ltd., a corporation incorporated pursuant to the ABCA which is the general partner of Northwynd LP;

"**governmental authority**" includes any court (including a court of equity); any multinational, federal, provincial, state, regional, municipal or other government or governmental department, ministry, commission, board, bureau, agency or instrumentality; any securities commission, stock exchange or other regulatory or self-regulatory body; any arbitrator or arbitration authority; or any other governmental authority;

"**GSAs**" means the general security agreements granted by Fairmont, LOR and LORV to FRPL in connection with the execution of the Forbearance Agreement;

"**Information Circular**" means this Information Circular dated March 8, 2010, together with all Appendices hereto, distributed by FRPL in connection with the Meeting;

"**Interim Order**" means the Interim Order of the Court dated March 5, 2010 pursuant to subsection 193(4) of the ABCA containing declarations and directions with respect to the Arrangement and the Meeting and issued pursuant to the petition of FRPL therefor, a copy of which order is attached as Appendix B to this Information Circular;

"**Letter of Transmittal**" means the Letter of Transmittal enclosed with this Information Circular, pursuant to which a Bondholder is required to deliver certificate(s) representing Bonds to the Depository;

"**Limited Partnership Agreement**" means the limited partnership agreement dated March 4, 2010 among the General Partner and the Trust;

"**Liquidation**" means the proposal to direct Computershare, in its capacity as trustee pursuant to the Trust Indentures, to take action to enforce the Security and cause the Pledged Assets to be seized and sold and the sale proceeds to be distributed to Bondholders;

"**LOR**" means Lake Okanagan Resort (2001) Ltd.;

"**LORV**" means Lake Okanagan Resort Vacation (2001) Ltd.;

"**LP Units**" means the limited partnership units of Northwynd LP;

"**Makaha**" means Makaha Hotel and Resort Inc.;

"**Management**" means management of FRPL in consultation with management of Fairmont;

"**Meeting**" means the meeting of the Bondholders to be held on April 13, 2010 and any adjournment(s) thereof to, inter alia, consider the Liquidation and to consider and vote on the Arrangement Resolution and the matters referred to in the Notice of Meeting;

"**Monitor**" means Ernst & Young Inc., as court appointed monitor of Fairmont in connection with the CCAA proceedings;

"**MRGC Agreement**" means the agreement dated February 24, 2009 among MRGC LLC and Makaha relating to the rescheduling of payments due to MRGC LLC;

"**Non-Resident**" means: (i) a person (within the meaning of the Tax Act but, for greater certainty, not including a partnership) who is not resident in Canada for the purposes of the Tax Act; or (ii) a partnership that is not a "Canadian partnership" as defined in the Tax Act;

"**Non-Resident Trust Unitholder**" means a Trust Unitholder who at all relevant times is not, and is not deemed to be, resident in Canada for the purposes of the Tax Act;

"**Northwynd LP**" or the "**Partnership**" means Northwynd Limited Partnership, a limited partnership created pursuant to the laws of the Province of Alberta pursuant to the Limited Partnership Agreement;

"**Northwynd Plan**" means the business plan to be pursued by Northwynd following the Arrangement;

"**Notice of Meeting**" means the Notice of Meeting which accompanies this Information Circular;

"**Notice of Petition**" means the Notice of Petition by FRPL to the Court for the Final Order which accompanies this Information Circular;

"**Ordinary LP Resolution**" means a written resolution signed by limited partners holding a simple majority of the number of LP Units outstanding in Northwynd LP or a resolution passed by limited partners holding a simple majority of LP Units at a duly constituted meeting;

"**Ordinary Resolution**" means a resolution proposed to be passed at a meeting of Unitholders (including an adjourned meeting), as the case may be, duly convened for that purpose and held in accordance with the provisions of the Declaration of Trust and passed by more than 50% of votes cast on such resolution by Unitholders represented at the meeting;

"**Partner**" means a person who owns one or more LP Units;

"**person**" includes any individual, body corporate, partnership, trust, association, joint venture, other organization or entity (whether or not a legal entity) or governmental authority;

"**Plan**" or the "**Reorganization Plan**" means the plan of arrangement attached as Appendix C to this Information Circular, as from time to time amended, supplemented or restated;

"**Pledged Assets**" means the assets of Fairmont that are subject to the Security pledged by FRPL to Computershare to secure the Bonds;

"**RCI**" means Resorts Condominium International, a points based vacation property exchange program;

"**Record Date**" means the close of business on February 26, 2010;

"**Recovery Manager**" means BTM Corporate Advisory Inc., which was retained by FRPL and FRPL Management as Loan Administration and Recovery Manager with respect to loans made to Fairmont;

"**Registrar**" means the Registrar of Corporations appointed under section 263 of the ABCA;

"**Regulation S**" means Regulation S under the 1933 Act;

"**REIT C Loan**" means the loan agreement whereby FRPLM loaned funds advanced to it by RI REIT to Fairmont, which loan was guaranteed by subsidiaries of Fairmont that pledged mortgages on assets located in Hawaii and western Canada in support of the guarantees.

"**Remainder Program**" means the program that has been pursued by Fairmont and is proposed to be continued by Northwynd whereby timeshare owners are able to convert timeshare leasehold interests to fee simple interests upon payment of a fee;

"**Resident**" means a person who is, or is deemed to be, resident in Canada for purposes of the Tax Act;

"**RESPs**" means trusts governed by registered education savings plans as defined in the Tax Act;

"**RFI**" means Resort Funding LLC or Resort Funding International, as applicable;

"**RFI Claim**" means the action commenced by RFI challenging validity of the GSAs, as more particularly described under the heading *"Information Concerning FRPL – Legal Proceedings."*

"**RI REIT**" means Resorts International Real Estate Investment Trust;

"**Secured Assets**" or "**Fairmont Assets**" means the assets of Fairmont that are subject to the Security and the GSAs;

"**Security**" means the Series B Security and the Series 1/2 Security;

"**Securities Act**" means the *Securities Act* (Alberta) and the rules, regulations and policies made thereunder, as now in effect and as they may be amended from time to time;

"**Series 1/2 Bondholders**" means the holders of Series 1 Bonds and Series 2 Bonds;

"**Series 1 Bonds**" means the 10% Series 1 Mortgage Bonds due June 30, 2009 in the aggregate principal amount of $914,000 issued by FRPL pursuant to the Series 1/2 Trust Indenture;

"**Series 2 Bonds**" means the 12% Series 2 Mortgage Bonds due June 30, 2011 in the aggregate principal amount of $26,099,828 issued by FRPL pursuant to the Series 1/2 Trust Indenture;

"**Series 1/2 Bonds**" means, collectively, the Series 1 Bonds and the Series 2 Bonds;

"**Series 1/2 Loan**" means the Series 1 & 2 Mortgage Bond Loan Agreement between FRPL and Fairmont dated July 17, 2006;

"**Series 1/2 Security**" means the security documents defined as such under the heading *"Background – Loan Default and CCAA Order"*;

"**Series 1/2 Trust Indenture**" means the trust indenture dated July 17, 2006 between FRPL and Computershare relating to the issuance of the Series 1/2 Bonds;

"**Series A Trust Units**" means the Series A Trust Units of the Trust;

"**Series B Bondholders**" means the holders of Series B Bonds;

"**Series B Bonds**" means the 12% Series B Mortgage Bonds due September 30, 2010 in the aggregate principal amount of $14,429,621 issued by FRPL pursuant to the Series B Trust Indenture;

"**Series B Loan**" means the Series B Mortgage Bond Loan Agreement between **FRPL** and Fairmont dated September 30, 2005;

"**Series B Security**" means the security documents defined as such under the heading *"Background – Loan Default and CCAA Order"*;

"**Series B Trust Indenture**" means the trust indenture dated October 24, 2005 between FRPL and Computershare relating to the issuance of the Series B Bonds;

"**Series B Trust Units**" means the Series B Trust Units of the Trust;

"**Special Resolution**" means a resolution proposed to be passed as a special resolution at a meeting of Unitholders (including an adjourned meeting), as the case may be, duly convened for that purpose and held in accordance with the provisions of the Declaration of Trust and passed by more than 66⅔% of votes cast on such resolution by Unitholders represented at the meeting;

"**subsidiary**" means a person that is controlled directly or indirectly by another person and includes a subsidiary of that subsidiary;

"**Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1. (5^{th} Supp), including the *Income Tax Regulations* from time to time promulgated thereunder, all as amended from time to time;

"**Tax-Exempt**" means a person that is exempt from tax under Part I of the Tax Act;

"**Trust**" or "**Northwynd**" or "**Northwynd REIT**" means Northwynd Properties Real Estate Investment Trust, an unincorporated open-ended investment trust established under the laws of Alberta pursuant to the Declaration of Trust, and, where the context requires, includes its subsidiaries, including Northwynd LP and the General Partner and where used in conjunction with operations means an operating affiliate of the Trust;

"**Trustees**" means the trustees of the Trust from time to time and "**Trustee**" means any one of them;

"**Trust Unit**" means the Series A Trust Units and the Series B Trust Units of the Trust, as applicable;

"**Trust Unitholders**" or "**Unitholders**" means the holders from time to time of Trust Units;

"**Trust Indentures**" means the Series 1/2 Trust Indenture and the Series B Trust Indenture;

"**United States**" or "**U.S.**" means the United States, as defined in Rule 902(1) under Regulation S;

"**1933 Act**" means the United States *Securities Act of 1933*, as from time to time amended, supplemented or restated; and

"**1934 Act**" means the United States *Securities Exchange Act of 1934*, as from time to time amended, supplemented or restated.

Conventions

In this Information Circular, words importing the singular number also include the plural and vice versa and words importing any gender include both genders. Unless otherwise indicated, references herein to "**$**" or "**dollars**" are to Canadian dollars. All financial information herein has been presented in Canadian dollars in accordance with generally accepted accounting principles in Canada.

SUMMARY INFORMATION

The following is a summary of certain information contained elsewhere in this Information Circular, including the Appendices hereto, and is qualified in its entirety by reference to the more detailed information contained or referred to elsewhere in this Information Circular or in the Appendices hereto. Terms with initial capital letters used in this summary are defined in the "**Glossary of Terms**".

The Meeting

The Meeting will be held at BMO Centre (Boyce Theatre), 1410 Olympic Way S.E., Stampede Park, Calgary, Alberta, on April 13, 2010, at 10:00 a.m. (Calgary time) for the purposes set forth in the accompanying Notice of Meeting. The business of the Meeting will be to consider a direction to proceed with Liquidation and, if no such direction is given by the required percentage of Bondholders, to vote on the Arrangement. See "*Asset Liquidation Proposal*" and "*Arrangement*".

Background

On March 30, 2009, FRPL Finance Ltd. ("**FRPL**") applied to the Alberta Court of Queen's Bench with the consent of Fairmont Resort Properties Ltd. ("**Fairmont**") to obtain creditor protection for Fairmont and certain Fairmont subsidiaries under the *Companies Creditors Arrangement Act*. The CCAA Order was made following the default by Fairmont in respect of loans made by FRPL to Fairmont. As a result of the Fairmont default, FRPL was unable to make payments due to the Bondholders. The failure by FRPL to make payments to the Bondholders and the CCAA Order in respect of Fairmont each represented events of default pursuant to the Trust Indentures entered into among the Bondholders, FRPL and Computershare.

As of March 31 2010, the outstanding principal amount owed to Bondholders will be $41,443,449 plus unpaid interest of $10,561,831. The aggregate amount is comprised of Series B Bonds in the principal amount of $14,429,621 plus unpaid interest of $3,502,772, Series 1 Mortgage Bonds in the principal amount of $914,000 plus unpaid interest of $141,956 and Series 2 Mortgage Bonds in the principal amount of $26,099,828 plus unpaid interest of $6,917,104.

In addition to the Series B Loan and Series 1/2 Loan Agreements entered into by Fairmont with FRPL, Fairmont also entered into a loan agreement (the "**REIT C Loan**") with FRPL Management Ltd. ("**FRPLM**") in 2008. FRPLM is related to FRPL, and is the administrator for Resorts International Real Estate Investment Trust ("**RI REIT**"). RI REIT, using funds raised from its Series C trust Unitholders, loaned funds to FRPLM, which in turn advanced funds to Fairmont under the REIT C Loan agreement. The REIT C Loan was guaranteed by Fairmont subsidiaries who pledged mortgages on assets located in Hawaii and western Canada in support of those guarantees. At March 31, 2010 Fairmont will owe FRPLM $12,640,933. The REIT C Loan is not included in the Fairmont Loans and is not affected by the proposed FRPL Plan of Arrangement.

The loans made by the Bondholders to FRPL were secured by mortgages on certain property of Fairmont. Fairmont granted those mortgages to FRPL which in turn pledged and assigned the mortgages to Computershare to hold on behalf of the Bondholders as security for repayment of the Bonds. In addition, Fairmont granted to FRPL a General Security Agreement which provided additional security to FRPL on other assets of Fairmont. The Pledged Assets consist primarily of the interest of Fairmont in Lake Okanagan Resort and Fairmont Vacation Villas, both located in British Columbia. As a result of the default, the Trust Indentures provide various enforcement remedies to the Bondholders, including the appointment of a receiver to seize and liquidate the Pledged Assets.

The stay of actions against Fairmont under the CCAA Order has been subject to several extensions and will expire on April 15, 2010. FRPL has assessed various options for recovery of FRPL's loans to Fairmont and payment of amounts due to Bondholders. The two alternative courses of action identified by Management and to be considered are a reorganization plan proposed by Fairmont management, or alternatively, a liquidation of the Pledged Assets.

Reorganization Plan

Plan Overview

FRPL Management has reviewed and provided input into Fairmont's plan for reorganizing its assets and carrying on Fairmont's business within a new ownership structure (the "**Reorganization Plan**"). The Reorganization Plan, which is explained in more detail in the accompanying Information Circular, contemplates the development and exploitation of Fairmont's Canadian and certain of its international businesses and assets (the "**Fairmont Assets**") over the next six years within a new real estate investment trust to be wholly owned by the Bondholders. If the Reorganization Plan is successfully executed, Bondholders should begin receiving cash distributions by the end of 2010 and could, if Fairmont's projections are achieved, potentially receive cash distributions over the next five years equal to or greater than their original investment in the FRPL bonds. In addition to receiving income distributions and recovery of their investment under the Reorganization Plan, Bondholders would participate in the future growth of the business and own a significant percentage of the Trust at the end of the five year period. The proposed name for the new Trust is Northwynd Properties Real Estate Investment Trust ("**Northwynd REIT**" or "**Northwynd**").

In order to implement the Reorganization Plan, Bondholders will be asked at the Meeting to consider a resolution to approve a Plan of Arrangement under the *Business Corporations Act* (Alberta) whereby Bondholders would exchange their Bonds for trust units in Northwynd that are qualified investments for Exempt Plans. Northwynd, through a wholly owned limited partnership ("**Northwynd LP**" or the "**Partnership**"), would acquire the Fairmont Loans and Security and, by virtue of the default thereunder, subsequently take action pursuant to the Security to acquire ownership and control of the Secured Assets, all of which will be subject to approval by the Alberta Court of Queen's Bench. If the necessary Court approvals are obtained, the Fairmont Assets would be transferred to Northwynd LP. Subject to timing of the Court approval process, FRPL Management expects that the Secured Assets could be transferred to Northwynd LP and be under Northwynd's control and direction by as soon as May 15, 2010.

Subsequent to assuming control and ownership of the Secured Assets, Northwynd intends to distribute at least 90% of the net income generated by those assets to holders of Trust Units by way of regular cash distributions. Unitholders would potentially recover the equivalent of their investment in the FRPL Bonds over time and would participate in any growth associated with Northwynd REIT through a tax efficient investment.

A board of trustees initially consisting of three individuals, with Trustees subsequently being elected by Unitholders, would oversee the activities of Northwynd. A board of directors to consist of three individuals following closing and subsequently elected upon the direction of Unitholders would report to the Board of Trustees and be responsible for the development, operation and management of the Fairmont Assets. It is anticipated that the Trustees will make additional appointments to the board of directors in due course. The Board of Trustees would report to Unitholders on the Northwynd REIT activities on a quarterly basis.

The Arrangement Agreement

On March 5, 2010, FRPL, Northwynd, Northwynd LP and the General Partner entered into the Arrangement Agreement. The purpose of the transactions contemplated by the Arrangement Agreement is to allow Bondholders to exchange their debt and security interest for equity in Northwynd which, through Northwynd LP will exercise the right of the Bondholders to acquire ownership and control of the Fairmont Assets. The Bondholder debt to be exchanged is equal to the original principal plus accrued but unpaid interest to September 30, 2008. The Arrangement will provide for an exchange of the Bonds for Trust Units of Northwynd and a transfer of the Fairmont Loans and Security to Northwynd LP, which will take steps under the Security to acquire ownership and control of the Fairmont Assets. Pursuant to the Arrangement, each $1.00 principal amount of Bonds will be exchanged for one (1) Series A Voting Trust Unit and one (1) Series B Non-Voting Trust Unit.

Prior to the exchange of Bonds for Trust Units, additional bonds in the principal amount of $2,361,368 will be issued for interest accrued but unpaid to September 30, 2008, to those Bondholders who did not elect under the applicable Trust Indenture to receive their interest in cash. Those Bondholders who elected to receive interest in cash were paid their interest due up to September 30, 2008. The effect of the issuance of the additional Bonds under the Arrangement Agreement is to equalize the payment of interest of all Bondholders at September 30, 2008. All interest accrued on the Bonds for periods subsequent to September 30, 2008 will be cancelled.

The Series A Trust Units will entitle the holder to one vote at a meeting of Unitholders for each Series A Trust Unit held and to an equal undivided interest in any distributions of the Trust and in the net assets of the Trust, upon dissolution or termination of the Trust. The Trust Units will be redeemable by the holders at any time for an amount equal to the net asset value of the Trust per Series A Trust Unit, but if so electing a holder must also redeem an equivalent number of Series B Trust Units. The Trust may satisfy redemption requests by issuing a combination of cash and notes, as determined by the Trustees. The Declaration of Trust establishes a maximum aggregate cash redemption amount, for all series of Trust Units, not exceeding $10,000 per month.

The Series B Trust units will be non-voting and will be redeemable at the option of the Trust by payment in cash of the $1.00 redemption value of the Series B Trust Units. The Series B Trust Units will be redeemable by the holders at any time for an amount equal to the $1.00 redemption value per Series B Trust Unit but if so electing a holder must also redeem an equivalent number of Series A Trust Units. The Trust may satisfy Unitholder redemption requests by issuing a combination of cash and notes, subject to the cash redemption limitations in the Declaration of Trust. See *"Declaration of Trust and Description of Trust Units"*.

Arrangement Steps

On the Effective Date of the Arrangement, expected to be on or about April 15, 2010 each of the events set out below shall occur and shall be deemed to occur in the following order, unless otherwise stated, without any further act or formality:

(a) the Fairmont Loan Agreements, the Security and the GSAs shall be assigned by FRPL to Northwynd LP in exchange for a demand promissory note in the principal amount of $43,804,817 from Northwynd LP;

(b) the Trust shall issue to FRPL that aggregate number of Trust Units required to be distributed by FRPL to the Bondholders to complete the redemption of Bonds provided for in subsection (e), in consideration for the promissory note of Northwynd LP received by FRPL in the immediately preceding step;

(c) the Trust shall assign and contribute the promissory note of Northwynd LP received by the Trust in the immediately preceding step to Northwynd LP for 43,804,817 LP Units at a price of $1.00 per LP Unit and the Trust shall be recorded as the holder of such LP Units on the register maintained by Northwynd LP for LP Units;

(d) FRPL shall issue to those Series B Holders and Series 2 Holders entitled thereto pursuant to the terms of the respective Indentures, an aggregate of $670,887 of Series B Bonds and $1,690,481 of Series 2 Bonds, respectively, as full payment and satisfaction of the accrued and unpaid interest on such Bonds to September 30, 2008;

(e) each $1.00 of principal amount of each issued and outstanding Bond (including those issued pursuant to subsection (d)), shall be redeemed by FRPL in exchange for one (1) Series A Trust Unit and one (1) Series B Trust Unit held by FRPL as full repayment and satisfaction of all outstanding principal of the Bonds and all interest on the Bonds accrued after September 30, 2008 and unpaid shall be cancelled and the Bonds shall be cancelled in accordance with their terms; and

(f) the one (1) outstanding common share of the General Partner shall be purchased for cancellation by the General Partner for $0.10 and cancelled;

provided that if any of the foregoing steps in (a) through (f) fails to occur or complete then all of such steps will be deemed not to have occurred.

On the day immediately after the Effective Date the Trust shall subscribe for 10 common shares of the General Partner for an aggregate purchase price of $1.00.

Post Arrangement Structure

Following the Arrangement steps:

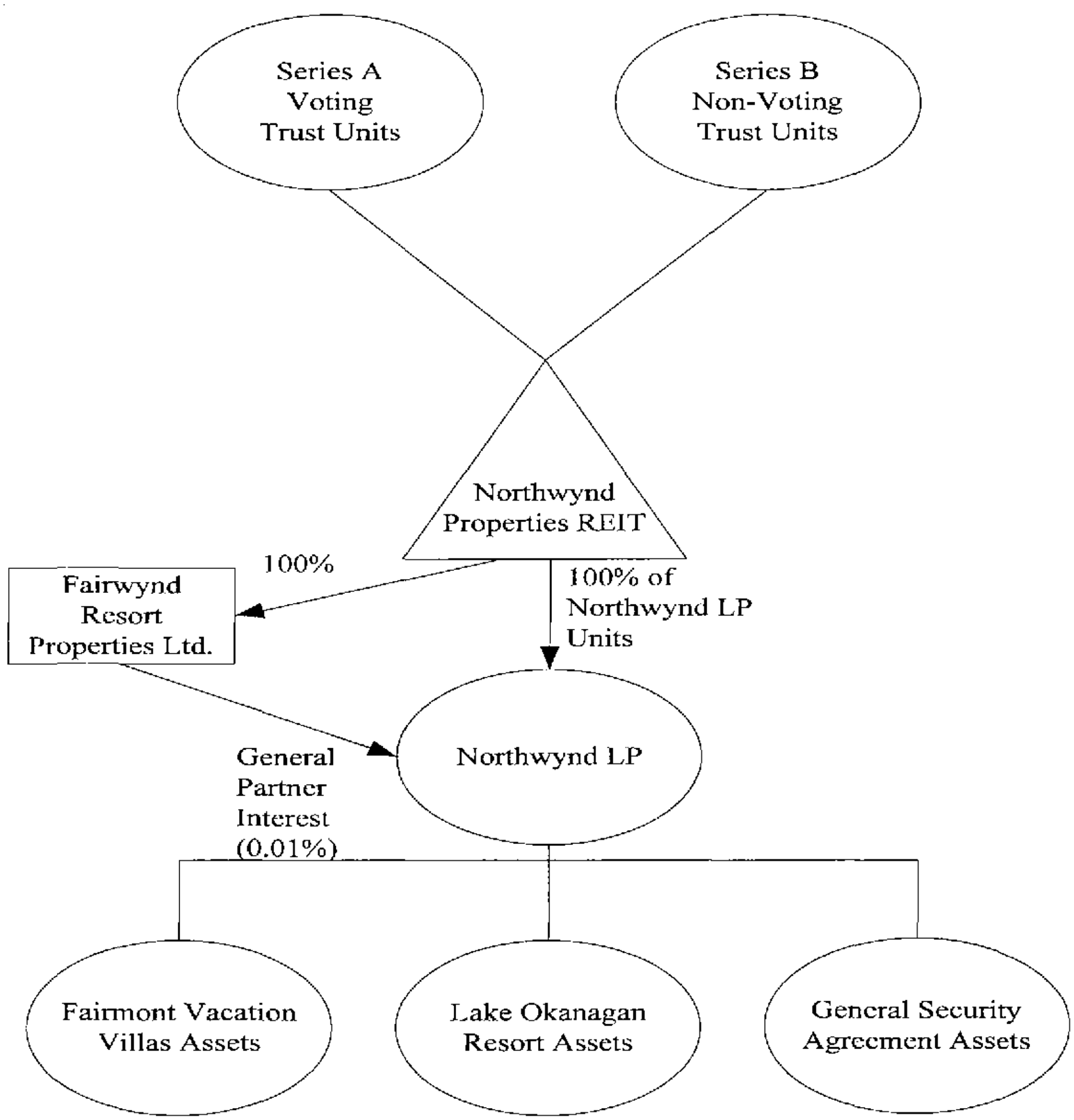
(a) the former Bondholders will own all of the issued and outstanding Northwynd Trust Units;

(b) Northwynd REIT will own all of the issued and outstanding LP Units;

(c) Northwynd REIT will own all of the issued and outstanding shares of the General Partner; and

(d) Northwynd LP will own the Fairmont Loans, the Security and the GSAs. Northwynd LP will exercise its rights under the Fairmont Loans and take ownership and control of the Fairmont Assets.

The following diagram sets out the simplified organizational structure of the Trust, and its subsidiary entities participating in the Arrangement following the Effective Time and after giving effect to Northwynd LP's realization on the Security and the GSAs:



Selected Pro Forma Financial Information for Northwynd REIT

The following is a summary of selected pro forma balance sheet information for the assets owned, directly or indirectly, on a consolidated basis by Northwynd REIT following the completion of the Arrangement and the transfer of the Secured Assets to Northwynd LP, for the periods indicated. The following should be read in conjunction with the pro forma balance sheet of Northwynd and the notes thereto attached as Appendix F to the Information Circular. See "*Pro Forma and Projected Financial Information for the Trust*".

Northwynd Properties Real Estate Investment Trust
Summary Pro Forma Balance Sheet
(Unaudited – Prepared by Management)

	(000's)
ASSETS	
Timeshare inventory and reversionary land interests	$24,838
Land Held for Development	8,106
Condominium inventory	6,646
Other real estate	2,308
Finance notes	13,709
Management contract	3,628
Cash	3,204
Other assets	2,149
	$64,588
LIABILITIES AND UNITHOLDERS' EQUITY	
Operating loan	$8,000
Finance loans	8,150
Accounts payable	333
Building repair liability	4,300
	20,783
Unitholders' equity	$43,805
	$64,588

The Pro Forma Balance sheet reflects the acquisition by Northwynd REIT of the Fairmont Assets at their estimated fair values, with consideration paid being Trust Units of Northwynd and assumption of certain debts. The Bondholders will hold 100% of the issued Trust Units of Northwynd.

Distribution Policy of the Trust

The Trust will adopt a policy of making regular cash distributions on each Distribution Payment Date, such policy to be established by the Board of Trustees, to Series A Trust Unitholders of record on the preceding Distribution Record Date. Assuming that the Effective Date of the Arrangement is in the second quarter of 2010, it is anticipated that the first distribution would be by December 31, 2010 or early 2011. In addition, the Declaration of Trust provides that, if necessary, on December 31 of each year, the Trust will make an additional amount payable such that the Trust will not be liable for ordinary income taxes for such year. See "*Certain Canadian Federal Income Tax Considerations - Taxation of the Trust*". The Trustees will review the Trust's distribution policy from time to time. The actual amount distributed will be dependent on various economic factors and is at the discretion of the Trustees. The anticipated distribution policy targets the use of approximately 90% of available cash for distribution to Trust Unitholders. See "*Distribution Policy - Projected Distributable Cash*". It is expected that the remaining approximately 10% of cash available for distribution will fund the Trust's annual operating expenses.

As the cash flow available for distribution to Trust Unitholders is a function of numerous factors, including Northwynd LP's financial performance, debt covenants and obligations, working capital requirements, future capital requirements and the number of Trust Units outstanding, distributions may be reduced or suspended entirely depending on the operations of Northwynd LP and the performance of its assets. See "*Risk Factors*".

It is currently intended that the Trust will make cash distributions to Trust Unitholders from distributions on the LP Units. See "*Arrangement — Effect of the Arrangement*".

Northwynd Business Plan

FRPL is proposing the Northwynd management team be led by Patrick Fitzsimonds and Dale Kearns, the officers retained by Fairmont during the CCAA process to restructure Fairmont's business and financial affairs. The terms of employment of Northwynd management will be approved by the board of directors of the General Partner. They have developed the Northwynd business plan that is summarized below, and set out in more detail under the heading *"Post-Reorganization Business Plan"*.

The primary objectives of Northwynd's business plan are achieving the stated 2010-2015 financial targets for Northwynd, payment of regular cash distributions to Unitholders, return of capital to the Unitholders and the preservation and exploitation of Northwynd's long-term assets for the benefit of the Unitholders. In the development of the Northwynd Plan, management immediately addressed those business units and management issues that demonstrated little or no future potential. As a result, ongoing operating costs have been significantly reduced and there is significant opportunity to monetize existing assets through the execution of those strategies and initiatives set out in Northwynd's business plan.

An equity participation compensation plan for Northwynd management will be approved for implementation by the Board of Trustees. That plan will provide for the issuance of up to 50% of the voting Series A trust units, based on management achieving pre-determined financial and business targets, including the return of a significant portion of capital to the Unitholders.

The Northwynd Plan is designed to significantly reduce costs, exploit certain existing assets located at Lake Okanagan Resort and Fairmont Vacation Villas and continue the Remainder / Conversion Program (a strategy to convert the leasehold interests of approximately 18,000 proprietary time share clients to fee simple tenure) at the projected pace. The primary operating initiatives within the Plan include:

- Re-engineering of the sales process through strategic alliances with world class third party sales organizations
- Strengthen financial independence of timeshare management services within Northwynd so as to maximize profit from service agreements
- Retention, on a longer term basis, of Northwynd's resort operations management advisor to spearhead improved operations at the resort properties. This initiative should produce higher timeshare revenue and improved profitability within rooms, entertainment and food and beverage operations
- Achieve positive cash flow for all business units in the near term
- Reduction of legal and professional fee expenses
- Reduction of general and administration expense through elimination of unnecessary management and administrative infrastructure.

Northwynd's principal capital and revenue initiatives and strategies include:

- Maximize revenues from the Remainder / Conversion Program
- Monetize the two 24 condominium buildings at Lake Okanagan Resort. One will be developed as normal course time share inventory. The second will be monetized through the normal course sale of whole ownership strata interests
- Monetize existing time share inventory at Lake Okanagan Resort and Fairmont Vacation Villas

- Commence development and monetization of development lands at Lake Okanagan Resort
- Develop and sell new time share product on existing development lands at Fairmont Vacation Villas. This would be financed through normal course project financing
- Develop an expanded marina at Lake Okanagan Resort, financed through pre-sale of marina slips

If successfully executed, Northwynd management expects the Northwynd Plan to produce a cumulative payout to the Northwynd Unitholders of $43.6 million over the forecast period as shown in the following analysis.

Readers are cautioned that assumptions integral to the financial projections, although considered by management to be reasonable, inevitably will not materialize as projected and the reader is cautioned that actual results will vary from the amounts projected and the amounts may be material. The following financial projection information should be read in conjunction with the financial projections and notes included in Appendix E of the Information Circular.

NorthWynd REIT	**9 Months**	**Years Ending (000's)**				
Projected Distributable Cash	**Ended**					
(In $Thousands , except per unit amounts)	**31-Dec-10**	**31-Dec-11**	**31-Dec-12**	**31-Dec-13**	**31-Dec-14**	**31-Dec-15**
Cash sources						
Timeshare sales and notes receivable collections	$4,565	$11,832	$18,371	$19,666	$13,413	$12,273
Reversionary sales and notes receivable collections	9,282	9,955	5,922	5,324	2,309	359
Proceeds from financing notes receivable	1,963	8,044	14,068	12,815	907	374
Proceeds from project financing	1,500	10,000	-	-	-	-
Sale of real estate	2,385	10,795	2,000	-	-	-
Management fees and retail sales	1,104	1,519	1,662	1,630	1,630	1,630
Hotel operations	3,926	5,120	5,383	5,646	5,932	6,227
Total cash sources	**24,725**	**57,265**	**47,407**	**45,080**	**24,191**	**20,863**
Cash disbursements						
Capital expenditures	3,150	14,300	-	-	-	-
Selling costs, operating and overheads	11,607	20,386	25,179	23,286	11,755	11,030
Repayment of project and corporate financings	-	10,000	8,500	1,000	-	-
Repayment of financings of notes receivable	2,449	3,947	4,531	3,697	4,823	5,289
Cost of financing	1,406	2,575	2,921	2,257	2,299	1,956
Total cash disbursements	**18,612**	**51,208**	**41,131**	**30,240**	**18,878**	**18,275**
Net cash generated	**6,113**	**6,057**	**6,276**	**14,840**	**5,314**	**2,588**
Cash balance before distributions	**9,317**	**12,808**	**9,996**	**17,023**	**7,669**	**4,382**
Cash distribution of taxable income	**566**	**7,088**	**6,313**	**9,169**	**1,874**	**50**
	-	-	-	-	-	-
Cash distribution of capital	**2,000**	**2,000**	**1,500**	**5,500**	**4,000**	**3,500**
	-	-	-	-	-	-
Cash balance after distributions	**$6,751**	**$3,720**	**$2,183**	**$2,355**	**$1,794**	**$832**
Number of Series A Voting Trust Units	**43,805**	**43,805**	**43,805**	**43,805**	**43,805**	**43,805**
Distributable cash per trust unit for the period	**$0.06**	**$0.20**	**$0.18**	**$0.33**	**$0.13**	**$0.08**

Once the plan has been executed and cash distributed to the Unitholders as described above, residual assets having an estimated value of $22.5 million will form the basis of the ongoing business of Northwynd. Northwynd Management and Unitholders will share this ongoing business equally.

Northwynd Properties REIT	9 Months	Year Ending					
Projected Cash Distributions	Ending						
(000's)	31-Dec-10	31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15	Total
Cash distribution of taxable income	$566	7,088	6,313	9,169	1,874	50	**$25,061**
Cash distribution of capital	2,000	2,000	1,500	5,500	4,000	3,500	**18,500**
	-	-	-	-	-	-	
Total cash distributions	2,566	9,088	7,813	14,669	5,874	3,550	**43,561**
Residual Unitholders' Equity	$41,528	38,969	36,910	30,792	26,137	22,516	**$22,516**

The Trustees and board of directors of the General Partner will oversee Northwynd management's execution of this plan and will retain final approval authority and oversight on matters that would be customary for the board of a reporting issuer, including new financing and pledging of assets, hiring of executive management and assessing management performance, audit and financial reporting to the Unitholders, input to and approval of management's business and strategic plans, risk management and financial controls and communication with the Unitholders .

Asset Liquidation

The alternative to adoption of the Reorganization Plan is the liquidation of the Pledged Assets. If the Bondholders choose to support a liquidation of the Pledged Assets, they will be asked to sign a direction authorizing and directing Computershare, the trustee that administers the Bonds, to take enforcement action pursuant to security interests granted by Fairmont to FRPL on the Pledged Assets and pledged to Computershare to secure the repayment of the Bonds. If the holders of 25% of the principal amount of Bonds that are issued and outstanding provide written direction to proceed with the Liquidation and provided that Computershare is indemnified and funded to its satisfaction then, upon completion of the CCAA Proceedings, the Trustee will appoint a receiver to liquidate the Secured Assets and distribute the sale proceeds to Bondholders (the "**Liquidation**").

Ernst & Young Inc., the court appointed Monitor of Fairmont, have under date of December 30, 2009 prepared liquidation analyses under both an orderly liquidation scenario, whereby the Fairmont assets would be held and sold in an orderly fashion, but within a one year timeline, and a forced liquidation scenario whereby the assets would be sold as soon as possible but within a three month time period. Ernst & Young Inc.'s estimates under both liquidation scenarios, with allocation to the Series B and Series 1 and 2 Bondholders are as follows:

ESTIMATED NET PROCEEDS FROM ASSET LIQUIDATION	Forced Liquidation (000's)			Orderly Liquidation (000's)		
	Series B	Series 1&2	Total	Series B	Series 1&2	Total
Mortgaged assets - land, buildings, reversionary interests and timeshare	$2,977	$11,635	$14,612	$5,972	$16,415	$22,387
Assets secured by General Security Agreement	1,347	4,826	6,173	1,759	6,303	8,062
Operating funds generated in liquidation:						
Timeshare and reversionary revenues	-	-	-	16,800	-	16,800
Sales, marketing and overhead expenses	-	-	-	(13,507)	-	(13,507)
				3,293	-	3,293
Net proceeds before restructuring and liquidation costs	4,324	16,461	20,785	11,024	22,718	33,742
Recovery (reimbursement) of CCAA restructuring, corporate, and intercompany amounts	1,867	-	1,867	4,080	(1,520)	2,560
Estimated liquidation costs	(672)	(2,125)	(2,797)	(1,517)	(1,535)	(3,051)

Estimated net proceeds of liquidation	$5,519	$14,436	$19,855	$13,587	$19,664	$33,251
% recovery on principal plus taxed interest to September 30, 2008	*36.55%*	*49.94%*	*45.32%*	*89.98%*	*68.51%*	*75.91%*
Bondholder debt - principal plus taxed interest to September 30, 2008	$15,101	$28,704	$43,805	$15,101	$28,704	$43,805
Ernst & Young estimated ranges of recovery	*28% - 42%*	*42% - 60%*		*83% - 100%*	*58% - 80%*	

The liquidation proceeds due to each group of Bondholders include (1) the net proceeds from the sale of assets specifically mortgaged under their respective security, (2) their pro rata share of assets not specifically mortgaged to the Bondholders but secured by the General Security Agreements (the "**GSA Assets**") provided to FRPL and FRPLM by Fairmont and (3) the net cash generated from business operations during the liquidation period. In addition, the Series B Bondholders would be entitled in liquidation to recovery from the Series 1/2 Security and from the GSA Assets their respective share of the restructuring and net operating costs incurred during the CCAA process but funded entirely from cash generated from Series B Bondholder security. Finally, the costs of liquidation, consisting primarily of professional costs would be allocated to each group of Bondholders in determining their respective net proceeds from liquidation.

In liquidation, the proceeds from the sale of the GSA Assets would be allocable to the REIT C loan as well as to the Series B and Series 1/2 Bondholders. During the CCAA process, Fairmont has advanced approximately $2.3 million to Makaha Hotel and Resort to fund its operations. Those funds were provided from Series B Bondholder security. Makaha has provided a mortgage to Fairmont in support of the REIT C loan. For the purposes of the liquidation analysis, we have assumed that the court would direct that $2.3 million of funds advanced by Fairmont to Makaha be recaptured from the REIT C loan share of the GSA Assets. Our analysis indicates that the REIT C share of the GSA Assets (approximately $2.1 million) would not be sufficient to fully repay the $2.3 million of advances. Accordingly, in our liquidation analysis all proceeds from the sale of GSA Assets are attributed to the Series B and Series 1/2 Bondholders.

The sale of the Fairmont Assets would be a court-supervised process directed by a receiver, or by the Monitor within the existing CCAA process. The method of sale would depend on the nature of the asset. In the case of real estate, the lands would be advertised and marketed over a reasonable period of time to attempt to obtain the highest price. With respect to timeshare and the reversionary interest program, new authorities to market those products from the British Columbia regulatory authorities would have to be obtained, and a sales and marketing team would have to be hired or retained to market that product. Certain existing business operations, such as the hotel operations and the Fairmont Villas management contract, would have to be maintained and individuals with the necessary expertise would have to be hired to supervise and maintain those operations during the liquidation period. The time period for the liquidation, although targeted at one year, could take longer given the expected lack of immediate demand for certain assets such as development land. The costs of liquidation, including receiver and legal costs, have been estimated at $3.051 million.

The amounts due to the Series B Bondholders for reimbursement of costs paid on the Series 1/2 Bondholders would expected to be paid from the sale of assets secured by the Series 1/2 Bonds, thus the timing of recovery for the Series B Bondholders would be dependent upon the timing of the sale of the Series 1/2 secured assets. We would expect the Court's guidance in establishing the priority of the Series B Bondholders claim for reimbursement and the manner and timing in which that claim would be reimbursed.

The recoveries under the two liquidation scenarios range from 37% to 90% of total debt due to Series B Bondholders and from 50% to 69% for the Series 1/2 Bondholders. Total debt is defined to be the Bondholders original investment principal plus accrued but unpaid interest to September 30, 2008.

The liquidation of the Fairmont Assets would be subject to significant uncertainties, including:

- The demand for resort vacation real estate product remains very soft, as a result of the economic slowdown that started in 2008. There is a considerable amount of similar real estate on the market from other distressed sellers. We would expect buyers would be aware that the sale of the Fairmont Assets would be a distress sale. We would also expect those buyers to be generally very opportunistic bargain hunters and in some cases, the only buyers.

- Also due to the market slowdown, there is little demand for development lands. We would expect that the Fairmont development lands would sell at prices significantly below the orderly liquidation values if the bondholders were not prepared to wait for market improvements.

- Ernst & Young has assumed that the timeshare and lease conversion revenue programs will be maintained throughout the liquidation period, generating net revenue after all selling and overhead costs in excess of $3 million. These funds would be required to fund the costs of liquidation which are estimated to be in excess of $3 million. There is no assurance that the personnel and infrastructure required to maintain these revenue programs can be sustained. If the lease conversion program cannot be maintained in a liquidation scenario then a major portion, if not all, of the $3 million in net revenues could be foregone.

- It is uncertain who would manage the liquidation and the costs of liquidation, although provided for in Ernst & Young's estimates, may vary significantly with the time and effort required to complete the liquidation. There is no assurance that the present management team and other key employees could be retained to oversee or assist with the liquidation process.

Management believes that each of these factors may cause a significant decline in the estimated recoveries from an orderly liquidation of the Pledged Assets.

In view of the uncertainties underlying the liquidation scenarios, it is FRPL's view that recoveries to the Bondholders on a liquidation are very difficult to quantify and will end up in the range between forced and orderly liquidation.

Recommendation of the FRPL Directors and Management

The FRPL board of directors has concluded that the Reorganization Plan as proposed by Management is in the best interests of the Bondholders and recommends that Bondholders vote in favour of the Arrangement Resolution. Under the Reorganization Plan, the Bondholders have an opportunity to recover all of their investment, receive regular cash distributions, and they will own all the business going forward and a significant portion of the business at the end of the five year projection period. The new management team, now in place for nine months is very familiar with the assets, are committed to achievement of the proposed business plan and will be incented to achieve successful execution of their business plan.

Should it become evident as the Northwynd business plan is implemented that a liquidation of the assets or an enbloc sale of the assets is in the best interests of the Bondholders, Management believes that a familiar management team will be in a better position than a receiver to maximize the value returned to the Bondholders. Finally, under the Reorganization Plan, the Trustees, who will include financial representatives of the Bondholders, will actively monitor Northwynd's progress in the execution of the business plan and the payment of cash distributions to the Unitholders.

The FRPL board of directors approved the proposed Arrangement, authorized FRPL to enter into the Arrangement Agreement, authorized the application to the Court for the Interim Order and authorized the submission of the Arrangement Resolution to the Bondholders for consideration at the Meeting.

See "*Arrangement — Recommendation of the FRPL Board*" for a discussion of the factors considered by the FRPL board of directors in coming to its conclusion regarding the Arrangement and *"Risk Factors"*.

Approvals

Implementation of the Arrangement requires the satisfaction of several conditions and approval by Bondholders and the Court. See "*Arrangement — Conditions to the Arrangement Becoming Effective*".

Bondholder Approval

Pursuant to the Interim Order, the majority required to pass the Arrangement Resolution shall be not less than two-thirds of the votes cast by Series 1/2 Bond holders and Series B Bond holders, voting separately as a class, either in person or by proxy, at the Meeting. See "*General Proxy Matters — Solicitation of Proxies*" and "*General Proxy Matters — Procedure and Votes Required*".

Court Approvals

An application for the Final Order approving the Arrangement is expected to be made on April 14, 2010 at 9:00 a.m. (Calgary time) at the Court House, 601 – 5th Street SW, Calgary, Alberta. On the application, the Court will consider the fairness of the Arrangement.

The Trust

Northwynd is an unincorporated open-ended investment trust governed by the laws of Alberta pursuant to the Declaration of Trust. It is intended that following the Arrangement the Trust will qualify as a "mutual fund trust" for purposes of the Tax Act. The Trust was established principally for the purposes of investing directly or indirectly in the securities of Northwynd LP or any associate or affiliate thereof in any business which involves real estate development, acquisition and operation.

Northwynd Unitholders will be the sole beneficiaries of the Trust. Following the Arrangement the Trust will be the sole shareholder of the General Partner.

Northwynd will initially permit Unitholders to participate in the cash flow from Northwynd LP's businesses to the extent such cash flow is distributed by the Trust and in the future will permit Unitholders to participate in the cash flow indirectly derived from Northwynd LP's businesses and the business of any other operating entity thereafter owned, directly or indirectly, by the Trust. Each Trust Unit will entitle the holder thereof to receive monthly cash distributions. See "*Declaration of Trust and Description of Units — Meetings of Unitholders*".

Rod Burylo, James Duke and Rick Cavalli will be the initial Trustees of the Trust. Pursuant to the Administration Agreement, certain administrative matters for the Trust will be delegated to the General Partner. See "*Information Concerning the Trust — Administration Agreement*".

Northwynd LP

Northwynd LP is a limited partnership formed under the laws of the Province of Alberta. Following completion of the Arrangement, all of the LP Units will be held by the Trust.

The activities of Northwynd LP will consist of acquiring, investing in, holding, transferring, disposing of and otherwise dealing with the Secured Assets and further engaging in the development, acquisition and operation of resort based real estate for ultimate disposition within a timeshare format and such other businesses as the board of directors of the General Partner may determine, from time to time, and activities ancillary and incidental thereto. See "*Information Concerning Northwynd LP*".

The General Partner

Fairwynd Resort Properties Ltd. is a corporation incorporated pursuant to the ABCA. Following the Arrangement it will be a direct wholly-owned subsidiary of the Trust. Fairwynd is the general partner of Northwynd LP.

Pursuant to the Administration Agreement, Fairwynd will provide certain administration and support services to the Trust. See "*Information Concerning the Trust – Administration Agreement.*"

Certain Canadian Federal Income Tax Considerations

This Information Circular contains a summary of the principal Canadian federal income tax considerations generally applicable to the Bondholders and which relate to the Arrangement and to the holding of Trust Units. See *"Certain Canadian Income Tax Considerations."*

Pursuant to the Arrangement, each Bondholder will exchange Bonds held for Trust Units. A Bondholder will not realize a capital gain (or capital loss) on the disposition of the Bonds assuming the value of the Trust Units received equals the adjusted cost base to the Bondholder of such existing Bonds, plus any reasonable costs of disposition. A Bondholder's proceeds of disposition of the Bonds will be an amount equal to the fair market value (at the time of the exchange) of the Trust Units received in exchange for the Bonds. A Bondholder will be considered to have acquired the Trust Units at a cost equal to the fair market value of the Trust Units at the time of the exchange. Bondholders which are deferred plans (such as RRSPs) will not be subject to tax.

A Unitholder will generally be required to include in computing income for a particular taxation year the amount of the Trust's net income for the taxation year paid or payable to the Unitholder in the taxation year. Any amount in excess of the Unitholder's share of the Trust's net income for a taxation year paid or payable to the Unitholder in the year generally will not be included in the Unitholder's income but will reduce the adjusted cost base of the Unitholder's Trust Units. On a disposition of a Trust Unit, a Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholder's proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of the Trust Unit and any reasonable costs of disposition.

Subject to the qualifications herein, Trust Units will be qualified investments for Exempt Plans provided that Trust is a mutual fund trust under the Tax Act. See *"Certain Canadian Income Tax Considerations."*

Bondholders should consult with their tax advisors with respect to the income tax consequences of the Arrangement.

Non-Canadian Income Tax Considerations

This Information Circular does not contain a summary of the non-Canadian income tax consequences of the Arrangement on Bondholders or Unitholders who are subject to income tax outside of Canada. Such holders should consult their tax advisors with respect to the tax implications of the Arrangement, including any associated filing requirements, in such jurisdictions. Bondholders should also consult their own tax advisors regarding provincial or territorial tax considerations of the Arrangement or of holding Trust Units.

BACKGROUND

Loan Default and CCAA Order

FRPL is a private Alberta corporation that was incorporated for the purpose of arranging financing for Fairmont. Fairmont is a private Alberta corporation that is engaged in the hospitality industry in Alberta, British Columbia and elsewhere, its primary business being the sale of time share interests in its resort properties. The Bonds were created and issued pursuant to the Trust Indentures between 2005 and 2007. The proceeds from the Bonds were loaned by FRPL to Fairmont.

On September 30, 2005, Fairmont entered into the Series B Mortgage Bond Loan Agreement (the "**Series B Loan**") with FRPL pursuant to which FRPL loaned to Fairmont the amount of $14,429,621.45. Continuing and unlimited guarantees (the "**Series B Guarantees**") for the Series B Loan were provided by Lake Okanagan Resort Vacation (2001) Ltd. ("**LORV**") and Lake Okanagan Resort (2001) Ltd. ("**LOR**"), subsidiaries of Fairmont. The following security was granted to FRPL to secure the Series B Loan:

(a) A Mortgage and Assignment of Rents dated October 13, 2005 in the principal amount of $25 million given by Fairmont over certain parcels of land in the Kootenay District of British Columbia;

(b) A Mortgage and Assignment of Rents dated July 18, 2006 in the principal amount of $25 million, subsequently amended to $36 million by Mortgage Modification Agreement dated June 30, 2008, given by LOR over a parcel of land in the Osoyoos Division of Yale District of British Columbia;

(c) A Mortgage and Assignment of Rents dated September 1, 2006 in the principal amount of $25 million, given by LOR over a parcel of land in the Osoyoos Division of Yale District of British Columbia;

(d) A Mortgage and Assignment of Rents dated December 19, 2006 in the principal amount of $25 million, given by LORV over certain parcels of land in the Osoyoos Division of Yale District of British Columbia;

(e) A Mortgage and Assignment of Rents dated April 3, 2007 in the principal amount of $25 million, given by Fairmont over certain parcels of land in the Osoyoos Division of Yale District of British Columbia; and

(f) A Mortgage and Assignment of Rents dated April 23, 2007 in the principal amount of $25 million, given by LOR over certain parcels of land in the Osoyoos Division of Yale District of British Columbia.

(the foregoing security documents being the "**Series B Security**")

On July 17, 2006, Fairmont entered into the Series 1 & 2 Mortgage Bond Loan Agreement (the "**Series 1/2 Loan**") with FRPL pursuant to which FRPL loaned to Fairmont the principal amount of $27,013,827.90. Continuing and unlimited guarantees (the "**Series 1/2 Guarantees**") of Fairmont's obligations under the Series 1/2 Loan were provided by LORV and LOR effective July 17, 2006.

The Mortgage and Assignment of Rents dated July 18, 2006 and subsequently amended on June 30, 2008 given as security for the Series B Loan were also pledged by LOR as security for the Series 1/2 Loan. As further security for the Series 1/2 Loan, a Mortgage and Assignment of Rents dated December 19, 2006 in the principal amount of $25 million was given by Fairmont over certain parcels of land in the Osoyoos Division of Yale District of British Columbia (collectively, the "**Series 1/2 Security**").

In addition to the Series B Loan and Series 1/2 Loan Agreements entered in to by Fairmont with FRPL, Fairmont also entered into a loan agreement (the "**REIT C Loan**") with FRPL Management Ltd. ("**FRPLM**") in 2008. FRPLM is related to FRPL, and is the administrator for Resorts International Real Estate Investment Trust ("**RI REIT**"). RI REIT, using funds raised from its Series C trust Unitholders, loaned funds to FRPLM, which in turn advanced funds to Fairmont under the REIT C Loan agreement. The REIT C Loan was guaranteed by Fairmont subsidiaries which pledged mortgages on assets located in Hawaii and western Canada in support of those guarantees. At March 31, 2010 Fairmont will owe FRPLM $12,640,933. The REIT C Loan is not included in the Fairmont Loans and is not affected by the proposed FRPL Plan of Arrangement.

On December 31, 2008, Fairmont failed to make payments of interest due to FRPL pursuant to the Series B Loan and the Series 1/2 Loan (the "**Fairmont Loan Agreements**"), and the REIT C Loan. Consequently, on the same date FRPL failed to make payments of interest due to Bondholders pursuant to the Trust Indentures. Computershare, as trustee pursuant to the Indentures, delivered a notice of default to FRPL on January 30, 2009 and delivered notice of the event of default to Bondholders by letter dated February 3, 2009.

Following discussions with Fairmont regarding the payment of the outstanding amounts, on January 18, 2008 the President and Chief Executive Officer of Fairmont advised BTM Corporate Advisory Inc., which had been retained by FRPL as Loan Administrator and Recovery Manager (the "**Recovery Manager**"), that Fairmont would not be paying the interest due December 31, 2008 under the Fairmont Loan Agreements and requested sixty days forbearance by FRPL and FRPLM during which time Fairmont would prepare a business plan and seek additional financing to resolve its financial issues.

In response to Fairmont's request for forbearance from FRPL, FRPL entered into a Forbearance Agreement with Fairmont, LOR, LORV and certain other subsidiaries of Fairmont on February 18, 2009 (the "**Forbearance Agreement**"), pursuant to which FRPL agreed to forbear from accelerating the amounts due until January 31, 2010. Among other things, FRPL agreed, as a term of the Forbearance Agreement to defer payment of the interest amounts due from Fairmont on December 31, 2008, pursuant to the Fairmont Loan Agreements.

As conditions of the Forbearance Agreement, and pursuant thereto, Fairmont agreed, among other things, to:

(a) provide to the Recovery Manager, by close of business on March 14, 2009 (subsequently extended to March 20, 2009), a detailed business plan demonstrating that Fairmont, LOR and LORV would be able to resolve their ongoing financial challenges and working capital deficiencies and that they would be financially stable and viable for the foreseeable future;

(b) provide FRPL and the Recovery Manager with an updated projection of cash flows for Fairmont, LOR and LORV for the period of February 16, 2009 to March 27, 2009 and commencing March 31, 2009, provide on or before the end of each subsequent two month period comparable cash flow projections for the eight week period following each such date; and,

(c) obtain a total of $11 million in additional operating cash on or before June 30, 2009, with the first $4 million to be received by March 31, 2009.

Each of Fairmont, LOR and LORV executed contemporaneous with the execution of the Forbearance Agreement, the following:

(a) a waiver of demands, consents to the enforcement of the Security and general security agreements, and consents to the appointment of a receiver;

(b) acknowledgement of receipt of notices issued pursuant to s.244 of the *Bankruptcy and Insolvency Act*; and

(c) a consent order of the Court of Queen's Bench of Alberta, consenting to the appointment of a Court-appointed Receiver and Manager.

(The waiver of demands, consents to enforcement of Security and general security agreements, the consents to the appointment of a receiver, the acknowledgment of receipt of s. 244 notices and the consent receivership order are collectively referred to as the "**Consents**".)

In conjunction with the execution of the Forbearance Agreement, Fairmont, LOR and LORV granted general security agreements to FRPL and FRPLM, as additional security for their indebtedness to FRPL and FRPLM.

Upon the occurrence of any event of default under the Forbearance Agreement, FRPL was entitled, pursuant to the terms of the Forbearance Agreement to make full use of the Consents and to generally proceed to enforce all of its rights and remedies without further notice to or opposition from Fairmont, LOR and LORV.

Events of default in the Forbearance Agreement included, among other things, the failure of Fairmont to raise additional capital by certain dates, the Recovery Manager having given Fairmont notice that it was satisfied that Fairmont would be unable to pay its employees for any regular pay period and the failure to postpone the requirement to pay a current amount due to the first mortgage holder on certain lands in Hawaii owned by Makaha Hotel and Resort Inc. ("**Makaha**"), a Fairmont subsidiary.

Pursuant to the Forbearance Agreement, Fairmont was, by March 30, 2009, to provide satisfactory evidence of the availability of $11 million of additional cash to be raised at certain dates between March 6, 2009 and June 30, 2009, of which $3 million was to be provided by March 31, 2009. Fairmont failed to satisfy these requirements and consequently was in default under the Forbearance Agreement.

The Forbearance Agreement provided that Fairmont and/or Makaha would make payment of USD$1,200,000 to MRGC LLC, the holder of a first mortgage on Makaha's lands, on or before March 1, 2009 in accordance with the Promissory Note between Makaha and MRGC LLC dated February 19, 2003, or would make arrangements on or before March 1, 2009 with MRGC for rescheduling of that payment to a date not earlier than September 1, 2009, such rescheduling to be evidenced by a written and legally enforceable rescheduling agreement (the "**MRGC Agreement**") delivered to the Recovery Manager by March 1, 2009. If that payment was rescheduled Fairmont and/or Makaha was to make all payments and otherwise abide by the terms of the MRGC Agreement. Makaha reached an agreement with MRGC dated February 24, 2009 which provided for the rescheduling of accrued interest and principal amounts due at March 1, 2009, as follows:

(a) Makaha would pay to MRGC LLC interest of US $40,536 on March 2, 2009;

(b) Makaha would pay to MRGC LLC by February 28, 2009 US $460,000 of the US $1,200,000 principal payment that was due on March 1, 2009. MRGC agreed to hold the cheque until March 16, 2009 on which date it would present the cheque for collection; and

(c) The US $740,000 balance of the principal amount due on March 1, 2009 was rescheduled for payment on March 1, 2015.

Fairmont advised the Recovery Manager on March 16, 2009 that it did not have sufficient funds to cover the US$460,000 cheque issued to MRGC LLC. Management further advised the Recovery Manager that it had not negotiated a further extension for payment of that amount, and therefore the Recovery Manager determined that Fairmont did not abide by the terms of the MRGC Agreement and that agreement was null and void. Fairmont's failure to successfully negotiate an extension of the $1.2 million dollar payment that was due on March 1, 2009 was an event of default under the Forbearance Agreement.

On or about March 19, 2009, management of Fairmont advised the Recovery Manager that there were payroll amounts totalling approximately $425,000 due for payment from March 31 to April 3, 2009, and that Fairmont would not have sufficient funds available to pay all of those payroll amounts when they became due. Accordingly, on March 23, 2009, the Recovery Manager provided a written notice to Fairmont indicating that it was satisfied that Fairmont, LOR, LORV or Makaha would be unable to pay their employees when those payroll amounts became due.

The Recovery Manager determined that FRPL was or would very shortly be in a position to accelerate payment of the amounts due under the Fairmont Loan Agreements and to make use of the Consents to appoint a receiver of each of Fairmont, LOR, and LORV.

As a result of Fairmont's failure to raise additional cash to fund its operations, the Recovery Manager determined that Fairmont would be unable to make payrolls and other payments due on or about March 31, 2009, which were necessary to maintain operations. Further, it was determined that Fairmont, LOR and LORV would be unable to make payment of approximately $1.9 million of interest due to secured creditors which was due on March 31, 2009.

Accordingly, it was determined by the Recovery Manager that Fairmont, LOR and LORV were unable to meet their liabilities as they come due, and were insolvent.

On March 30, 2009, FRPL and FRPL Management applied to the Court with the consent of Fairmont, LOR and LORV to obtain creditor protection under the CCAA. The Fairmont entities making application under CCAA were Fairmont Resort Properties Ltd., Lake Okanagan Resort (2001) Ltd., Lake Okanagan Resort Vacation (2001) Ltd. and LL Developments Ltd. (collectively the "**CCAA Entities**"). Other Fairmont subsidiaries not included under the CCAA application consist of, primarily, the operations associated with the Makaha, Belize and Mexico resorts. The CCAA Entities were granted the initial order for creditor protection on March 30, 2009. Subsequent to the initial order, further orders extended the stay period to April 15, 2010.

Recent Developments

Since the CCAA order was granted in March 2009, FRPL has monitored Fairmont's ongoing operations and its efforts to develop a restructuring plan that would enable it to exit CCAA as a solvent company. The following is a summary of Fairmont's progress and other developments to March 1, 2010.

Fairmont entered into contracts with two senior management individuals who assumed the roles of Chief Operating Officer and Chief Financial Officer. They have brought management strength to the property development and finance roles at Fairmont. The Chief Restructuring Officer and those two individuals have led the restructuring of Fairmont's businesses during the CCAA period.

Fairmont has undertaken several initiatives designed to rationalize its business operations and generate new revenue streams. Following the CCAA application, Fairmont implemented the remainder and conversion revenue program. Fairmont has approximately 20,000 timeshares leases through which timeshare owners hold their 40-year timeshare interest. Fairmont developed a program to sell the residual fee simple interest to its timeshare owners and coupled this program with participation in a world wide points exchange program operated by RCI LLC. RCI LLC offers its timeshare members the opportunity to exchange their interval for one of 3,700 properties world wide. The remainder program, despite a slow start in the summer months, has generated gross revenue of $8.8 million through the conversion of approximately 2,200 leasehold interests to fee simple interests.

Fairmont rationalized its cost structure during the CCAA period, identifying several areas where costs could be reduced. Cost reduction initiatives included: reduction in professional fees and administrative costs, significant lowering of operating costs at Lake Okanagan Resort and Makaha Resort, lower sales and marketing costs and the elimination of certain businesses that were not profitable.

Normal course sales of timeshares has been adversely affected by general economic conditions. At Fairmont Villas and Lake Okanagan Resort there is a lack of high season inventory that is typically in greater demand than the off-season inventory. The RCI points program together with new inventory to be brought on stream at Lake Okanagan Resort is expected to improve revenue going forward.

Fairmont entered into a loan agreement following the CCAA application to obtain "Debtor in Possession" financing for its operations. The lender provided a $5.5 million credit facility that was substantially drawn and then reduced to approximately $3 million due to improved cash flow from the business.

As part of Fairmont's efforts to improve the operations and financial performance of its Makaha and Lake Okanagan Resorts, it engaged an international resort and hospitality advisory group to assess and recommend courses of action for the properties. Following its review of the report from the advisor, Fairmont has entered into an interim arrangement with the advisor. With enhanced management in place at the resorts, Fairmont believes it will be successful in attracting a third party worldwide timeshare sales organization to facilitate its future sales activity. Fairmont is currently engaged in discussions with an international timeshare organization for their involvement at both Lake Okanagan Resort and Makaha Resort

For the ten month period ended January 31, 2010, Fairmont has generated gross operating revenues of $18.7 million and incurred operating and overhead expenses of $20.1 million, for net cash outflow from operations for the period of $1.7 million. CCAA restructuring costs of $3 million, comprised primarily of professional fees, have been incurred to date. Fairmont was also required to advance to certain of its subsidiary companies a total of \$3.1 million in the period, most of which is expected to be recovered. As a result, overall cash outflow for the period of \$4.4 million. Receipts from normal course timeshare sales has been less than forecast due, primarily, to general economic conditions. Receipts from the remainder program have exceeded the forecast.

Fairmont has assessed a number of alternatives for exiting CCAA protection including an arrangement whereby it continues as a going concern while satisfying its obligations to FRPL and the Bondholders and secondly, liquidating its assets and distributing the proceeds to its creditors. As a result, Fairmont management has developed a business plan for implementation in conjunction with the Reorganization Plan.

Consideration of Alternatives

Since the CCAA Order, FRPL and Fairmont management has studied various alternatives to maximize the recovery for Bondholders. To assist with this review, Management retained the services of BTM Corporate Advisory Inc. as Loan Administration and Recovery Manager and obtained valuation reports relating to the Secured Assets from Ernst & Young Inc. and Ernst & Young Real Estate Services.

The principal alternatives considered by Management were: (i) a liquidation of the Pledged Assets and a distribution of the liquidation proceeds to the Bondholders; (ii) the foreclosure by the different groups of lenders on individual assets; (iii) a negotiated settlement of Bondholder claims funded by external capital; (iv) a conversion of Bondholder indebtedness to timeshare inventory and (v) a reorganization whereby Bonds would be exchanged for trust units in a trust that would distribute income generated by the Secured Assets over time.

Management, with the assistance of FRPL's legal, tax and financial advisors, then undertook an extensive review of the merits of the various alternatives, including a review of:

(a) current market conditions in the areas where the Secured Assets are located;

(b) prospects for further development and growth in value of the Secured Assets;

(c) the suitability of the Secured Assets for an income trust;

(d) the availability of external capital;

(e) the value of the Pledged Assets on a forced liquidation basis and an orderly liquidation basis; and

(f) the current tax treatment of income trusts.

After extensive review and discussion, Management concluded that the reorganization of the Secured Assets into a trust for the benefit of Bondholders was the best alternative available. Management developed a plan for the potential reorganization of the Secured Assets into a trust to be considered by Bondholders at the Meeting.

On March 4, 2010, the Trust and Northwynd LP were established and on March 5, 2010 FRPL entered into the Arrangement Agreement with the Trust, Northwynd LP and the General Partner to provide a mechanism for the Bondholders to exchange their Bonds for Trust Units of the Trust, subject to obtaining the approval of Bondholders at the Meeting.

POST-REORGANIZATION BUSINESS PLAN

Northwynd Business Plan

Northwynd LP will be led by Pat Fitzsimonds and Dale Kearns, leaders of the present Fairmont team. Many of the current Fairmont employees will continue with Northwynd. Northwynd management has prepared its business plan (the "**Northwynd Plan**") on the premise that Bondholders will vote in favour of the Reorganization Plan. Northwynd's primary objectives are to maximize the return of invested capital to the Bondholders in an orderly manner, to generate on-going cash distributions for the Bondholders and to develop the Fairmont Assets into a sustainable on-going business. The Northwynd management group would earn equity in the business over time but subordinate to the claims of the Bondholders' original capital.

The Northwynd Plan is designed to achieve the stated 2010-2015 financial targets for Northwynd, which include on-going profitability, regular cash distributions to Unitholders and return of capital to the Unitholders. In the development of the Northwynd Plan, management immediately addressed those business units and management issues that demonstrated little or no future potential. As a result, ongoing operating costs have been significantly reduced and there is significant opportunity to monetize certain existing assets

Upon implementation of the Northwynd Plan, management expects to significantly reduce costs, exploit certain existing assets located at Lake Okanagan Resort and Fairmont Vacation Villas and continue the Remainder / Conversion Program (a strategy to convert the leasehold interests of approximately 18,000 proprietary time share clients to fee simple tenure) at the forecasted pace. The primary operating initiatives within the Northwynd Plan include:

- Re-engineer the sales process through strategic alliances with world class third party sales organizations;
- Strengthening the financial independence of timeshare management services within Northwynd so as to maximize profit from service agreements;
- Retaining Northwynd's resort operations management advisor on a longer term basis to spearhead improved operations at the resort properties. This initiative should produce higher timeshare revenue and improved profitability within rooms, entertainment and food and beverage operations;
- Achieving positive cash flow for all business units in the near term;
- Reduction of legal and professional fee expenses; and
- Reduction of general and administration expense through elimination of unnecessary management and administrative infrastructure.

Recovery through Management Performance

Management contends in the Northwynd Plan that an orderly or forced liquidation of assets at this time through near term dispositions will yield an unacceptable return of existing capital deployed. Third party valuations of Fairmont's assets and FRPL all stipulate the relative market illiquidity for resort properties, particularly those being offered as distressed sales.

Conversely, the alternate strategy of exploiting the existing assets through a series of reposition and revenue initiatives could return all of the Bondholders' original investment. To achieve this strategy, management proposes in the Northwynd Plan the following steps intended to be addressed immediately.

- Complete the remaining cost cutting measures previously identified by Fairmont management;
- Significant re-engineering of the business, much of which is underway; and
- Work and manage the assets to realize maximum value.

Capital Repatriation Program

Northwynd will establish a proper working platform in order to execute the Capital Repatriation Program ("**CRP**") for Northwynd), Northwynd's plan for returning capital to the Bondholders. The core activity and sole intention of Northwynd will be to maximize the value of the existing assets and thereafter repatriate capital for the former Bondholders to the fullest extent possible.

The Northwynd Plan has established a priority of actions, generally described as follows:

- Confirm management appointments and associated administration
- Finalize platform of operations and business re-engineering process:
  - Re-engineer the sales process through a strategic alliance with a global timeshare sales organization.
  - Enter into a management services agreement with an international resort operations management advisor to professionally operate and enhance the resort properties resulting in higher timeshare revenue and maximize profitability within rooms, golf and food and beverage.
  - Strengthen the financial independence of the role of timeshare management services within Northwynd LP so as to maximize profit from services agreements
  - Achieve breakeven or better cash flow for all business units as a near term objective
  - Reduction of professional fees
  - Reduction of salary and administrative expenses
- Northwynd's Principal Capital / Revenue Initiatives
  - Maximize returns from the Remainder Program
  - Monetize Building 1000 at Lake Okanagan Resort as normal course sale of time share inventory
  - Monetize Building 1100 at Lake Okanagan Resort as normal course sale of whole ownership strata interests
  - Monetize existing time share inventory at Lake Okanagan Resort and Fairmont Vacation Villas
  - Monetize certain development lands at Lake Okanagan Resort
  - Develop and sell a new timeshare property on existing lands at Fairmont Vacation Villas
  - Develop and sell a limited number of marina slips at Lake Okanagan Resort

The above-noted principal initiatives are anticipated to occur through to the end of 2015. During the course of the CRP horizon, the Board of Directors of the General Partner and the Board of Trustees of the Trust will monitor business developments and general market conditions with a view to identifying an acceleration of the CRP through bulk sales of the various non-essential properties, should market conditions warrant.

The basic premise of the CRP is that the value of the Fairmont Assets is potentially greater than the current amount owing to Bondholders; however only if exposed over time through the implementation of CRP

Operating Structure

Consistent with the defined core business, the Northwynd Plan is designed to reengineer and outsource certain functions, primarily resort management and sales and marketing. This would be accomplished by transferring the sales and marketing function to third party, world class sales and marketing organizations through strategic alliance agreements and realignment of all resort management and hospitality related functions to a specific internal business unit or to an independent third party. Northwynd will maintain three business units to provide the operational, asset reposition and sales and marketing platforms in order to effectively execute the CRP. They include:

Fairwynd Resort Properties Ltd.

Fairwynd Resort Properties Ltd. is the general partner of Northwynd LP which will become a wholly owned subsidiary of Northwynd upon completion of the Arrangement. Fairwynd Resort Properties Ltd will provide internal management services to the Trust on a shared services basis and will be responsible for managing the business and affairs of Northwynd LP. With the restated core business being that of reposition and development of existing assets, all costs not consistent with Northwynd's primary objectives will be shed.

RM (Resort Management)

RM currently exists within the Fairmont structure but does not handle all hospitality functions. It shares those functions with the Fairmont corporate offices. Under the Northwynd structure, RM will provide complete management and hospitality services for all existing Fairmont assets. All hospitality operational functions currently performed by Fairmont will be realigned to RM, thereby reducing corporate overhead costs and aligning these functions within an operating platform consistent with the experience and mandate of RM. RM will be a wholly owned subsidiary of Northwynd LP and serve as a profit centre managed by a competent senior industry executive. Growth considerations for RM may include additional management and hospitality contracts with third party independent owners.

Consistent with this shift in operating strategy, Fairmont has contracted the services of Scottford Enterprises, an international resort management organization with extensive experience in the field of Resort and Hotel Management. Fairmont contracted the services of Scottford Enterprises to complete an operational analysis of LOR. This analysis was completed December 16, 2009 at which time Scottford Enterprises presented Fairmont with a broad ranging set of recommendations for operational improvement and improvement in LOR's financial performance. Fairmont accepted those recommendations and has contracted Scottford Enterprises on an interim basis to assist in the implementation of those recommendations. Should the Bondholders approve the Reorganization Plan, it is Northwynd's intention to continue the work with Scottford Enterprises to improve LOR operations

Sales and Marketing

Northwynd has concluded that many of the sales and marketing strategies currently employed by Fairmont should be abandoned. This business plan summary does not address the corresponding issues of past performance that has led to this conclusion. Further, Northwynd intends to discontinue the current internal sales and marketing platform in favour of one or more external relationships with pure sales oriented companies strategically aligned with each product line, hereinafter referred to as Merchandizing Alliances. This shift in operating strategy is consistent with the basic components of our overall corporate reengineering strategy. As each product line and target market is unique, the sales strategy and corresponding Merchandizing Alliance will be addressed independently. The product lines include:

Remainder Conversion Program

In summary this program offers the remaining fee simple interest in the timeshare properties of Fairmont to the timeshare leaseholder, a conversion to the Resorts Condominium International ("**RCI**") points based vacation property exchange program and the opportunity to acquire existing inventory with the same features. The addressable market consists of approximately 18,000 existing Fairmont leaseholders.

This program has been and will be promoted through the establishment of geographical sales territories representing the magnitude of leaseholders within each. Distinct sales teams are assigned geographic territories with the intent to contact each leaseholder and advance the program. Upon achievement of market penetration of each territory, new territories are then opened. This program was introduced during the CCAA process and has generated approximately $6 million of net revenues (after direct selling costs). Northwynd will maintain this program and expects to generate approximately $22 million of net revenues over the next six years.

Northwynd will continue to pursue the introduction of additional merchandising alliances to promote this program particularly as it relates to the follow up and second go around in territories.

Normal Course of Business Timeshare

Achieving the projected revenue from timeshare product presents the greatest challenge to Northwynd, as the Merchandising Alliances to affect the volumes contemplated are not currently in place. Fairmont has commenced discussions with a world-wide interval vacation sales organization (referred to herein as "Salesco" for reasons of confidentiality) with the intent to contract their sales and marketing program for the timeshare product line. The alignment of Fairmont with a company of Salesco's stature will provide Fairmont with tremendous channel exposure and market penetration through the numerous sales locations currently maintained by Salesco.

Initial sales projections prepared by Salesco supports Northwynd's projected timeshare sales. Northwynd is encouraged by Salesco's initial response and intends to formalize this relationship as soon as possible. To the extent that this relationship does not mature as anticipated, management is confident that an alternate allegiance can be sourced.

Whole Ownership

The whole ownership product inventory included in the Fairmont Assets is limited to 24 units at Lake Okanagan Resort. Northwynd intends to utilize a standard association with an MLS realtor as the merchandising alliance.

Marina Slips

As a function of the perceived demand for this product line the Northwynd Plan proposes the use of local realtor base, internal contacts and normal course of business merchandizing alliance to market this product.

Capital Initiatives

The following table assumes capital initiatives are project financed (i.e. not corporate equity), which has been determined to be less dilutive to Unitholders than additional equity. The table illustrates the net capital created during the forecast periods, representing a portion of the basis of recovery.

Primary Asset	Nature of program	Units	Unit Measure	Incremental Capital (with interest)	Revenue	Margin	Net Capital Created
FVV 8300	Timeshare	32	rooms	12,377,866	37,536,000	21,395,520	9,017,654
LOR 1000	Timeshare	24	rooms	-	25,704,000	14,651,280	14,651,280
LOR 1100 A	Whole ownership	12	rooms	-	3,180,000	3,180,000	3,180,000
LOR Marina	Titled sale LOR 1100 B Inventory	50 12 38	slips slips slips	2,221,918	2,500,000	2,500,000	278,082
LOR 1100 B	Titled whole ownership sales	12	rooms		6,000,000	6,000,000	6,000,000
LOR Site A	Titled sales	50	door/density		1,500,000	1,500,000	1,500,000
LOR Site B	Titled sales	50	door/density		2,000,000	2,000,000	2,000,000
Reminder program and other							21,878,000
				14,599,784	**78,420,000**	**51,226,800**	**58,505,016**

Fairmont Vacation Villas

The production and sale of timeshare inventory at Fairmont Hot Springs has historically been the cornerstone of revenue generation for Fairmont. The capacity and willingness of the market to absorb product is proven and Northwynd believes additional product can be absorbed by this market. Market pricing for the new product has been established and Northwynd management believes that greater value may be achieved as a result of the RCI points based affiliation.

Development planning at the site for the 8300 building at Fairmont Vacation Villas has begun, however, value engineering still needs to be undertaken and construction and development permits will be required. Northwynd intends to review the primary design to ensure that standard efficiencies and value engineering have been employed.

The basic pro forma components of the Fairmont Villas Building 8300 are as follows:

Fairmont Villas
Building 8300 Development

Rooms	32
Weeks	1,632
Development cost 32 rooms	9,500,000
Average revenue per week	23,000
Selling costs	43%
Net margin per week	13,110
Project revenue	37,536,000
Project margin	21,395,520
Cost of capital	12,377,866
Net return	9,017,654

Lake Okanagan Resort

The revenue initiatives forecasted within LOR are intended to advance multiple income sources through revenue and price point diversification as follows:

- Sale of Building 1000 as normal course of business timeshare
- Sale of half of Building 1100 as whole ownership, priced consistent with the current market conditions
- Production of 100 marina slips and sale of 50 to complement revenue forecasts and cost recovery on the capital cost of the marina, moreover a step towards establishing LOR as a destination resort offering a supply of highly sought after boat amenities.
- Sale of remaining half of Building 1100 as whole ownership, premium priced to include a marina slip
- Sale of future development lands in the corresponding amount of 100 dwelling units zoned and subdivided for multifamily production. This will still leave LOR with approval for 183 additional dwelling units

The basic pro-forma components of the LOR reposition are as follows:

Timeshare and Development Pro forma

Point Beach I Timeshare

Rooms	24
Weeks	1,224
Development cost 24 rooms	-
Average revenue per week	21,000
Selling costs	43%
Net margin per week	11,970
Project revenue	25,704,000
Project margin	14,651,280
Cost of capital	-
Net return	14,651,280

Point Beach II "A" units strata

Rooms	12
Weeks	n/a
Development cost 24 units	
Revenue per unit	265,000
Selling costs	
Net margin	265,000
Project revenue	3,180,000
Project margin	3,180,000
Cost of capital	-
Net return	3,180,000

LOR Marina

Slips		100
Development cost		2,000,000
Titled sales	50	
Price / slip		50,000
Titled sales		2,500,000
Attached to PB II Timeshare Units	12	
Inventory	38	
Cost of capital		2,221,918
Net return on titled sales		278,082

Point Beach II "B" units strata

Rooms	12
Weeks	n/a
Development cost 24 units	
Revenue per unit	500,000
Selling costs	
Net margin	500,000
Project revenue	6,000,000
Project margin	6,000,000
Cost of capital	-
Net return	6,000,000

LOR Development Ready Lands Sale

	Site A	**Site B**
Door equivalent	50	50
Price per door	30,000	40,000
Land sales	1,500,000	2,000,000

Capitalization and Financing

Secured Creditors and Assumed Liabilities

Northwynd expects to assume the following Fairmont obligations:

- approximately $8.0 million owing to Resorts Funding International
- New term loan financing of $8.0 million to repay DIP financing, discharge the remaining CCAA staff and operating obligations, and provide working capital for Northwynd
- Building 7000 liability of $4.3 million

The terms of the RFI loan agreement provide that all amounts received on collection of the notes receivable will be applied to repay the RFI loan. The projected financial statements reflect repayment in accordance with the terms of the RFI loan agreement. However, the relative priority of FRPL and RFI to these receivables will be determined through the RFI Claim.

New Financing

Northwynd will arrange the following financing to fund its capital requirements. Management is in discussions at this time to formalize Financing #1 in order to repay the CCAA DIP credit facility and other CCAA funding requirements necessary to facilitate completion of the CCAA process. Financing #2 will be initiated by management, and pre-sale marina slip commitments will be in place well in advance of the construction start date. This block of pre-sale capital will be placed within a trust facility and used as security for the construction loan. Financing #3 will be addressed in priority as required in order to coordinate the funding date with the anticipated production start.

Financing # 1
- Term loan in the principal amount of $8.0 million
- In place, or substantially subscribed to prior to CCAA to ensure solvency and liquidity.
- Use of proceeds to repay DIP, CCAA exit costs, working capital
- Repaid by end of 2011.

Financing # 2
- Term loan in the principal amount of $2.0 million
- Use of proceeds to develop phase 1 of LOR marina
- Project specific financing
- Equity in development sourced through presales

Financing # 3
- Term loan in the principal amount of $9.5 million
- Use of proceeds to develop timeshare building (8300) at FVV
- Project specific financing

Summary of Investor Return and Recovery

Detailed financial projections for Northwynd have been included in Appendix E. The following is a condensed summary of that information. The Summary of Investor Return and Recovery shown herein should be read in conjunction with the information in Appendix E.

- Projected distributions of cash equal to taxable income of $25.1 million during the CRP six year period.

- The projection contemplates cash distributions representing return of capital equal to $18.5 million.

- Total cash distributions are projected at $43.6 million.

- In addition, the projection contemplates that following the projected cash distributions the residual equity in Northwynd will be $22.5 million.

Northwynd REIT Projected Cash Distributions (000's)	9 Months Ending 31-Dec-10	Year Ending 31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15	Total
Cash distribution of taxable income	$566	7,088	6,313	9,169	1,874	50	**$25,061**
Cash distribution of capital	2,000	2,000	1,500	5,500	4,000	3,500	**18,500**
	-	-	-	-	-	-	
Total cash distributions	2,566	9,088	7,813	14,669	5,874	3,550	**43,561**
Residual Unitholders' Equity	$41,528	38,989	36,910	30,792	26,137	22,516	**$22,516**

The distribution of capital will be made possible through the monetization of timeshare and remainder finance notes given by customers on their purchase of product. The Trustees will monitor the appropriate level of debt for the Trust to incur to monetize the finance notes receivable into cash through the pledge of notes as security for a credit facility.

The Northwynd Plan contemplates the issuance of equity to management as a long-term compensation incentive. Once their invested principal amount has been returned to the Unitholders, the residual equity position would be shared on an equal basis with management and serves to incentivize management's execution of the Northwynd Plan.

The following table is a summary of the cash sources and uses underlying the projected distributable cash.

Northwynd REIT **Projected Distributable Cash** (In $Thousands , except per unit amounts)	**9 Months Ended** **31-Dec-10**	**Years Ending (000's)** **31-Dec-11**	**31-Dec-12**	**31-Dec-13**	**31-Dec-14**	**31-Dec-15**
Cash sources						
Timeshare sales and notes receivable collections	$4,565	$11,832	$18,371	$19,666	$13,413	$12,273
Reversionary sales and notes receivable collections	9,282	9,955	5,922	5,324	2,309	359
Proceeds from financing notes receivable	1,963	8,044	14,068	12,815	907	374
Proceeds from project financing	1,500	10,000	-	-	-	-
Sale of real estate	2,385	10,795	2,000	-	-	-
Management fees and retail sales	1,104	1,519	1,662	1,630	1,630	1,630
Hotel operations	3,926	5,120	5,383	5,646	5,932	6,227
Total cash sources	**24,725**	**57,265**	**47,407**	**45,080**	**24,191**	**20,863**
Cash disbursements						
Capital expenditures	3,150	14,300	-	-	-	-
Selling costs, operating and overheads	11,607	20,386	25,179	23,286	11,755	11,030
Repayment of project and corporate financings	-	10,000	8,500	1,000	-	-
Repayment of financings of notes receivable	2,449	3,947	4,531	3,697	4,823	5,289
Cost of financing	1,406	2,575	2,921	2,257	2,299	1,956
Total cash disbursements	**18,612**	**51,208**	**41,131**	**30,240**	**18,878**	**18,275**
Net cash generated	**6,113**	**6,057**	**6,276**	**14,840**	**5,314**	**2,588**
Cash balance before distributions	**9,317**	**12,808**	**9,996**	**17,023**	**7,669**	**4,382**
Cash distribution of taxable income	**566**	**7,088**	**6,313**	**9,169**	**1,874**	**50**
Cash distribution of capital	**2,000**	**2,000**	**1,500**	**5,500**	**4,000**	**3,500**

	-	-	-	-	-	-
Cash balance after distributions	**$6,751**	**$3,720**	**$2,183**	**$2,355**	**$1,794**	**$832**
Number of Series A Trust Units	**43,805**	**43,805**	**43,805**	**43,805**	**43,805**	**43,805**
Distributable cash per trust unit for the period	**$0.06**	**$0.20**	**$0.18**	**$0.33**	**$0.13**	**$0.08**

Corporate Governance, Management and Operating Platform

The introduction of corporate governance through a properly constituted Board of Trustees is intended to provide Unitholders with the following advantages:

- management will acquire direction and guidance properly focused on the objectives;
- Unitholders will obtain the comfort that all major decisions are focused on the primary intent to return and maximize capital; and
- Unitholders will acquire the right and capacity to monitor the performance and success of the Northwynd Plan and ultimately effect change if required.

In order to achieve the forecasted results it is essential that senior management possess those skills consistent with the restated core business, that being generally described as reposition, capitalization and development. These capacities are represented within the proposed base of senior management. See *"Trustees, Directors and Management"*.

The compensation philosophy of the Trust will encompass the following principles:

- Attract, retain and incentivize high quality management whose interests are aligned with the Trust's primary objective of repatriating capital to Unitholders;
- Base salary level that recognizes the work out nature of Northwynd and the possibility of there being a limited timeframe and future of the organization;
- Annual cash bonus compensation for achieving targets;
- Variable compensation linked to sale proceeds in the event the Trust is liquidated prior to the completion of the contemplated CRP period; and
- Option for management to acquire up to 50% interest in the Trust at the end of the CRP period provided the original investment of the Unitholders has been repaid through cash distributions.

The board of directors of the General Partner and the Trustees must approve and oversee the administration of the management compensation plan.

The Vision

This business plan demonstrates that the capital available for distribution to the Bondholders is significantly enhanced through the execution of the Northwynd Plan's CRP. When analyzing the orderly and forced liquidation values as established by Ernst & Young, it strengthens Northwynd's initial belief that current market conditions will severely impact recovery within any method of liquidation.

Management is confident that the levels of distribution, as projected within the CRP, are achievable. That is not to say that a conservative approach has been employed. On the contrary, the forecasted results are a function of assumptions based upon the strength and experience of current management.

As shown, the Northwynd Plan has only forecasted the monetization of a portion of the total assets. The assets addressed are those believed to be the quickest route to earnings, and more importantly, cash flow for distribution.

The residual assets could represent a significant opportunity for future growth and development potential for all stakeholders.

The Northwynd Plan remains committed to the position that there is a real business platform subsequent to the repatriation of the secured debt. If correct, all Unitholders will continue to participate in the ongoing success of this business.

It should be a key factor to all Unitholders that Northwynd management is committed to this continuation process and that a component of planning has surfaced profit potential past year six. The capacity for management to realize additional potential will benefit all stakeholders as that will generate the commitment required to reach that point.

ASSET LIQUIDATION PROPOSAL

Pursuant to the terms of the Indentures, the Bonds are secured by certain assets of Fairmont and its subsidiaries. As a result of the events of default that have occurred, Bondholders are entitled to enforce claims for repayment of principal and interest owing pursuant to the Bonds against the Pledged Assets.

The Series B Trust Indenture provides that Computershare, as Trustee pursuant to the Indenture, will enforce the Series B Security if it receives written instructions to do so from Bondholders representing 25% of the principal amount of the Series B Bonds that are issued and outstanding. Likewise, the Series 1/2 Trust Indenture provides that Computershare, as Trustee pursuant to the Indenture, will enforce the Series 1/2 Security if it receives written instructions to do so from Bondholders representing 25% of the principal amount of the Series 1/2 Bonds that are issued and outstanding.

If Bondholders wish to direct Computershare to enforce the Series B Security or Series 1/2 Security, as applicable, then they must sign the form of Liquidation Direction enclosed with the Meeting materials and return it to Computershare at the address indicated in the form. Additional copies of the Liquidation Direction will be available at the Meeting for Bondholders that determine to support this alternative. If either the Series 1/2 Bondholders or the Series B Bondholders elect by the requisite threshold to proceed with Liquidation then the Arrangement will not proceed.

In order to test Management's assessment of liquidation value and to provide an independent view on realizable value, Fairmont contracted the services of Ernst & Young Real Estate Services Inc. The nature of this assignment was to provide a market valuation for each strategic asset in order to derive a net distributable amount available for application to the Bondholder debt. This valuation included two assessments; orderly liquidation of assets conducted over a 12 month period and a forced sale basis assuming a four month sales cycle.

The Monitor used the market valuation prepared by Ernst & Young Real Estate Services Inc. in its liquidation analysis for both liquidation scenarios, with allocation to the Series B Bondholders and Series 1 and 2 Bondholders as follows:

ESTIMATED NET PROCEEDS FROM ASSET LIQUIDATION	Forced Liquidation (000's)			Orderly Liquidation (000's)		
	Series B	Series 1&2	Total	Series B	Series 1&2	Total
Mortgaged assets - land, buildings, reversionary interests and timeshare	$2,977	$11,635	$14,612	$5,972	$16,415	$22,387
Assets secured by General Security Agreement	1,347	4,826	6,173	1,759	6,303	8,062
Operating funds generated in liquidation:						
Timeshare and reversionary revenues	-	-	-	16,800	-	16,800
Sales, marketing and overhead expenses	-	-	-	(13,507)	-	(13,507)
				3,293	-	3,293
Net proceeds before restructuring and liquidation costs	4,324	16,461	20,785	11,024	22,718	33,742
Recovery (reimbursement) of CCAA restructuring , corporate, and intercompany amounts	1,867	-	1,867	4,080	(1,520)	2,560
Estimated liquidation costs	(672)	(2,125)	(2,797)	(1,517)	(1,535)	(3,051)
Estimated net proceeds of liquidation	$5,519	$14,436	$19,855	$13,587	$19,664	$33,251
% recovery on principal plus taxed interest to September 30, 2008	***36.55%***	***49.94%***	***45.32%***	***89.98%***	***68.51%***	***75.91%***
Bondholder debt - principal plus taxed interest to September 30, 2008	$15,101	$28,704	$43,805	$15,101	$28,704	$43,805
Ernst & Young estimated ranges of recovery	***28% - 42%***	***42% - 60%***		***83% - 100%***	***58% - 80%***	

The liquidation proceeds due to each group of Bondholders include (1) the net proceeds from the sale of assets specifically mortgaged under their respective security, (2) their pro rata share of assets not specifically mortgaged to the Bondholders but secured by the General Security Agreement (the "**GSA Assets**") provided to FRPL and FRPLM by Fairmont and (3) the net cash generated from business operations during the liquidation period. In addition, the Series B Bondholders would be entitled in liquidation to recovery from the Series 1/2 Security and from the GSA Assets their respective share of the restructuring and net operating costs incurred during the CCAA process but funded entirely from cash generated from Series B Bondholder security. Finally, the costs of liquidation, consisting primarily of professional costs would be allocated to each group of Bondholders in determining their respective net proceeds from liquidation.

In liquidation, the proceeds from the sale of the GSA Assets would be allocable to the REIT C loan as well as to the Series B and Series 1/2 Bondholders. During the CCAA process, Fairmont has advanced approximately $2.3 million to Makaha Hotel and Resort to fund its operations. Those funds were provided from Series B Bondholder security. Makaha has provided a mortgage to Fairmont in support of the REIT C loan. For the purposes of the liquidation analysis, Management has assumed that the court would direct that $2.3 million of funds advanced by Fairmont to Makaha be recaptured from the REIT C loan share of the GSA Assets. Management's analysis indicates that the REIT C share of the GSA Assets (approximately $2.1 million) would not be sufficient to fully repay the $2.3 million of advances. Accordingly, in Management's liquidation analysis all proceeds from the sale of GSA Assets are attributed to the Series B and Series 1/2 Bondholders.

The sale of the Fairmont Assets would be a court-supervised process directed by a receiver, or by the Monitor within the existing CCAA process. The method of sale would depend on the nature of the asset. In the case of real estate, the lands would be advertised and marketed over a reasonable period of time to attempt to obtain the highest price. With respect to timeshare and the reversionary interest program, new authorities to market those products from the British Columbia regulatory authorities would have to be obtained, and a sales and marketing team would have to be hired or retained to market that product. Certain existing business operations, such as the hotel operations and the Fairmont Villas management contract, would have to be maintained and individuals with the necessary expertise would have to be hired to supervise and maintain those operations during the liquidation period. The time period for the liquidation, although targeted at one year, could take longer given the expected lack of immediate demand for certain assets such as development land. The costs of liquidation, including receiver and legal costs, would be significant.

The amounts due to the Series B Bondholders for reimbursement of costs paid on the Series 1/2 Bonds would be expected to be paid from the sale of assets secured by the Series 1/2 Bonds, thus the timing of recovery for the Series B Bondholders would be dependent upon the timing of the sale of the Series 1/2 secured assets. We would expect the Court's involvement in establishing the priority of the Series B Bondholders claim for reimbursement and the manner and timing in which that claim would be reimbursed.

The recoveries under the two liquidation scenarios range from 37% to 90% of total debt due to Series B Bondholders and from 50% to 69% for the Series 1/2 Bondholders. Total debt is defined to be the Bondholders original investment principal plus accrued but unpaid interest to September 30, 2008.

The liquidation of the Fairmont Assets would be subject to significant uncertainties, including:

- There is a considerable amount of similar real estate on the market from other distressed sellers. We would expect buyers would be aware that the sale of the Fairmont Assets would be a distress sale. We would also expect those buyers to be generally very opportunistic bargain hunters and in some cases, the only buyers.

- Due also to the market slowdown, there is little demand for development lands. We would expect that the Fairmont development lands would sell at prices significantly below the orderly liquidation values if the Bondholders were not prepared to wait for market improvements.

- Ernst & Young has assumed that the timeshare and lease conversion revenue programs will be maintained throughout the liquidation period, generating net revenue after all selling and overhead costs of almost $3.3 million. There is no assurance that the personnel and infrastructure required to maintain these revenue programs can be sustained. If the lease conversion program can't be maintained in a liquidation scenario then a major portion, if not all, of the $3.3 million in net revenues could be foregone.

- It is uncertain who would manage the liquidation and the costs of liquidation of approximately $3 million, although provided for in Ernst & Young's estimates, may vary significantly with the time and effort required to complete the liquidation. There is no assurance that the present management team and other key employees could be retained to oversee or assist with the liquidation process.

Management believes that each of these factors may cause a significant decline in the estimated recoveries from an orderly liquidation of the Pledged Assets.

In view of the uncertainties underlying the liquidation scenarios, it is FRPL's view that recoveries to the Bondholders on a liquidation are very difficult to quantify and would likely end up in the range between forced and orderly liquidation.

ARRANGEMENT

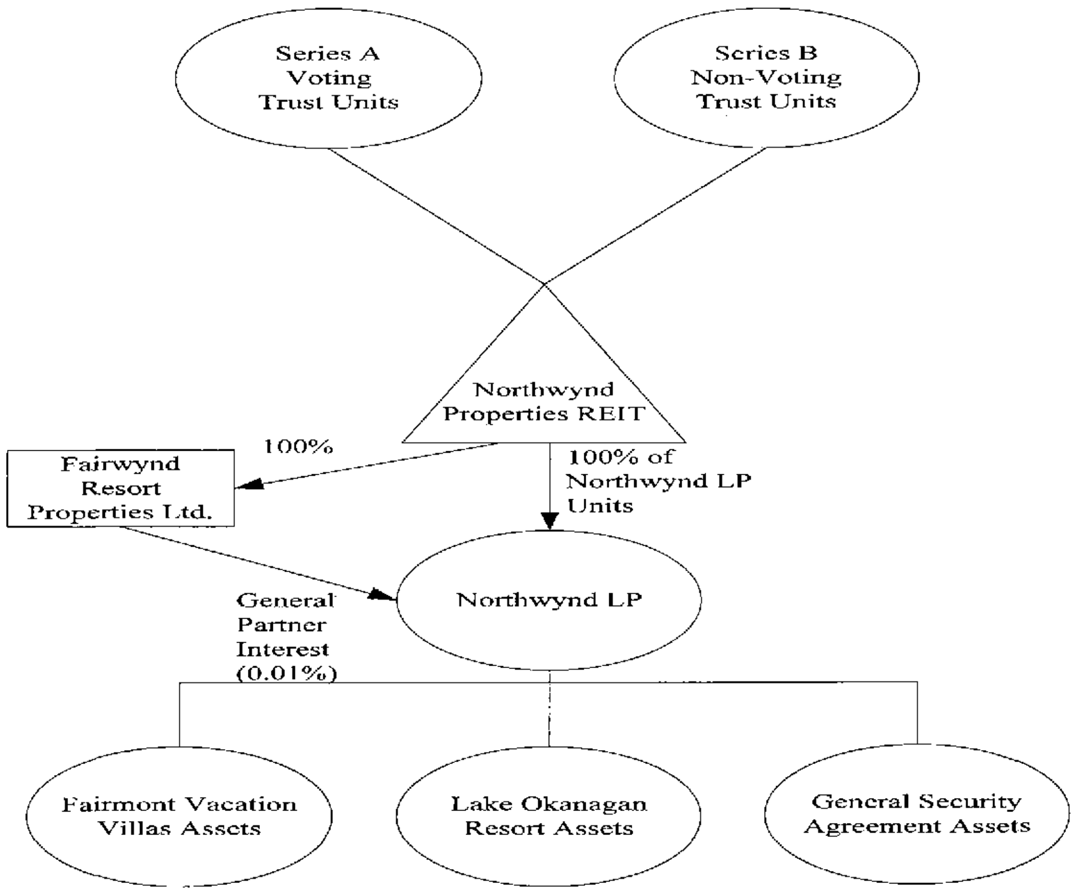
Effect of the Arrangement

If the Bondholders choose to support the Reorganization Plan, FRPL will proceed with the Arrangement. The purpose of the transactions contemplated by the Arrangement Agreement is to increase the ultimate recovery to Bondholders by exchanging debt held by Bondholders for equity in a trust which indirectly holds the same assets which secure the debt. The objective is for Bondholders to recover their investment over time through the return of capital in an amount equal to their original investment and to earn a positive return on their investment through distributions of income generated by the Fairmont Assets and the opportunity to participate in future growth in the value of the Fairmont Assets. Management anticipates that the return on investment pursuant to the Arrangement will be greater than the amount that would be received by Bondholders in the event of the Liquidation of the Pledged Assets.

Upon completion of the Arrangement, Bondholders will receive a combination of non-voting and voting Trust Units in the Trust. Bondholders will receive one (1) voting Series A Trust Unit and one (1) non-voting Series B Trust Unit for each $1.00 principal amount of Bonds. For details regarding the Trust Units, see "*Declaration of Trust and Description of Units*".

A board of trustees will be appointed to oversee the activities of the Trust and a new management team will be appointed to the General Partner and will be responsible for the management, development and operation of the Fairmont Assets that are acquired by Northwynd LP upon enforcement of the Security acquired in connection with the Arrangement. See "*Trustees, Directors and Management*".

The following diagram sets out the organizational structure of the Trust, Northwynd LP and the General Partner following the Effective Time and after giving effect to Northwynd LP's realization on the Security and the GSAs:



For further information regarding the Trust, Northwynd LP and the General Partner, please refer to "*Information Concerning the Trust*", "*Information Concerning Northwynd LP*" and "*Information Concerning the General Partner*".

Details of the Arrangement

The proposed Arrangement will result in Northwynd LP owning all of the Secured Assets and making distributions to the Trust which will in turn make distributions to Unitholders.

Arrangement Steps

On the Effective Date, each of the events set out below shall occur and shall be deemed to occur in the following order, unless otherwise stated, without any further act or formality:

(a) the Fairmont Loan Agreements, the Security and the GSAs shall be assigned by FRPL to Northwynd LP in exchange for a demand promissory note in the principal amount of $43,804,817 from Northwynd LP;

(b) the Trust shall issue to FRPL that aggregate number of Trust Units required to be distributed by FRPL to the Bondholders to complete the redemption of Bonds provided for in subsection (e), in consideration for the promissory note of Northwynd LP received by FRPL in the immediately preceding step;

(c) the Trust shall assign and contribute the promissory note of Northwynd LP received by the Trust in the immediately preceding step to Northwynd LP for 43,804,817 LP Units at a price of $1.00 per LP Unit and the Trust shall be recorded as the holder of such LP Units on the register maintained by Northwynd LP for LP Units;

(d) FRPL shall issue to those Series B Holders and Series 2 Holders entitled thereto pursuant to the terms of the respective Indentures, an aggregate of $670,887 of Series B Bonds and $1,690,481 of Series 2 Bonds, respectively, as full payment and satisfaction of the accrued and unpaid interest on such Bonds to September 30, 2008;

(e) each $1.00 of principal amount of each issued and outstanding Bond (including those issued pursuant to subsection (d)), shall be redeemed by FRPL in exchange for one (1) Series A Trust Unit and one (1) Series B Trust Unit held by FRPL as full repayment and satisfaction of all outstanding principal of the Bonds and all interest on the Bonds accrued after September 30, 2008 and unpaid shall be cancelled and the Bonds shall be cancelled in accordance with their terms; and

(f) the one (1) outstanding common share of the General Partner shall be redeemed by the General Partner for $0.10 and cancelled;

provided that if any of the foregoing steps in (a) through (f) fails to occur or complete then all of such steps will be deemed not to have occurred.

On the day immediately after the Effective Date the Trust shall subscribe for 10 common shares of the General Partner for an aggregate purchase price of $1.00.

Post Arrangement Structure

Following the Arrangement steps:

(a) the former Bondholders will own all of the issued and outstanding Trust Units;

(b) the Trust will own all of the issued and outstanding LP Units;

(c) the Trust will own all of the issued and outstanding shares of the General Partner; and

(d) Northwynd LP will own the Fairmont Loans, the Security and the GSAs.

Upon the completion of the Arrangement, an aggregate of approximately 43,804,817 Series A Trust Units and 43,804,817 Series B Trust Units will be issued and outstanding. See "*Arrangement — Effect of the Arrangement*" and "*Information Concerning the Trust*".

Arrangement Agreement

The Arrangement is being effected pursuant to the Arrangement Agreement. The Arrangement Agreement contains covenants, representations and warranties of and from each of FRPL, the Trust, the General Partner and Northwynd LP and various conditions precedent, both mutual and with respect to each corporation, partnership and trust.

The Plan of Arrangement is attached as Appendix C to this Information Circular and reference is made to that Appendix for the full text thereof.

Conditions to the Arrangement Becoming Effective

The Arrangement is proposed to be carried out pursuant to section 193 of the ABCA. The following procedural steps must be taken for the Arrangement to become effective:

(a) the Bondholders must not have directed the enforcement of the Security;

(b) the Arrangement must be approved by the Bondholders of FRPL voting at the Meeting;

(c) the Arrangement must be approved by the Court pursuant to the Final Order;

(d) all conditions precedent to the Arrangement, including those set forth in the Arrangement Agreement, must be satisfied or waived by the appropriate parties; and

(e) the Final Order, Articles of Arrangement and related documents, in the form prescribed by the ABCA, must be filed with the Registrar and the Certificate must be issued by the Registrar.

Approvals and Conditions

Bondholder Approval

Pursuant to the Interim Order, the Arrangement Resolution must be approved by at least two-thirds of the votes cast by Series 1/2 Bondholders and Series B Bondholders, voting separately, who vote in respect of the Arrangement Resolution, in person or by proxy, at the Meeting.

Court Approvals

Interim Order

On March 5, 2010 the Court granted the Interim Order facilitating the calling of the Meeting and prescribing the conduct of the Meeting and other matters. The Interim Order is attached as Appendix B to this Information Circular.

Final Order

The ABCA provides that an arrangement requires Court approval. Subject to the terms of the Arrangement Agreement, and if the Arrangement is approved by Bondholders at the Meeting in the manner required by the Interim Order, FRPL will make application to the Court for the Final Order.

The application for the Final Order approving the Arrangement is scheduled to be heard on April 14, 2010 at 9:00 a.m. (Calgary time), or as soon thereafter as counsel may be heard, at the Court House, 601 - 5th Street S.W., Calgary, Alberta. At the hearing, any Bondholder and any other interested party who wishes to participate or to be represented or to present evidence or argument may do so, subject to filing with the Court and serving on FRPL a Notice of Intention to Appear together with any evidence or materials which such party intends to present to the Court on or before noon (Calgary time) on April 13, 2010. Service of a Notice of Intention to Appear and related materials to FRPL shall be effected by sending them to the solicitors for FRPL: Borden Ladner Gervais LLP, 1000, 400 - 3rd Avenue S.W., Calgary, Alberta, T2P 4H2, Attention: John Ircandia. See "*Notice of Petition*".

The securities to be issued pursuant to the Arrangement will not be registered under the 1933 Act, in reliance on the exemption from registration provided by section 3(a)(10) thereof. The Court will be advised at the hearing of the application for the Final Order that if the terms and conditions of the Arrangement are approved by the Court, the Final Order will constitute the basis for an exemption from the registration requirements of the 1933 Act and accordingly the securities issued pursuant to the Arrangement will not require registration under the 1933 Act.

FRPL has been advised by its counsel, Borden Ladner Gervais LLP, that the Court has broad discretion under the ABCA when making orders with respect to the Arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit. Depending upon the nature of any required amendments, or the terms and conditions imposed by the Court, FRPL or the Trust may determine not to proceed with the Arrangement.

Conditions Precedent to the Arrangement

The respective obligations of the parties to the Arrangement Agreement to complete the transactions contemplated by the Arrangement Agreement are subject to the fulfilment or satisfaction, on or before the Effective Date, of a number of conditions. These conditions include, without limitation:

(a) the Arrangement Resolution shall have been approved at the Meeting by not less than two-thirds of the votes cast by the Series B Bondholders and Series 1/2 Bondholders, voting separately, in accordance with the provisions of the Interim Order and any applicable laws;

(b) the Series B Bondholders, Series 1/2 Bondholders shall not have initiated enforcement proceedings for payment of the principal of or interest on their respective Bonds in accordance with the provisions of the respective trust indentures governing their respective Bonds;

(c) the Final Order shall have been obtained in form and substance satisfactory to each of the parties acting reasonably and shall not have been set aside or modified in a manner unacceptable to the parties acting reasonably, on appeal or otherwise;

(d) all necessary documents filed with the Registrar in accordance with the Plan shall be in form and substance satisfactory to each of the parties acting reasonably and shall have been accepted for filing by the Registrar together with the Articles of Arrangement in accordance with Section 193 of the ABCA;

(e) there shall have been no action taken under any applicable law and there shall not be in force any order or decree of any governmental authority that:

   (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Arrangement or any other transactions contemplated herein;

   (ii) results in any judgment or assessment of material damages directly or indirectly relating to the transactions contemplated herein; or

   (iii) imposes or confirms material limitations on the ability of: (A) the Trust to effectively exercise full rights of ownership of the securities of the General Partner including, without limitation, the right to vote any such securities; (B) the Trust to exercise full rights of ownership of the LP Units, including, without limitation, the right to vote any such securities;

(f) there shall have been no material change with respect to the income tax laws or policies of Canada or any province thereof which would have a material adverse effect on the reorganization of FRPL as contemplated by the Plan, including the manner in which distributions made to holders of Trust Units are taxed; and

(g) all necessary third party and other consents, approvals and authorizations with respect to the transactions contemplated hereby (including, without limitation, orders of applicable governmental authorities for the issuance of Trust Units, shall have been completed or obtained.

On the conditions being fulfilled or waived, FRPL intends to file a copy of the Final Order and the Articles of Arrangement with the Registrar under the ABCA, together with such other materials as may be required by the Registrar, in order to give effect to the Arrangement.

Notwithstanding the foregoing, the Arrangement Resolution proposed for consideration by the Bondholders authorizes the FRPL directors, without further notice to or approval of such Bondholders, subject to the terms of the Arrangement, to amend the Arrangement, to decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to the Arrangement becoming effective pursuant to the provisions of the ABCA. See Appendix A for the text of the Arrangement Resolution.

Recommendation of the FRPL Board of Directors

The FRPL board of directors has concluded that the Arrangement is in the best interests of FRPL and unanimously recommend that Bondholders vote in favour of the Arrangement Resolution.

The FRPL board of directors has authorized:

(a) FRPL to enter into the Arrangement Agreement;

(b) the application to the Court for the Interim Order; and

(c) the submission of the Arrangement Resolution to the Bondholders for consideration at the Meeting pursuant to the Interim Order and to the Court for approval.

A wide variety of factors were considered by the board of directors of FRPL in connection with its analysis of whether to reorganize the business of FRPL into an income trust in the manner provided in the Plan. See *"Background – Consideration of Alternatives"*.

Timing

If the Meeting is held as scheduled and is not adjourned and the other necessary conditions at that point in time are satisfied or waived, FRPL will apply for the Final Order approving the Arrangement. If the Final Order is obtained on April 14, 2010 in form and substance satisfactory to FRPL and the Trust, and all other conditions set forth in the Arrangement Agreement are satisfied or waived, FRPL expects the Effective Date will be on or about April 15, 2010. It is not possible, however, to state with certainty when the Effective Date will occur.

The Arrangement will become effective on the filing with the Registrar of the Articles of Arrangement and a copy of the Final Order, together with such other materials as may be required by the Registrar.

FRPL's objective is to have the Effective Date occur as soon as practicable after the Meeting. The Effective Date could be delayed, however, for a number of reasons, including considerations arising from the CCAA proceedings and any objections before the Court at the hearing of the application for the Final Order on April 14, 2010.

Procedure for Exchange of Securities

If the Arrangement is approved then FRPL will deliver a Letter of Transmittal to Bondholders for purposes of exchanging their Bonds for Trust Units. Bondholders will need to complete and return the Letter of Transmittal, together with the certificate(s) representing their Bonds to the Depository at one of the offices specified in the Letter of Transmittal. Bondholders whose Bonds are registered in the name of a broker, dealer, bank, trust company or other nominee will need to contact their nominee to deposit their Bonds.

The use of the mail to transmit certificates representing Bonds and the Letter of Transmittal, is at each holder's risk. FRPL recommends that such certificates and documents be delivered by hand to the Depository and a receipt therefor be obtained or that registered mail be used. All signatures on: (i) the Letter of Transmittal; and (ii) certificates representing Bonds must be guaranteed by an Eligible Institution, unless otherwise provided.

Outstanding Certificates and Fractional Securities

After the Effective Time, certificates formerly representing Bonds shall represent only the right to receive certificates representing Trust Units which the former holder of such Bonds, is entitled to receive pursuant to the Arrangement and distributions with respect thereto.

All distributions made with respect to any Trust Units with a record date after the Effective Time but for which a certificate has not been issued shall be paid or delivered to the Depository to be held by the Depository in trust for the registered holder of such Trust Units. The Depository shall pay and deliver to any such registered holder such distributions and any interest thereon to which such holder is entitled, net of applicable withholding and other taxes, upon delivery of the certificate representing the Trust Units issued to such holder.

No fractional Trust Units shall be issued pursuant to the Arrangement. In the event that any exchange ratio referred to in the Arrangement would in any case result in a former holder of Bonds being entitled to a fractional Trust Unit, such Trust Units shall be rounded to the nearest whole number (with fractions equal to exactly 0.5 rounded up), provided that each beneficial former holder of Bonds, shall be entitled to the benefit of only one adjustment in respect of each of such holder's Trust Units.

Interests of Certain Persons in the Arrangement

As at March 1, 2010, the directors and officers of FRPL owned beneficially, directly or indirectly, or exercised control or direction over, an aggregate of $25,000 principal amount of Bonds, representing less than 0.1% of the outstanding Bonds. Each of the directors and officers intend to vote the Bonds owned or controlled by them in favour of the Arrangement Resolution proposed to be considered at the Meeting.

Expenses of the Arrangement

The estimated costs to be incurred by FRPL relating to the Arrangement including, without limitation, financial advisory, accounting and legal fees and the preparation and printing of this Information Circular are expected to aggregate approximately $200,000.

Securities Law Matters

The Trust Units to be issued in exchange for Bonds pursuant to the Arrangement will be issued in reliance on exemptions from prospectus and registration requirements of applicable laws or on discretionary exemptions from such requirements to be obtained from applicable securities regulatory authorities in Canada. The Trust Units will be transferable subject to exemptions being available from prospectus and registration requirements of applicable securities laws. The Trust Units will not be listed on any exchange, trading system or other organized facility.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to an individual (other than a trust), who acquires Trust Units pursuant to the Arrangement and who, for the purposes of the Tax Act, is resident in Canada, deals at arm's length and is not affiliated with the Trust and holds Trust Units as capital property. Generally, the Trust Units will be considered to be capital property to a Unitholder provided that the Unitholder does not hold the Trust Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Unitholders who might not otherwise be considered to hold Trust Units as capital property may, in certain circumstances, be entitled to have such securities and all other "Canadian securities" owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is based on the terms of the Arrangement, certain representations made by the Trust, the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals"), and an understanding of the current published administrative policies and assessing practices of the CRA publicly available prior to the date hereof. This summary assumes that the Tax Proposals will be enacted as currently proposed although no assurance can be given that such proposals will be enacted in that form or at all. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in the law or administrative policy and assessing practice, whether by way of legislative, governmental or judicial decision or action, nor does it take into account other federal or any provincial or foreign tax legislation or considerations, which may differ materially from those described herein.

On October 31, 2003, the Department of Finance (Canada) ("Finance") released, for public consultation, draft proposed amendments (the "October 31 Proposals") to the Tax Act that would require, for taxation years commencing after 2004, that there be a reasonable expectation of cumulative profit from a business or property for a taxpayer to realize a loss from such business or property, and that make it clear that profit in this sense does not include capital gains. In response to concerns raised during the consultation period for the October 31 Proposals, Finance, in the February 23, 2005 Budget, announced that Finance was developing a more modest legislative initiative and that an alternative proposal would be released for comment at an early opportunity. No such alternative proposal has been released to date.

This summary is not applicable to Unitholders: (a) that are "financial institutions" or "specified financial institutions" (as defined in the Tax Act); (b) an interest in whom would be a "tax shelter investment" (as defined in the Tax Act); (c) a holder to which the functional currency reporting rules apply; or (d) that are not resident or deemed to be resident in Canada. Special rules, which are not discussed in this summary, may apply to a Unitholder that is a non-resident insurer that carries on an insurance business in Canada and elsewhere. Such Unitholders should consult their own tax advisors with respect to investing in Trust Units.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Trust Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Trust Units will vary according to the status of the investor, the province or provinces in which the investor resides or carries on business and, generally, the investor's own particular circumstances. Accordingly, the following description of income tax matters is of a general nature only and is not intended to constitute advice to any particular investor. Unitholders should consult their own tax advisors with respect to the income tax consequences of acquiring Trust Units, based upon the Unitholder's particular circumstances.

Status of the Trust

This summary is based on the assumptions that the Trust will qualify at all times as a "mutual fund trust" within the meaning of the Tax Act; that the Trust will validly elect under the Tax Act to be a mutual fund trust from the date it was established; that the Trust has not been established and will not be maintained primarily for the benefit of Non-Residents; and that not more than 50% (based on fair market value) of the Trust Units will be held by non-residents of Canada, partnerships that are not "Canadian partnerships", or any combination thereof, all for the purposes of the Tax Act.

If certain Tax Proposals released on September 16, 2004 are enacted as proposed (the "September 16th Tax Proposals"), the Trust would cease to qualify as a mutual fund trust for purposes of the Tax Act if, at any time after 2004, the fair market value of all Trust Units held by non-residents, or partnerships that are not Canadian partnerships, or any combination of the foregoing, is more than 50% of the fair market value of all issued and outstanding Trust Units unless not more than 10% (based on fair market value) of the Trust's property is at any time "taxable Canadian property" within the meaning of the Tax Act and certain other types of specified property. Restrictions on the ownership of Trust Units are intended to limit the number of Trust Units held by Non-residents such that Non-residents, partnerships that are not Canadian partnerships, or any combination of the foregoing, may not own Trust Units representing more than 45% of the fair market value of all Trust Units. The September 16th Tax Proposals have not been enacted. Pursuant to the Tax Act, the Trust would be deemed not to be a mutual fund trust after any time when it can reasonably be considered that the Trust was established or is maintained primarily for the benefit of non-resident persons unless at that time, all or substantially all of its property is property other than taxable Canadian property.

Generally, to qualify as a mutual fund trust (i) the Trust must be a Canadian resident "unit trust" for purposes of the Tax Act, (ii) the only undertaking of the Trust must be (a) the investing of its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or right in immovables) that is capital property of the Trust, or (c) any combination of the activities described in (a) and (b), and (iii) the Trust must comply with certain minimum requirements respecting the ownership and dispersal of Trust Units (the "minimum distribution requirements"). It is intended that all requirements necessary for the Trust to qualify as a "mutual fund trust" will be met and continue to be met. The Trustees intend to ensure that the Trust will meet the requirements necessary for it to qualify as a mutual fund trust no later than 90 days after the end of its first taxation year and at all times thereafter and to file the necessary election under the Tax Act so that the Trust will qualify as a mutual fund trust throughout its first taxation year.

If the Trust were not to qualify as a mutual fund trust at all times, the income tax considerations described below would, in some respects, be materially and adversely different.

On October 31, 2006, Finance announced proposed changes to the manner in which certain specified investment flow-through entities ("SIFTs") and the distribution from such entities are taxed. Bill C-52 which received Royal Assent on June 22, 2007 and Bill C-10, which received Royal Assent on March 12, 2009, contained legislation implementing these proposals (the "SIFT Rules"). The SIFT Rules apply a tax on certain income earned by a SIFT and change the tax status of taxable distributions received therefrom to taxable dividends.

The SIFT Rules apply to trusts that are resident in Canada for purposes of the Tax Act and that hold one or more "non-portfolio properties" and the units of which are listed on a stock exchange or other public market ("SIFT Trust"). Under the SIFT Rules, if the Trust were a SIFT Trust it would be subject to a special tax in respect of income from its non-portfolio properties and capital gains respecting "non-portfolio properties" (collectively, the "Non-Portfolio Earnings"). Non-Portfolio Earnings will be taxed at a rate that is equivalent to the federal general corporate tax rate plus a prescribed amount on account of provincial tax. Any Non-Portfolio Earnings that become payable by a SIFT Trust or SIFT partnership will be taxed as though they were a taxable dividend from a taxable Canadian corporation and will be deemed to be an "eligible dividend" eligible for the enhanced gross-up and tax credit rules. The SIFT Rules will generally not apply for taxation years that end before 2011 where such an issuer would have been a SIFT trust or a SIFT partnership on October 31, 2006 had the SIFT Rules been in force and applied to the issuer as of that date and the issuer complied with guidelines issued by the Department of Finance on December 15, 2006 (and amended on February 25, 2009) and incorporated by reference into the SIFT Rules concerning the acceptable level of growth for such issuers.

The Trust currently does not meet the requirements of a SIFT. The Trustees intend to cause the Trust to not be characterized as a SIFT. Providing that the Trust is not a SIFT, it will not be subject to tax in the manner contemplated by the SIFT Rules. This summary assumes that at all material times the Trust is not a SIFT trust.

Taxation of the Trust

Providing the Trust is not a SIFT trust, the Trust will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including net realized taxable capital gains and all interest that accrues to it to the end of the year, or becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year, less the portion thereof that it claims in respect of the amount paid or payable to Unitholders in the year. An amount will be considered payable to a Unitholder in a taxation year only if it is paid in the year by the Trust or the Unitholder is entitled in the year to enforce payment of the amount. The Trust intends to make distributions to Unitholders as described in section 5.4 of the Declaration of Trust and to deduct, in computing its income in each taxation year, such amount as will be sufficient to ensure that the Trust will not be liable for income tax under Part I of the Tax Act for each year other than such tax on net realized capital gains that will be recoverable by the Trust in respect of such year by reason of the capital gains refund mechanism.

The Trust will be entitled to deduct an amount equal to the reasonable expenses that it incurs in the course of issuing Trust Units. Such issue expenses will be deductible by the Trust rateably over a five-year period subject to reduction in any taxation year which is less than 365 days. To the extent such issue expenses are reimbursed, such reimbursements will be included in the Trust's income in the taxation year in which the reimbursement is received. Any losses incurred by the Trust may not be allocated to Trust Unitholders but may generally be carried forward and back and deducted in computing the taxable income of the Trust in accordance with the detailed rules in the Tax Act.

It is possible that, under the October 31 Proposals, or an alternative proposal, the deduction of losses of the Trust in a particular taxation year could be limited. Under the October 31 Proposals, a taxpayer will have a loss for a taxation year from a particular source that is a business or property only if, in that year, it is reasonable to expect that the taxpayer will realize a cumulative profit from the business or property during the time that the taxpayer has carried on, and can reasonably be expected to carry on, the business, or has held, and can reasonably be expected to hold, the property. If the deduction of losses of the Trust is limited in a particular year, the taxable income of the Trust would be increased along with the taxable amount of distributions to Trust Unitholders.

Taxation of Unitholders

Subject to the SIFT Rules, a Unitholder will generally be required to include in computing income for a particular taxation year the amount of the Trust's net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder (whether in cash or in Trust Units) in the taxation year, whether or not the amount was actually paid to the Unitholder. Income of a Unitholder from the Trust will generally be considered to be income from property for purposes of the Tax Act. The non-taxable portion of the Trust's net realized capital gains paid or payable and designated to a Unitholder in a taxation year will not be included in the Unitholder's income for the year. Any other amount in excess of the Unitholder's share of the Trust's net income for a taxation year paid or payable to the Unitholder in the year will not generally be included in the Unitholder's income, but will generally reduce the adjusted cost base of the Unitholder's Trust Units. To the extent that the adjusted cost base of a Trust Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Trust Unit and the Unitholder's adjusted cost base will be increased by the amount of such deemed capital gain to zero. Any losses of the Trust for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Unitholder.

Under the Tax Act, the Trust is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions for the year. This will enable the Trust to utilize, in a taxation year, losses from prior years without affecting the ability of the Trust to distribute its income annually. The amount distributed to a Unitholder but not deducted by the Trust will not be included in the Unitholder's income. However, the adjusted cost base of the Unitholder's Trust Units will be reduced by such amount. To the extent that the adjusted cost base of a Trust Unit would otherwise be less than nil, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Trust Unit and the Unitholder's adjusted cost base will be increased by the amount of such deemed capital gain to zero.

Provided that appropriate designations are made by the Trust, such portion of (i) the net realized taxable capital gains of the Trust, (ii) the income of the Trust from foreign sources, and (iii) the taxable dividends received or deemed to be received by the Trust on shares of taxable Canadian corporations, as is paid or becomes payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. The availability of foreign tax credits in respect of foreign source income designated to a Unitholder by the Trust is subject to the foreign tax credit rules under the Tax Act and the Unitholder's particular circumstances. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply, including the enhanced gross-up and dividend tax credit rules in respect of eligible dividends paid by taxable Canadian corporations. Investors should consult their own tax advisors in this regard.

On the disposition or deemed disposition of a Trust Unit (whether on a sale, redemption or otherwise), a Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholder's proceeds of disposition (other than any amount payable by the Trust which represents an amount of capital gain allocated to the Unitholder or that is otherwise required to be included in the Unitholder's income as described above) exceed (or are less than) the aggregate of the adjusted cost base of the Series A Trust Unit or Series B Trust Unit (as applicable) and any reasonable costs of disposition. For the purpose of determining the adjusted cost base of Trust Units to a Unitholder, when Trust Units are acquired, the cost of the newly acquired Trust Units will be averaged with the adjusted cost base of the applicable Series of Trust Units owned by the Unitholder as capital property immediately before that time. The cost of Trust Units acquired as a distribution of income or capital gains from the Trust will generally be equal to the amount of the distribution.

One-half of any capital gain (a "taxable capital gain") realized on the disposition of Trust Units will be included in the Unitholder's income and one-half of any capital loss (an "allowable capital loss") realized may be deducted from taxable capital gains of the Unitholder for that year. Allowable capital losses for a taxation year in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains in accordance with the provisions of the Tax Act.

In general terms, net income of the Trust paid or payable to a Unitholder that is designated as taxable dividends from taxable Canadian corporations or as net realized taxable capital gains as well as taxable capital gains realized by the Unitholders on the disposition of Trust Units may increase the Unitholder's liability for alternative minimum tax.

Taxation of Bondholders

Pursuant to the Arrangement, the Bondholders will be considered to have disposed of their Bonds for Trust Units. The Bondholders will receive one Series A Trust Unit and one Series B Trust Unit for each $1.00 principal amount of Bonds.

The Bondholders will not realize a capital gain (or capital loss) on the disposition of the Bonds assuming the value of the Trust Units received equals the adjusted cost base to the Bondholder of such existing Bonds, plus any reasonable costs of disposition. A Bondholder's proceeds of disposition of the Bonds will be an amount equal to the fair market value (at the time of the exchange) of the Trust Units received in exchange for the Bonds. The Bondholders will be considered to have acquired the Trust Units at a cost equal to their fair market value (at the time of the exchange). Bondholders which are deferred plans (such as RRSPs) will not be subject to tax.

The Trust is of the view that the Trust Units have a fair market value equal to the cost to the Bondholders of such Bonds. The Trust is further of the view that on the exchange $0.001 should be allocated to the cost of the Series A Trust Units and $0.999 should be allocated to the cost of the Series B Trust Units for each $1.00 principal amount of Bonds exchanged. Such determinations of value are not binding on the CRA.

The Bondholders (other than deferred plans) are required to include all accrued interest in computing income. To the extent that a Bondholder is or was required to include in income any interest that had accrued to, but had not been paid by, the date of the Arrangement, an offsetting deduction should be available for the full amount of interest not received. Bondholders should consult their own tax advisors with respect to the treatment of unpaid interest.

Tax-exempt Unitholders

Subject to the assumptions herein, Trust Units will be qualified investments for Exempt Plans. However, the holder of a tax-free savings account that governs a trust which holds Trust Units will be subject to a penalty tax if the Unitholder does not deal at arm's length with the Trust for the purposes of the Tax Act or if the Unitholder, alone or together with non-arm's length persons or partnerships, has a significant interest (within the meaning of the Tax Act) in the Trust or a corporation, partnership or trust with which the Trust does not deal at arm's length for the purposes of the Tax Act. Generally, a holder will not have a significant interest in the Trust unless the holder and/or persons not dealing at arm's length with the holder, owns directly or indirectly, 10% or more of the issued and outstanding Trust Units.

The Redemption Notes which may be delivered to Unitholders on an in specie redemption of Trust Units will not be qualified investments for Exempt Plans. Accordingly, Exempt Plans that own Trust Units should consult their own tax advisors prior to exercising redemption rights.

NON-CANADIAN INCOME TAX CONSIDERATIONS

This Information Circular does not contain a summary of the non-Canadian income tax consequences of the Arrangement on Unitholders who are subject to tax outside of Canada. Such holders should consult their tax advisors with respect to the tax implications of the Arrangement, including any associated filing requirements, in such jurisdictions. Unitholders should also consult their own tax advisors regarding provincial or territorial tax considerations of the Arrangement or of holding Trust Units.

INFORMATION CONCERNING FRPL

Name and Incorporation

FPRL was incorporated pursuant to the provisions of the ABCA on December 29, 2004. The head office and registered office of FPRL is located at C – 5799 – 3rd Street S.E., Calgary, Alberta T2H 1K1.

General Development of the Business

FPRL has not engaged in any active business since its incorporation other than being responsible for arranging financings for Fairmont and providing certain administrative services to an unrelated third party resort development venture.

Selected Financial Information

The following table sets out certain selected financial information of FRPL as at December 31, 2009, which has been derived from and should be read in conjunction with FRPL's unaudited financial statement as at December 31, 2009, a copy of which is attached hereto as Appendix D. FRPL's unaudited financial statements are presented in Canadian dollars and are prepared in accordance with Canadian GAAP.

Item	As at December 31, 2009 ($)
Cash	$127,255
Accounts receivable	$90,868
Loans receivable (net of impairment)	$43,804,817
Bond interest payable	$9,169,987
Bonds payable	$41,443,449
Shareholder deficiency	($6,512,496)

Description of Share Capital

Common Shares

FRPL is authorized to issue an unlimited number of common shares of which, as at the date hereof, 160 are issued and outstanding.

Description of Loan Capital

Series A and B Mortgage Bonds

The Series B Trust Indenture provides for the issuance in series of mortgage bonds in the aggregate principal amount of $25,000,000. The Series B Trust Indenture provides for the issuance of Series A Mortgage Bonds bearing interest at a rate of 10% per annum and maturing on September 30, 2008 and Series B Mortgage Bonds bearing interest at a rate of 12% per annum and maturing on September 30, 2010. The Series B Bonds are secured by a pledge to Computershare as trustee on behalf of Series B Bondholders, of the Series B Security. The Series B Trust

Indenture further provides for interest payment obligations to be satisfied by the annual issuance of additional Series A Bonds or Series B Bonds, as applicable, to Bondholders. Notwithstanding the foregoing, the Series B Trust Indenture permit Bondholders to elect, prior to March 1 in any calendar year, for interest to be paid on a quarterly basis in cash.

Series 1 and 2 Mortgage Bonds

The Series 1/2 Trust Indenture provides for the issuance in series of mortgage bonds in the aggregate principal amount of $25,000,000. The indenture provides for the issuance of Series 1 Mortgage Bonds bearing interest at a rate of 10% per annum and maturing on June 30, 2009 and Series 2 Mortgage Bonds bearing interest at a rate of 12% per annum and maturing on June 30, 2011. The Series 1/2 Bonds are secured by a pledge to Computershare as trustee on behalf of Series 1/2 Bondholders, of the Series 1/2 Security. The Series 1/2 Trust Indenture further provides for interest payment obligations to be satisfied by the annual issuance of additional Series 1 Bonds or Series 2 Bonds, as applicable, to Bondholders. Notwithstanding the foregoing, the Series 1/2 Trust Indenture permits Bondholders to elect, prior to March 1 in any calendar year, for interest to be paid on a quarterly basis in cash.

Dividends or Distributions

FRPL has not declared or paid any dividends or distributions on the FRPL common shares to date other than as follows:

Date	Class of Shares	Aggregate Dividend
December 31, 2007	Common Shares	$520,000
December 31, 2006	Common Shares	$294,000

Capitalization

The following table sets forth the capitalization of FRPL as at December 31, 2009 and the date hereof.

Designation of Security	Amount Authorized	Amount Outstanding as of December 31, 2009
Common Shares	Unlimited	$160 (160 common shares)
10% Series A Mortgage Bonds due 2008	$25,000,000 (Series A/B)	Nil
12% Series B Mortgage Bonds due 2010	$25,000,000 (Series A/B)	14,429,621
10% Series 1 Mortgage Bonds due 2009	$25,000,000 (Series 1/2)	914,000
12% Series 2 Mortgage Bonds due 2011	$25,000,000 (Series 1/2)	26,099,828

Prior Sales

The following table sets forth the particulars of those FRPL common shares that have been issued since the date of incorporation.

Date	Number and Class of FRPL Securities	Issue Price Per Security	Gross Aggregate Issue Price
December 30, 2004	120 Common Shares	$1.00	$120
March 26, 2007	40 Common Shares	$1.00	$40

The following table sets forth the particulars of those FRPL Bonds that have been issued since the date of incorporation.

Date	Principal Amount of Series A Bonds	Principal Amount of Series B Bonds	Principal Amount of Series 1/2 Bonds
October 24, 2005	230,000.00	918,000.00	-
December 14, 2005	25,000.00	636,000.00	-
December 31, 2005	30,000.00	110,000.00	-
December 31, 2005	-	14,108.07	-
January 31, 2006	110,000.00	435,000.00	-
February 15, 2006	50,000.00	540,000.00	-
March 7, 2006	10,000.00	797,000.00	-
March 28, 2006	50,000.00	627,000.00	-
April 18, 2006	130,000.00	345,000.00	-
May 11, 2006	52,000.00	452,000.00	-
June 1, 2006	20,000.00	336,000.00	-
June 26, 2006	-	286,000.00	-
July 18, 2006	-	70,000.00	-
July 24, 2006	-	-	1,046,000
August 9, 2006	-	30,000.00	-
August 14, 2006	-	-	1,361,000
August 28, 2006	-	-	1,593,000
September 6, 2006	-	30,000.00	-
September 11, 2006	-	-	1,959,000
September 21, 2006	-	-	1,224,000
October 4, 2006	-	-	2,040,000
October 19, 2006	-	-	796,500
November 6, 2006	-	-	901,000
November 20, 2006	-	-	1,834,000
December 18, 2006	-	-	1,646,000
December 28, 2006	-	-	1,112,000
December 31, 2006	-	387,957.30	281,610.35
January 22, 2007	-	-	1,415,000
February 7, 2007	-	-	1,696,000
February 22, 2007	-	-	1,030,000
March 8, 2007	-	-	1,668,500
March 21, 2007	-	-	1,307,000
April 10, 2007	-	-	1,138,000
April 25, 2007	-	943,000.00	374,000
May 9, 2007	-	1,395,000.00	109,000
May 24, 2007	-	1,722,000.00	38,000
June 7, 2007	-	797,000.00	105,000
June 19, 2007	-	1,240,000.00	204,000
July 10, 2007	-	396,000.00	110,000
August 9, 2007	-	344,000.00	84,000
September 21, 2007	-	623,000.00	48,000
October 17, 2007	-	162,000.00	-
October 30, 2007	-	123,000.00	-
December 31, 2007	-	670,556.08	1,893,217.55
Total	**$707,000.00**(1)	**$14,429,621.45**	**$27,013,827.90**

Note:
(1) All Series A Bonds were repaid on September 30, 2008.

Principal Securityholders

To the knowledge of the directors and executive officers of FRPL, as at the date hereof, no person beneficially owns, or exercises control or direction over, directly or indirectly, more than 10% of the issued and outstanding FRPL common shares other than the following:

Name and Municipality of Residence of Shareholder	Number and Percentage of FRPL Common Shares beneficially owned or controlled as at December 31, 2009
Dunvegan Petroleums Ltd. Calgary, Alberta	40 common shares (25%)
1287069 Alberta Ltd. Calgary, Alberta	120 common shares (75%)

To the knowledge of the directors and executive officers of FRPL, as at the date hereof, no person beneficially owns, or exercises control or direction over, directly or indirectly, more than 10% of the issued and outstanding Bonds.

Directors and Executive Officers

The following table sets forth, in respect of each director and executive officer of FRPL, their municipality of residence, their respective positions held with FRPL, their principal occupation for the previous five years and the number of FRPL common shares and Bonds beneficially owned, or over which control or direction is exercised, indirectly or directly, by each director and executive officer.

Name, Municipality of Residence and Positions with FRPL	Date Appointed a Director of FRPL	Principal Occupations for the Previous Five Years	FRPL Securities Beneficially Owned, or over which Control or Direction is Exercised, Directly or Indirectly
Edward Nycholat Calgary, Alberta, Canada Manager of Operations and Director	January 2009	President and Secretary of FRPL Finance Ltd. since June 2009 and Manager of Operations of FRPL Finance Ltd. since January 2005.	Common Shares: Nil Bonds: $4,000 Series B $21,000 Series 2

Indebtedness of Directors and Executive Officers

No director, proposed director, executive officer, employee, former director, former executive officer or former employee of FRPL, or any associate or affiliate of the foregoing, has been indebted to FRPL since incorporation. None of the persons described in the preceding sentence has, since incorporation, been indebted to another entity to which the indebtedness was the subject of a guarantee, "support agreement", letter of credit or other similar arrangement or understanding provided by FRPL.

For the purposes of the above, "support agreement" includes, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower.

Indemnification of Directors, Officers and Consultants

FRPL has entered into an indemnity agreement with Edward Nycholat whereby FRPL has agreed to indemnify Mr. Nycholat for losses or other damages he may suffer as a result of carrying out his duties as a director and officer of FRPL. FRPL has also entered into an indemnity agreement with Gary Bentham whereby FRPL has agreed to indemnify Mr. Bentham for losses or other damages that he may suffer as a result of carrying out his duties and responsibilities on behalf of BTM Corporate Advisory as Loan Administrator and Recovery Manager of FRPL. It is anticipated that the indemnity agreements entered into by FRPL with each of Mr. Nycholat and Mr. Bentham would be assumed by the Partnership upon closing of the Arrangement.

Legal Proceedings

FRPL is neither a party, nor is any of its property the subject matter, of any legal proceedings, nor are any such proceedings known to FRPL to be contemplated by any party other than as set forth below.

Resort Funding LLC ("RFI") currently holds a security interest in various notes receivable relating to financed timeshare sales at Fairmont Vacation Villas in the amount of $8.3 million. RFI's security interest in these receivables is currently subordinate to the interest of FRPL, which interest arises pursuant to the GSAs. RFI has commenced an action challenging the validity of the GSAs on the basis that it constitutes a preference pursuant to the *Fraudulent Preferences Act*, R.S.A. 2000, c. F-24 and the *Statute of Elizabeth*, 13 Eliz, c. 5. If RFI is successful in its claim, it would have a first priority security interest in the notes receivable.

Auditors, Transfer Agents and Registrars

The auditors of FRPL are BDO Canada LLP, Chartered Accountants, Calgary, Alberta .

Computershare Trust Company of Canada at its offices in Calgary, Alberta, 600, 530 – 8th Avenue SW, Calgary, Alberta T2P 3S8, is the trustee for the Bonds.

Material Contracts

FRPL has not entered into any material contracts since incorporation, other than the following:

(a) Trust Indentures;

(b) Trust Indenture dated August 15, 2007 and Supplemental Trust Indenture dated February 21, 2008 between FRPL, FRPL Management Ltd. and Olympia Trust Company;

(c) Fairmont Loan Agreements;

(d) the Security; and

(e) a third party mortgage administration agreement.

Copies of these agreements will be available for inspection at the offices of FRPL, C-5799 – 3rd Street S.E., Calgary, Alberta, T2H 1K1, during regular business hours until the date of the Meeting.

DESCRIPTION OF THE FAIRMONT ASSETS

The funds loaned by the Bondholders to FRPL were subsequently loaned to Fairmont. Fairmont and certain of its subsidiaries granted security over their assets to secure the loans advanced by FRPL. FRPL pledged all of the security it received from Fairmont and its subsidiaries to Computershare to hold as trustee on behalf of the Bondholders. The Trust Indentures provide that upon the occurrence of an event of default the Bondholders holding not less than 25% of the outstanding Series 1/2 Bonds or Series B Bonds may instruct the Trustee to pursue a variety of remedies to recover the loaned funds from the Pledged Assets. This would likely involve the appointment of a receiver to liquidate the Pledged Assets and distribute the proceeds to Bondholders.

At the Meeting, Bondholders are being asked to consider whether the Pledged Assets should be liquidated or whether the Pledged Assets should be retained within a trust structure for the benefit of Bondholders. The Pledged Assets which are subject to the Security are described below. If Bondholders wish to direct Computershare to liquidate the Pledged Assets, they should complete the Liquidation Direction enclosed with the meeting materials or available at the Meeting and return same to Computershare on or before the date of the Meeting.

Lake Okanagan Resort

Description of Physical Premises

Lake Okanagan Resort is a resort hotel complex situated on approximately 300 acres of land, including 4,700 feet of frontage on Okanagan Lake. Within this property there are 80 acres of existing development land and 198 acres of land for future development across the Westside Road. Lake Okanagan Resort is 18 kilometres away from highway 97. A land use contract stipulates what can and cannot be done with the 80 acres of development land. This contract may provide an opportunity for higher density development.

The resort was originally built in 1979 as a tennis resort and subsequent additions have occurred up to 2008. In 1979 the Chalets (building 4) and the Kingfisher (building 3) opened. The Lakeside (building 5), Terrace 3 (building 6), and Terrace 4 (building 7), opened in 1980. The resort was built to have all units sold privately and have a rental pool option. It was designed to be open from the May long weekend until the end of October. However, interest rates and a difficult economy made it hard to sell units. The resort went into receivership in 1989 and was then purchased by a hotel company that held the resort for 12 years until Fairmont acquired it in 2001. Fairmont subsequently constructed two new 24 unit buildings, know as Building 1000 and Building 1100.

Lake Okanagan Resort is comprised of seven separate legal parcels of land which are situated in the Kelowna Assessment Area, Province of British Columbia. These premises include a 64 room hotel resort (includes 35 leasehold rooms), clubhouse with restaurant and bar facilities, seven tennis courts, nine hole golf course, 188 foot long swimming wharf, 28 slip boat moorage marina and two new 24 unit buildings (buildings 1000 and 1100).

Currently the developed lands are the 74.12 acres (30 ha) on the east side of Westside Road. The zoning is LUC No. 224 & Cy. These lands are not within the A.L.R. The 198 acres (80.14 ha) of undeveloped lands are on the west side of Westside Road.

Fairmont Interest

The primary assets at Lake Okanagan Resort are buildings 1000 and 1100, the reversionary land interests in time share weeks previously sold, 35 condominium hotel units approximately 676 weeks of timeshare inventory, development lands and the hotel operating business.

Fairmont Vacation Villas

Description of Physical Premises

Fairmont Vacation Villas is a phased development consisting of 250 Time Share Villas. The resort includes two recreational complexes one with an indoor swimming pool, sauna, steam room, a library, lounges, tennis courts, game rooms, store, fitness facility, playground, spas, check-in facility and administrative offices for the resort. The second recreational complex, which is located in part on the waterpark and in part on the lands for the Hillside Villas, includes basketball courts, sand volleyball and tennis courts and playground and outdoor waterpark with a large swimming pool, hot tubs and three storey water slide. The waterpark was disposed in 2007 to FRPLM at a price of $223,000 under an arrangement entered into in order to assist FRPLM to establish a REIT investment vehicle. Fairmont has been granted an option to reacquire the waterpark at a point in the future when the REIT investment vehicle is redeemed at the original purchase price.

Fairmont is considered the developer for the sale of the Time Share Villas. Villas are sold through 51 weekly intervals either on an annual or biennial basis in one of four designated seasons – Golden, Golf Prime, Prime or Leisure weeks. The purchaser of the weekly interval acquires a 40 year leasehold right to use a unit within the designated season. Prices for biennial weekly intervals depend on the season range from a low of $6,300 to a high of $11,500 for the Terrace units and a low of $9,900 to a high of $19,500 for the lock off units. To protect the time share weekly owner, all units are registered on title in the name of the trustee, Carthew Registry, with each interval sold registered with the trustee. The developer has available a maximum of 12,750 weeks represented by a total of 51 weeks for the current 250 units. At February 28, 2009, Fairmont had 798 intervals available for sale. The

Remainder Program was commenced in 2009 to allow timeshare owners to convert their leasehold interests into fee simple interests.

In addition to the unsold inventory from the existing buildings, Fairmont also has two remaining lots which are available for development. These two lots referred to as the 8300 Building and the 8200 Building will be the final two opportunities for generation of significant cash within the Fairmont entity itself.

There is an existing $4.3 million obligation for the repair of the foundation on one of the FVV timeshare buildings, known as Building 7000. Due to the problems with its foundation, the building has been closed to occupancy until such time the foundation has been repaired. The estimated repair cost is $4.3 million and the repair work is intended to commence in the fall of 2010. Fairmont is financing the Building 7000 liability by contributing to a trust account $400 of the proceeds from each lease conversion and the sale of each timeshare week. The trust fund is expected to be $885,860 at March 31, 2010.

Fairmont Interest

The primary assets at Fairmont Vacation Villas are the reversionary interests in the mortgaged lands, existing time share inventory, the management contract and the development lands.

General Security Agreement Assets

Fairmont entered into the Forebearance Agreement with FRPL on February 18, 2009 and as a condition of such agreement Fairmont and certain of its subsidiaries granted the GSAs in respect of their assets to FRPL. Management of FRPL anticipates that Bondholders will be entitled to the following assets of Fairmont and its subsidiaries pursuant to the GSAs:

(a) notes receivable relating to financed timeshare sales at Fairmont Vacation Villas in the principal amount of approximately $13.125 million. These notes are subject to a first charge financing claim from RFI of $8.3 million;

(b) loan receivable from Makaha Hotel & Resort Inc. in the amount of approximately $20 million (including interest) secured by a mortgage on 26 hotel units at Makaha Hotel and Resort in Oahu, Hawaii. The value of the loan based on a liquidation of Makaha is $nil after consideration of the REIT C priority interest;

(c) Rancho Banderas property located on the north shore of the Bay or Banderas which is 35 km northwest of Puerto Vallarta, Mexico on 28 acres of land. Rancho is currently operating as a destination resort in support of the time share sales program initiated by the previous owner. Rancho provides on-site management of the 50 time share villas and all time share villas at Rancho are sold out. Rancho has the consent and building permit to build an additional 150 – 22- villas on the property;

(d) Development lands, certain time share inventory and a retail building at Fairmont Hot Springs;

(e) Fleet of twenty-six houseboats moored on the Shuswap Lakes in British Columbia. These boats have been sold substantially as timeshares;

(f) Costa Maya Reef Resort, a 27 unit timeshare resort in Belize. Approximately 700 time share weeks are owned by Resorts International Real Estate Investments Trust ("**RI REIT**"), while 1100 weeks are held by Fairmont. There is also sufficient land available for the development of an additional 100 – 200 units. RI REIT has a put claim against Costa Maya requiring it to repurchase the timeshare weeks held by RI REIT, for approximately $2.8 million. The government of Belize has a $1 million claim against Costa Maya for sales taxes allegedly owing on timeshare sales in the past.

A General Security Agreement was also granted by Fairmont at that time to FRPLM, which has loans outstanding from Fairmont of $12,640,933 including accrued interest to March 31, 2010. FRPLM in turn owes the RI REIT Series C trust unitholders that same amount. In addition to its claim on Fairmont's General Security Agreement assets, the Series C trust unitholders have first mortgage security on certain of the Makaha Hotel units and on Fairmont's interest in the Lyttle Lake development lands near Fairmont Hot Springs, British Columbia.

INDUSTRY OVERVIEW

The vacation ownership industry, which is also referred to as the timeshare industry, is a component of the domestic and international hospitality industry. The vacation ownership industry enables customers to share ownership of a fully-furnished vacation accommodation. Typically, a vacation ownership purchaser acquires either a fee simple interest in a property, which gives the purchaser title to a fraction of a unit, or a right to use a property, which gives the purchaser the right to use a property for a specific period of time. Generally, a vacation ownership purchaser's fee simple interest in or right to use a property is referred to as a "vacation ownership interest." For many vacation ownership interest purchasers, vacation ownership is an attractive vacation alternative to traditional lodging accommodations at hotels or owning vacation properties. Owners of vacation ownership interests are not subject to the variance in room rates to which lodging customers are subject, and vacation ownership units are, on average, more than twice the size of traditional hotel rooms and typically have more amenities, such as kitchens, than do traditional hotel rooms.

First introduced in Europe in the mid-1960's, vacation ownership has been one of the fastest growing segments of the hospitality industry over the past two decades. Based on American Resorts Development Association reports and other industry data, the following factors have contributed to the increased acceptance of the vacation ownership concept among the general public and the substantial growth of the vacation ownership industry:

- growing consumer awareness of the potential value and benefits of vacation ownership, including the cost savings relative to certain other lodging alternatives;
- increased flexibility for owners of vacation ownership interests made possible through owners' affiliations with vacation ownership exchange companies and vacation ownership companies' internal exchange programs;
- the improving quality of the vacation ownership resorts and their management; and
- growing consumer confidence in the product resulting from enhanced consumer protection regulation of the vacation ownership industry and the entry of brand name national lodging companies to the vacation ownership industry.

Historically, the vacation ownership industry was highly fragmented and dominated by a large number of local and regional resort developers and operators, each with small resort portfolios generally of differing quality. One of the most significant factors contributing to the historic growth of the vacation ownership industry has been the entry into the market of some of the world's major lodging, hospitality and entertainment companies, such as Marriott International, Inc., the Walt Disney Company, Hilton Hotels Corporation, Hyatt Corporation, Four Seasons Hotels and Resorts, Starwood Hotels and Resorts Worldwide, Inc., and Wyndham Worldwide Corporation. Although vacation ownership operations currently comprise only a portion of these companies' overall operations, their involvement in the vacation ownership industry has enhanced the industry's image with the general public.

Demographic factors also explain, in part, the growth of the industry. The average purchaser is a baby boomer who has disposable income and interest in purchasing vacation products. It is anticipated that baby boomers will continue to have a positive influence on the vacation ownership industry.

The purchase of a fixed-week vacation ownership interest typically entitles the buyer to use a fully-furnished vacation residence, generally for a one-week period each year for 40 years. Typically, the buyer acquires a leasehold interest in the vacation residence, which is often held as a tenant-in-common with other buyers of interests in the property.

Under a points system the members purchase a real estate interest in a specific timeshare resort, which is held in trust on the member's behalf and provides the member with an annual or biennial allotment of points that can be redeemed for occupancy rights at participating resorts. Compared to other vacation ownership arrangements, the points system offers members greater flexibility in planning their vacations. Members can stay for varying lengths of time on vacations for as little as 2 nights and as many nights as their points will allow on any one vacation. The number of points required for a stay at any one resort varies depending on a variety of factors including the resort location, the size of a unit, the vacation season and the days of the week used. Under this system, members can select vacations according to their schedules, space needs, available inventory, and available points.

Vacation ownership interests are made more attractive by an affiliation with an international exchange network such as RCI. A vacation ownership interest owner's participation in the RCI exchange network allows such owner to exchange his annual vacation ownership interest for occupancy at other participating resorts, based upon availability and the payment of a variable exchange fee. The exchange network assigns ratings to each listed vacation ownership interest, based upon a number of factors, including the location and size of the unit, the quality of the resort and the period during which the vacation ownership interest is available, and attempts to satisfy the exchange request by providing an occupancy right in another vacation ownership interest with a similar rating. If the exchange network is unable to meet the member's initial request, it suggests alternative resorts based on availability. If the owner consummates the exchange, they are charged an exchange fee by the exchange network.

INFORMATION CONCERNING THE TRUST

General

The Trust is an unincorporated open-ended trust governed by the laws of Alberta and created pursuant to the Declaration of Trust. The head and principal office of the Trust is located at C-5799 – 3rd Street S.E., Calgary, Alberta. The Trust was established for the purposes of acquiring or investing directly or indirectly in the securities of Northwynd LP, the General Partner or any associate or affiliate thereof or any other entity involved in acquiring, holding, maintaining, improving, leasing or managing any real property.

Unitholders will be the sole beneficiaries of the Trust. The Trust will be the sole shareholder of the General Partner.

The Trust will not be managed by a third party manager. Pursuant to the Administration Agreement the administration of the Trust will be delegated to the General Partner. See "*Information Concerning the Trust — Administration Agreement*".

Activities of the Trust

The Trust's operations and activities are restricted to:

(a) acquiring, investing in, holding, transferring, disposing of and otherwise dealing with securities of whatever nature or kind (other than a general partnership interest) of, or issued by, Northwynd LP, the General Partner or any associate or affiliate of any thereof, or of, or issued by, any other corporation, partnership, trust or other person involved, directly or indirectly, in the business of acquiring, holding, maintaining, improving, leasing, managing or investing in real property and such other investments as the Trustees may determine from time to time, and to borrow funds and issue debt securities, directly or indirectly, for that purpose and enter into hedging arrangements in relation to its own indebtedness;

(b) acquiring, holding, maintaining, improving, leasing or managing any real property (or interest in real property) that is capital property of the Trust for purposes of the Tax Act, and borrowing funds and issuing debt securities for these purposes, directly or indirectly, and entering into hedging arrangements in relation to its own indebtedness;

(c) temporarily holding cash and other short term investments in connection with and for the purposes of the Trust's activities, including paying administration and trust expenses, paying any amounts required in connection with the redemption of Trust Units or other securities of the Trust and making distributions to holders of Trust Units and borrowing funds and issuing debt securities for those purposes, directly or indirectly;

(d) issuing Trust Units and other securities of the Trust (including warrants, options, subscription receipts or other rights to acquire Trust Units or other securities of the Trust), for the purposes of:

(i) obtaining funds to conduct the activities described above, including raising funds for further acquisitions;

(ii) repaying any indebtedness or borrowings of the Trust;

(iii) establishing and implementing unitholder rights plans, distribution reinvestment plans, Trust Unit purchase plans, incentive option plans or other compensation plans, if any, established by the Trust or an affiliate of the Trust; and

(iv) making non-cash distributions to holders of Trust Units as contemplated by the Declaration of Trust including in specie redemptions and distributions pursuant to distribution reinvestment plans, if any, established by the Trust;

(e) guaranteeing the obligations of its affiliates pursuant to any good faith debt for borrowed money or any other obligation incurred by such entity in good faith for the purpose of carrying on its business, and pledging securities and other property owned by the Trust as security for any obligations of the Trust, including obligations under any such guarantee. The Trust may only provide a guarantee in respect of the indebtedness of another person if the Trust will not, directly or indirectly, receive any fees or other consideration for providing the guarantee and the Trustees have determined that such guarantee forms part of the core investment undertakings of the Trust; provided that the Trust shall not, in any event, provide a guarantee which would result in the Trust not being considered a "unit trust" or a "mutual fund trust" for purposes of the Tax Act;

(f) granting security in any form, over any or all of the Trust's assets to secure any or all of the obligations of the Trust;

(g) repurchasing or redeeming securities of the Trust, including Trust Units, subject to the provisions of the Declaration of Trust and applicable law;

(h) carrying out any of the transactions, and entering into and performing any of the obligations of the Trust under any agreements contemplated by the Declaration of Trust;

(i) engaging in all activities ancillary or incidental to any of these activities; and

(j) undertaking such other activities or taking such actions including investing in securities as shall be approved by the Trustees from time to time,

provided that the Trust shall not, in any event, undertake any activity, take any action, or make any investment which would result in the Trust not being considered a "unit trust" or a "mutual fund trust" for purposes of the Tax Act.

The Trustees may declare payable to the Series A Trust Unitholders on a particular Distribution Record Date all or any part of the Cash Flow of the Trust for the Distribution Period including that Distribution Record Date. It is currently anticipated that the only income to be received by the Trust will be from distributions on the LP Units. Assuming that the Effective Date of the Arrangement is in the second quarter of 2010, it is anticipated that the first distribution would be December 31, 2010. See "*Distribution Policy*".

Strategy of the Trust

The Trust will employ a strategy to: (a) provide Series A Trust Unitholders with an annual cash-on-cash yield by making quarterly cash distributions to Series A Trust Unitholders; (b) enable Northwynd LP to maintain the Secured Assets, and any additional assets acquired either by Northwynd LP or any other operating entities owned, directly or indirectly, by the Trust, in a manner that provides predictable cash flow; and (c) enable Northwynd LP and any other operating entities owned, directly or indirectly, by the Trust, to continue to expand its business through development, expansion and acquisition opportunities that will provide long-term stable cash flows and be accretive to Series A Trust Unitholders.

Trustees

On Closing, the Trust will have a minimum of three Trustees and a maximum of seven Trustees, the majority of whom must be Residents at all times. Under the terms of the Declaration of Trust, the initial board of Trustees will consist of three members. See "*Trustees, Directors and Management*". The Trustees will supervise the activities and manage the affairs of the Trust.

The Declaration of Trust provides that, subject to its terms and conditions, the Trustees will have full, absolute and exclusive power, control, authority and discretion over the Trust assets, and management of, the affairs of the Trust to the same extent as if the Trustees were the sole and absolute legal and beneficial owners of the Trust assets. Subject only to express limitations in the Declaration of Trust, the Trustees' powers and authorities include:

- acting for, voting on behalf of and representing the Trust as a holder of the LP Units and other securities of the Trust;
- maintaining records and providing reports to Unitholders;
- supervising the activities and managing the investments and affairs of the Trust; and
- effecting payments of distributions from the Trust to Unitholders.

Any one or more of the Trustees may resign upon 30 days written notice to the Trust and may be removed by an Ordinary Resolution and the vacancy created by such removal may be filled at the same meeting, failing which it may be filled by the affirmative vote of a quorum of the Trustees.

Trustees will be appointed at each annual meeting of Unitholders to hold office for a term expiring at the close of the next annual meeting. A quorum of the Trustees will be a majority of the Trustees then holding office. A majority of the Trustees may fill a vacancy in the Trustees, except a vacancy resulting from an increase in the number of Trustees or from a failure of the Unitholders to elect the required number of Trustees. In the absence of a quorum of Trustees, or if the vacancy has arisen from a failure of the Unitholders to elect the required number of Trustees, the Trustees will promptly call a special meeting of the Unitholders to fill the vacancy. If the Trustees fail to call that meeting or if there are no Trustees then in office, any Unitholder may call the meeting. Except as otherwise provided in the Declaration of Trust, the Trustees may, between annual meetings of Unitholders, appoint one or more additional Trustees to serve until the next annual meeting of Unitholders, but the number of additional Trustees will not at any time exceed one-third of the number of Trustees who held office at the expiration of the immediately preceding annual meeting of Unitholders.

The Declaration of Trust provides that the Trustees must act honestly and in good faith with a view to the best interests of the Trust and will exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that each Trustee will be entitled to indemnification from the Trust in respect of the exercise of the Trustee's power and the discharge of the Trustee's duties, provided that the Trustee acted honestly and in good faith with a view to the best interests of the Trust or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, where the Trustee had reasonable grounds for believing that his or her conduct was lawful.

Administration Agreement

On the Effective Date, the Trust and the General Partner will enter into the Administration Agreement. Under the terms of the Administration Agreement, the General Partner will provide administrative and support services to the Trust including, without limitation, those necessary to (i) provide or cause to be provided to Unitholders all information to which Unitholders are entitled under the Declaration of Trust, including relevant information with respect to financial reporting and income taxes, (ii) call and hold meetings of Unitholders and distribute required materials, including notices of meetings and information circulars, in respect of all such meetings, (iii) assist the Trustees in calculating distributions to Unitholders, (iv) attend to all administrative and other matters arising in connection with any redemption of Trust Units, (v) ensure compliance with the Trust's limitations on non-resident ownership, if applicable, and (vi) generally provide all other services as may be necessary or as may be requested by the Trustees. The General Partner will charge the Trust for such administrative and support services in an amount equal to the General Partner's cost of providing such services plus an amount to be agreed.

The Administration Agreement will have an initial term of five years, and will be renewable annually at the option of the Trust and the General Partner. The Administration Agreement may be terminated by either party in the event of the insolvency or receivership of the other party, or in the case of default by the other party in the performance of a material obligation under the Administration Agreement, with certain exceptions, which is not remedied within 30 days after written notice has been delivered.

Conflict of Interest Restrictions and Provisions

The Declaration of Trust contains "conflict of interest" provisions that serve to protect Unitholders without creating undue limitations on the Trust. The Declaration of Trust contains provisions, similar to those contained in the ABCA, that require each Trustee to disclose to the Trust, as applicable, any interest in a material contract or transaction or proposed material contract or transaction with the Trust, or the fact that such person is a director or officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Trust. In any case, a Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to (i) his or her remuneration as a Trustee or officer of the Trust, as applicable, (ii) insurance or indemnity, or (iii) a contract or transaction with an affiliate.

DECLARATION OF TRUST AND DESCRIPTION OF UNITS

Northwynd REIT was created pursuant to the Declaration of Trust. The following is a summary which does not purport to be complete of the material attributes and characteristics of the Trust Units and certain provisions of the Declaration of Trust. Reference is made to the Declaration of Trust for the full text of its provisions and a complete description of the Trust Units.

Trust Units

Series A Trust Units

An unlimited number of Series A Trust Units may be created and issued pursuant to the Declaration of Trust. Each Series A Trust Unit shall entitle the holder thereof to one vote at any meeting of the Unitholders or in respect of any written resolution of Unitholders and represents an equal undivided beneficial interest in any distribution from the Trust (whether of income, net realized capital gains or other amounts) and in any net assets of the Trust in the event of termination or winding-up of the Trust, subject to any prior claims of another class or series of Trust Units. All Series A Trust Units shall rank among themselves equally and rateably without discrimination, preference or priority, whatever may be the actual date or terms of issue thereof. Each Series A Trust Unit is transferable, is not subject to any conversion or pre-emptive rights and entitles the holder thereof to require the Trust to redeem any or all of the Trust Units held by such holder. See below under "*Declaration of Trust and Description of Units — Trust Unit Redemption Right*".

Series B Trust Units

An unlimited number of Series B Trust Units may be created and issued pursuant to the Declaration of Trust. Series B Trust Units do not entitle the holder to vote at meetings of Unitholders and do not entitle the holder to any distributions from the Trust (whether of income, net realized capital gains or other amounts). Series B Trust Units have a redemption value of $1.00 per Series B Trust Unit (the "Redemption Price") which the Trust may elect to pay to redeem the Series B Trust Units in whole or in part and from time to time and which holders are entitled to receive in priority to any distribution to holders of Series A Trust Units in the event of termination or winding-up of the Trust. All Series B Trust Units shall rank among themselves equally and rateably without discrimination, preference or priority, whatever may be the actual date or terms of issue thereof. Each Series B Trust Unit is transferable, is not subject to any conversion or pre-emptive rights and entitles the holder thereof to require the Trust to redeem any or all of the Trust Units held by such holder. See below under "*Declaration of Trust and Description of Units — Trust Unit Redemption Right*".

The Trust Units do not represent a traditional investment and should not be viewed by investors as "shares" in either Northwynd LP or the Trust. As holders of Trust Units, the Trust Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the statutory right to bring "oppression" or "derivative" actions. The value of the Series A Trust Units will be a function of anticipated distributable income from Northwynd LP and the ability of Northwynd LP and its General Partner to effect long term growth in the value of the Trust. See "*Risk Factors*".

The Trust Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that act or any other legislation. Furthermore, the Trust is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

Limited Liability

The Declaration of Trust provides that no Unitholder, in its capacity as such, shall incur or be subject to any liability, direct or indirect, absolute or contingent, in contract or in tort or of any other kind to any person, and no resort will be had to, nor will recourse or satisfaction be sought from, the private property of any Unitholder for any liability whatsoever, including in connection with the Trust's assets, the obligations or the activities or affairs of the Trust, any actual or alleged act or omission of the Trustees, any transaction entered into by the Trustees or any taxes, levies, imposts or charges or fines, penalties or interest in respect thereof payable by the Trust or by the Trustees. In the event that a court determines Unitholders are subject to any such liabilities, the liabilities will be enforceable only against, and will be satisfied only out of, the Unitholder's share of the Trust's assets represented by its Trust Units.

In addition, the Declaration of Trust provides that the Trustees and the Trust must make all reasonable efforts to include as a specific term of any obligations or liabilities being incurred by the Trust or the Trustees, a contractual provision to the effect that none of the Unitholders or the Trustees shall have any personal liability or obligations in respect thereof. The omission of any such statement shall not render any of such parties liable to any person for such omission.

Notwithstanding the terms of the Declaration of Trust, Unitholders may not be protected from liabilities of the Trust to the same extent a shareholder is protected from the liabilities of a corporation. Personal liability may also arise in respect of claims against the Trust (to the extent that claims are not satisfied by the Trust) that do not arise under contracts, including claims in tort, claims for taxes and possibly certain other statutory liabilities. The possibility of any personal liability to Unitholders of this nature arising is considered unlikely in view of the fact that the sole activity of the Trust is to hold securities, and all of the business operations currently carried on by FRPL will be carried on by Northwynd LP and the General Partner, either directly or indirectly. See "*Risk Factors — Unitholder Limited Liability*".

The activities of the Trust and Northwynd LP, will be conducted, upon the advice of counsel, in such a way and in such jurisdictions as to avoid as far as possible any material risk of liability to the Unitholders for claims against the Trust, including by obtaining appropriate insurance, where available and to the extent commercially feasible, for the operations of Northwynd LP and having contracts signed by or on behalf of the Trust include a provision that such obligations are not binding upon Unitholders personally.

Issuance of Units

The Declaration of Trust provides that Units, including rights, warrants, options or other securities convertible into or exchangeable for Trust Units, may be created, issued, sold and delivered on such terms and conditions and at such times as the Trustees may determine. The Declaration of Trust also provides that the Trustees may authorize the creation and issuance of any type of debt securities or convertible debt securities of the Trust from time to time on such terms and conditions to such persons and for such consideration as the Trustees may determine.

Method of Payment of Distributions

The Declaration of Trust provides that where the Trustees determine that the Trust does not have available cash in an amount sufficient to make payment of the full amount of any distribution which has been declared to be payable on the due date for such payment, the payment may, at the option of the Trustees, include the issuance of additional Series A Trust Units, or fractions of Series A Trust Units, if necessary, having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trustees to be available for the payment of such distribution. The value of each Trust Unit which is issued on account of distributions shall be the net asset value per Series A Trust Unit on the applicable Distribution Record Date.

Immediately after any pro-rata distribution of additional Trust Units to all holders of Trust Units on account of declared distributions for which sufficient cash is not available, the number of the outstanding Trust Units will automatically be consolidated such that each such holder will hold after the consolidation the same number of Trust Units as such holder held before the distribution of additional Trust Units and each Trust Unit Certificate representing a number of Trust Units prior to the distribution of additional Trust Units is deemed to represent the same number of Trust Units after the distribution of additional Trust Units and the consolidation.

Notwithstanding the foregoing, where tax is required to be withheld in respect of a Unitholder's share of the distribution, the Trust shall withhold from the cash portion of such distribution, if any, or the Unitholder shall make a cash payment to the Trust, of an amount equal to the amount of tax required to be remitted to the appropriate taxation authority by the Trust, or, if such withholding cannot be made by the Trust or such payment is not made by the Unitholder, the Declaration of Trust provides for Trust Units to be withheld by the Trust on account of withholding taxes payable by the Unitholder in respect of the distribution.

Purchase of Units

The Trust may from time to time purchase for cancellation some or all of the Trust Units (or other securities of the Trust which may be issued and outstanding from time to time) in the market, by private agreement or upon any recognized stock exchange on which such Trust Units are traded or pursuant to tenders received by the Trust upon request for tenders addressed to all holders of record of Trust Units, provided in each case that the Trustees have determined that such purchases are in the best interests of the Trust. Any such purchases may constitute an "issuer bid" under Canadian provincial securities legislation and must be conducted in accordance with the applicable requirements thereof.

Trust Unit Redemption Right

Trust Units are redeemable at any time on demand by the holders thereof upon delivery to the Trust of a duly completed and properly executed notice requesting the Trust to redeem Trust Units. Upon receipt of the notice to redeem Trust Units by the Trust, the holder thereof shall thereafter cease to have any rights with respect to the Trust Units tendered for redemption (other than to receive the redemption payment therefor unless the redemption payment is not made as required) including the right to receive any distributions thereon which are declared payable on a date subsequent to the day of receipt by the Trust of the notice requesting redemption.

Cash Redemption

Upon receipt by the Trust of the notice to redeem Trust Units, the tendering Trust Unitholder will thereafter be entitled to receive a price per Trust Unit (the "**Redemption Price**") equal to $1.00 per Series B Trust Unit and the net asset value per Series A Trust Unit. The net asset value per Series A Trust Unit is, pursuant to the Declaration of Trust, the most recent quarter end fair value of the Trust assets as determined by the Trustees, less the fair value of the liabilities of the Trust (all as determined on a consolidated basis), less the Redemption Price of outstanding Series B Trust Units, and then divided by the issued and outstanding Series A Trust Units, adjusted for any potentially diluting instruments such as options and warrants.

The aggregate Redemption Price payable by the Trust in respect of the Trust Units surrendered for redemption during any calendar month shall be satisfied by way of a cash payment on the last day of the calendar month following the month in which the Trust Units were tendered for redemption.

Trust Unitholders will not receive cash upon the redemption of their Trust Units if the total amount payable by the Trust in respect of such Trust Units and all other Trust Units tendered for redemption in the same calendar month exceeds $10,000; provided that the Trustees may, in their sole discretion, waive such limitation in respect of all Trust Units tendered for redemption in any calendar month. If this limitation is not so waived, the Trust Units tendered for redemption in such calendar month shall be redeemed for cash based on the Redemption Price and, unless any applicable regulatory approvals are required, by a distribution in specie of the Trust's assets, which may include Redemption Notes (as defined below) or other assets held by the Trust, on a pro-rata basis;

In Specie Redemption

If a Trust Unitholder is not entitled to receive cash upon the redemption of Trust Units as a result of one or more of the foregoing limitations, then each Trust Unit tendered for redemption will, subject to any applicable regulatory approvals, be redeemed by way of a distribution in specie.

In such circumstances, the holder of Trust Units shall be entitled to receive a price per Trust Unit equal to the Redemption Price which shall be paid and satisfied:

(a) by the Trust distributing assets held by the Trust, as determined in the sole discretion of the Trustees;

(b) by the Trust issuing notes ("**Redemption Notes**") having such commercially reasonable terms as the Trustees may prescribe; or

(c) by any combination of assets held by the Trust and Redemption Notes.

Meetings of Unitholders

The Declaration of Trust provides that meetings of Unitholders must be called and held for, among other matters, the election of Trustees, the appointment or removal of the auditors of the Trust, the approval of amendments to the Declaration of Trust (except as described below under "*Declaration of Trust and Description of Units — Amendments to the Declaration of Trust*"), the sale of all or substantially all of the Trust's assets and the dissolution or termination of the Trust. Meetings of Unitholders will be called and held annually for, among other things, the election of Trustees and the appointment of the auditors of the Trust. For a description of the Trustees and the committees thereof, see "*Trustees, Directors and Management*".

A meeting of Unitholders may be convened at any time and for any purpose by the Trustees and must be convened, except in certain circumstances, if requisitioned by the holders of not less than 5% of all votes entitled to be voted at a meeting of Unitholders by a written requisition. A requisition must, among other things, state in reasonable detail the business purpose for which the meeting is to be called.

Only Unitholders of record may attend and vote at all meetings of Unitholders either in person or by proxy and a proxyholder need not be a Unitholder. Two persons present in person or represented by proxy and representing in the aggregate at least 5% of the votes attaching to all outstanding Series A Trust Units shall constitute a quorum for the transaction of business at all such meetings.

The Declaration of Trust contains provisions as to the notice required and other procedures with respect to the calling and holding of meetings of Unitholders in accordance with the requirements of applicable laws.

Limitation on Non-Resident Ownership

It is in the best interest of Unitholders that the Trust always qualify as a "mutual fund trust" under the Tax Act and in order to ensure the maintenance of such status the Declaration of Trust provides, in part, that:

(a) At no time may Non-Residents be the beneficial owners of more than 45% of the Trust Units. The Trust (or its transfer agent, if any, at the Trust's request) may require declarations as to the jurisdictions in which beneficial owners of Trust Units are resident. If the Trustees become aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 45% of the Trust Units then outstanding are, or may be, Non-Residents or that such a situation is imminent or foreseeable, the Trust (or its transfer agent) may make a public announcement thereof and shall not accept a subscription for Trust Units from or issue or register a transfer of Trust Units to a person unless the person provides a declaration that the person is not a Non-Resident. If, notwithstanding the foregoing, the Trust (or its transfer agent) determines that more than 45% of the Trust Units are held by Non-Residents, the Trust (or its transfer agent) may send a notice to Non-Resident Unitholders, chosen in inverse order to the order of acquisition or registration or in such manner as the Trust may consider equitable and practicable. That notice may:

(i) require such Non-Resident Trust Unitholders to sell their Trust Units or a portion thereof within a specified period of not less than 30 days. If the Trust Unitholders receiving such notice have not sold the specified number of Trust Units or provided the Trust with satisfactory evidence that they are not Non-Residents within such period, the Trust (or its transfer agent) may on behalf of such Trust Unitholders sell such Trust Units and, in the interim, shall suspend the voting and distribution rights attached to such Trust Units. Upon such sale the affected holders shall cease to be holders of Trust Units and their rights are limited to receiving the net proceeds of sale upon surrender of the certificate representing such Trust Units; or

(ii) advise such Non-Resident Trust Unitholders that their Trust Units (or a specified portion thereof) are being redeemed in accordance with the Trust Declaration as if such Trust Unitholders had tendered such Trust Units (or such specified portion) for redemption as at the date of the notice in accordance with the Trust Declaration.

The Trust may direct its transfer agent, if any, to do any of the foregoing.

(b) in addition to the foregoing, the transfer agent of Trust Units, by or through the Trustees may, if determined appropriate by the Trustees, establish operating procedures for, and maintain, a reservation system which may limit the number of Trust Units that Non-Residents may hold, limit the transfer of the legal or beneficial interest in any Trust Units to Non-Residents unless selected through a process determined appropriate by the Trustees, which may either be a random selection process or a selection process based on the first to register, or such other basis as determined by the Trustees. The operating procedures relating to such reservation system shall be determined by the Trustees and, prior to implementation, the Trust shall publicly announce the implementation of the same. Such operating procedures may, among other things, provide that any transfer of a legal or beneficial interest in any Trust Units contrary to the provisions of such reservation system may not be recognized by the Trust.

Amendments to the Declaration of Trust

On or before the Effective Date, the Trustees will execute and deliver such indentures or instruments supplemental to the Declaration of Trust or in restatement thereof, which may add to, delete, amend, vary or change any of the provisions of the Declaration of Trust and as may be necessary to give proper effect to the intent and purpose of the Arrangement.

The Trustees may, without the consent, approval or ratification of any of the Unitholders, amend the Declaration of Trust at any time:

(a) for the purpose of ensuring the Trust's continuing compliance with applicable laws, regulations or policies of any governmental authority having jurisdiction over the Trustees or the Trust;

(b) in a manner which, in the opinion of the Trustees, provides additional protection for the Unitholders;

(c) in a manner which, in the opinion of the Trustees, is necessary or desirable as a result of changes in Canadian taxation laws;

(d) to provide for the creation and issue of additional series of Trust Units;

(e) to remove any conflicts or inconsistencies in the Declaration of Trust or to make minor corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Unitholders; or

(f) to change the situs of, or the laws governing, the Trust which, in the opinion of the Trustees is desirable in order to provide Unitholders with the benefit of any legislation limiting their liability.

Term of the Trust

The Unitholders may vote by Special Resolution to terminate the Trust at any meeting of the Unitholders duly called for that purpose, following which the Trustees shall commence to wind-up the affairs of the Trust (and shall thereafter be restricted to only such activities).

Unless the Trust is earlier terminated or extended by vote of the Unitholders, the Trustees shall commence to wind-up the affairs of the Trust on such date as may be determined by the Trustees, being not more than two years prior to the earlier of March 15, 2110 and the date which is one day prior to the date, if any, the Trust would otherwise be void by virtue of any applicable rule against perpetuities then in force in Alberta. In the event that the Trust is wound-up, the Trustees will sell and convert into money the assets of the Trust in one transaction or in a series of transactions at public or private sales and do all other acts appropriate to liquidate the property of the Trust, and shall in all respects act in accordance with the directions, if any, of the Unitholders (in respect of termination authorized pursuant to a Special Resolution). After paying, retiring or discharging or making provision for the payment, retirement or discharge of all known liabilities and obligations of the Trust and providing for indemnity against any other outstanding liabilities and obligations, the Trustees shall, subject to obtaining all necessary regulatory approvals, distribute the remaining part of the proceeds of the sale of the assets together with any cash forming part of the Trust's assets pro-rata among the Trust Unitholders.

Take-Over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid, as defined under the *Securities Act*, is made for the Trust Units and not less than 90% of the Trust Units (including Trust Units issuable upon the conversion, exercise or exchange of any securities exchangeable into Trust Units but not including any Trust Units held at the date of the take-over bid by or on behalf of, or issuable to, the offeror or an affiliate or associate of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Trust Units held by Trust Unitholders who did not accept the take-over bid on the terms offered by the offeror.

Information and Reports

The financial statements of the Trust will be audited annually by an independent recognized firm of chartered accountants. The Trust will send (or make available if sending is not required under applicable securities laws) to Unitholders the audited financial statements of the Trust, together with the report of such chartered accountants at least 21 days prior to the date of each annual meeting of Unitholders, and the unaudited interim financial statements of the Trust within 60 days of the end of each fiscal quarter (other than that fourth quarter of each year). The year end of the Trust shall be December 31.

Auditors

The auditors of the Trust will be BDO Canada LLP, Chartered Accountants, Calgary, Alberta.

DISTRIBUTION POLICY

General

Northwynd will adopt a policy of making regular quarterly cash distributions on each Distribution Payment Date to Series A Trust Unitholders of record on the preceding Distribution Record Date. In addition, the Declaration of Trust provides that, if necessary, on December of each year, the Trust will make an additional amount payable such that the Trust will not be liable for ordinary income taxes for such year. The Trustees will review the Trust's distribution policy from time to time. The actual amount distributed will be dependent on various economic factors and is at the discretion of the Trustees. The anticipated distribution policy targets the use of at least 90% of available cash for distribution to Trust Unitholders. It is expected that the remaining approximately 10% of cash available for distribution will fund the Trust's annual operating expenses.

Projected Distributable Cash

Northwynd's projected distributable cash is discussed under "*Post-Reorganization Business Plan – Capitalization and Financing*", and is set out in detail in Appendix E.

PRO FORMA CAPITALIZATION OF THE TRUST

The following table sets forth the pro forma capitalization of the Trust as at March 1, 2010, both before and after giving effect to the Arrangement.

Northwynd REIT	**Before Giving effect to the Arrangement at March 1, 2010**	**After Giving effect to the Arrangement Pro Forma at March 1, 2010**
Projected Capitalization of the Trust		
(Unaudited – Prepared by Management)		
Operating loan	-	$8,000,000
Finance loan	-	8,150,021
Accounts payable	-	332,168
Building repair liability	-	4,300,000
Total debt and trust liability	-	20,782,189
Unitholders' Equity	100	43,804,817
Total capitalization	100	64,587,006

Notes:

(1) The pro forma number of Trust Units outstanding after giving effect to the arrangement was 43,805,370 Series A Trust Units and 43,805,370 Series B Trust Units.

(2) See Appendix F for the pro forma balance sheet of the Trust.

PRO FORMA AND PROJECTED FINANCIAL INFORMATION FOR THE TRUST

The following is a summary of selected pro forma balance sheet for the assets owned, directly or indirectly, on a consolidated basis by the Trust following the completion of the Arrangement. The following should be read in conjunction with the pro forma balance sheet of the Trust and the notes thereto attached as Appendix F to the Information Circular.

Northwynd Properties Real Estate Investment Trust
Selected Pro Forma Balance Sheet
March 1, 2010

ASSETS	
Timeshare and reversionary inventory	$24,838,000
Condominium inventory	6,646,016
Land Held for Development	8,106,000
Hotel property	1,583,000
Other real estate	725,000
Finance notes receivable	13,709,000
Management contract	3,628,000
Cash	3,203,887
Other assets	2,148,103
	$64,587,006
LIABILITIES AND UNITHOLDERS' EQUITY	
Operating loan	$8,000,000
Accounts payable	$332,168
RFI loans	8,150,021
Building 7000	4,300,000
	20,782,189
Unitholders' equity	43,804,817
	$64,587,006

The projected financial statements for the Trust have been included as Appendix E to the Information Circular.

INFORMATION CONCERNING NORTHWYND LP

General

Northwynd LP is a limited partnership formed under the laws of the Province of Alberta. Following the completion of the Arrangement, Northwynd LP will hold the Fairmont Loans, the Security and the GSAs. It is anticipated that Northwynd LP will subsequently take steps to realize on the Security and the GSAs to acquire ownership of the Fairmont Assets.

The business of Northwynd LP will be primarily to develop, acquire and operate resort based real estate for ultimate disposition within a timeshare format and any related activities. In addition, it will acquire, hold and dispose of property of all kinds, ownership interests in one or more other persons or other assets, as determined solely by the General Partner.

The General Partner is the general partner of Northwynd LP. Following the Arrangement, the General Partner will be a wholly-owned subsidiary of Northwynd. See "*Information Concerning the General Partner*".

The General Partner shall be entitled to receive, and the General Partner will, subject to applicable law, pay itself from the assets of Northwynd LP a distribution in each fiscal year equal to 0.01% of the net income of Northwynd LP. Such distributions will be paid out of money, assets or property of Northwynd LP properly applicable to the payment of distributions.

Partnership Units

Northwynd LP is authorized to issue an unlimited number of LP Units on such terms and conditions of the offering and sale of LP Units as the General Partner, in its discretion, may determine. The initial LP Unit will be repurchased immediately after the Effective Date and the Trust will thereafter own all of the outstanding LP Units. Holders of LP Units will be entitled to one vote for each Northwynd LP Unit on any Ordinary LP Resolution or Extraordinary LP Resolution of Northwynd LP. A holder of LP Units is entitled to receive, and the General Partner shall, subject to applicable law, from time to time pay distributions on each Northwynd LP Unit as the General Partner determines.

Such distributions will be paid out of money, assets or property of Northwynd LP properly applicable to the payment of distributions or out of authorized but unissued LP Units, as applicable. In addition, on a distribution of assets in the event of the dissolution or winding-up of Northwynd LP, whether voluntary or involuntary, or any other distribution of the assets of Northwynd LP among its Partners for the purpose of winding-up its affairs the balance of the assets of Northwynd LP will be distributed to Partners proportionate to the number of LP Units held by them.

Amendment and Approval

Only the General Partner may propose amendments to the Limited Partnership Agreement and any proposed amendments require the approval of the Partners by extraordinary resolution. Notwithstanding the foregoing, the Limited Partnership Agreement cannot be amended to reduce the term of the Partnership, give any Person the right to dissolve the Partnership, other than the General Partner's right to dissolve the Partnership with the approval of the Limited Partners by an Extraordinary Resolution or modify the amendment provisions, without the express prior written consent of the General Partner. The Limited Partnership Agreement permits the General Partner to amend the agreement without the approval of Partners for limited purposes such as a change in the name or place of business of the Partnership, changes to the limited partners, changes required to maintain limited liability or changes required to take advantage of changes to tax laws.

Partners must be notified of the full details of any amendments to the Limited Partnership Agreement within 30 days of the effective date of the amendment.

Business Strategy

For a discussion of the business objectives and strategies of the Partnership, see "Post-Reorganization Business Plan."

INFORMATION CONCERNING THE GENERAL PARTNER

General

The General Partner is a corporation incorporated pursuant to the ABCA which is the general partner of Northwynd LP and will be wholly owned by the Trust following the Arrangement.

Functions and Powers of General Partner

The General Partner has exclusive authority to manage the business and affairs of Northwynd LP, to make all decisions regarding the business of Northwynd LP and to bind Northwynd LP. The General Partner is to exercise its powers and discharge its duties honestly, in good faith and in the best interests of Northwynd LP and to exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances. The authority and power vested in the General Partner to manage the business and affairs of Northwynd LP includes all authority necessary or incidental to carry out the objects, purposes and business of Northwynd LP, including without limitation, the ability to engage agents to assist the General Partner to carry out its management obligations or substantially administrative functions. The General Partner cannot dissolve Northwynd LP or wind up Northwynd LP's affairs except in accordance with the provisions of the Limited Partnership Agreement.

Withdrawal or Removal of the General Partner

The General Partner may resign on not less than 90 days written notice with the prior approval of limited partners by extraordinary resolution or without the approval of limited partners if more than 50% of the outstanding LP Units are directly or indirectly held or controlled by one person and its affiliates other than the General Partner and its affiliates.

Directors

The board of directors of the General Partner shall be comprised of a minimum of 1 and a maximum of 11 directors. For information regarding the proposed initial directors of the General Partner, see "*Trustees, Directors and*

Management". At each annual meeting of the General Partner, the Trust will elect directors to hold office upon the advice and direction of Unitholders of the Trust which shall recommend individuals for election as directors of the General Partner at each annual meeting of Unitholders.

TRUSTEES, DIRECTORS AND MANAGEMENT

Trustees of the Trust

The following table sets out, as at the time of the Closing, certain information with respect to the Trustees.

Name and Municipality of Residence	Position with Trust	Principal Occupation
Rod Burylo Calgary, Alberta, Canada	Trustee	Managing Partner of Global Real Estate Investments, a leading provider of analysis, education and support related to exempt market investments, with a specialization in real estate, and Director of Sartano Services Corp., a service specializing in the distribution of exempt market investments.
James Duke Sherwood Park, Alberta, Canada	Trustee	President of DT Associates Counsel Inc.
Rick Cavalli Spruce Grove, Alberta, Canada	Trustee	President of Alternative Money Solutions Inc., an investment advisory firm and Vice President with Primerica Financial Services.

Directors and Officers of the General Partner

The name, municipality of residence and principal occupation of each of the proposed directors and officers of the General Partner are set out below.

Name and Municipality of Residence	Position with General Partner	Principal Occupation
Patrick Fitzsimonds Calgary, Alberta, Canada	Chief Executive Officer and Director	Chief Operating Officer of Fairmont Resort Properties Ltd.
Dale Kearns Bragg Creek, Alberta, Canada	Chief Financial Officer	Chief Financial Officer of Fairmont Resort Properties Ltd.
Doug Frey Calgary, Alberta, Canada	Vice President, Development	Development Consultant with Fairmont Resort Properties Ltd.
Gary Bentham Calgary, Alberta, Canada	Director	President of BTM Corporate Advisory Inc., an advisory firm founded in 2005 that provides corporate finance and consulting services to privately-owned companies in Canada and the United States.
Rod Burylo Calgary, Alberta, Canada	Director	Managing Partner of Global Real Estate Investments, a leading provider of analysis, education and support related to exempt market investments, with a specialization in real estate, and Director of Sartano Services Corp., a service specializing in the distribution of exempt market investments.

The following is a description of the background and experience of each member of management of the General Partner.

Patrick Fitzsimonds – ***Chief Executive Officer***

Mr. Fitzsimonds has been in the real estate finance and development industry for the past 34 years, preceded by receiving a Master Degree in Business Administration. During his career Mr. Fitzsimonds has been a principal or director in the production of 5,724 multi-family residences and 1.9 million square feet of commercial property. The geographical sphere of this production has occurred in the cities of Calgary, Edmonton, Kelowna, Vancouver, Portland, Seattle, Phoenix, and Puerto Penasco. As principal and director Mr. Fitzsimonds has been involved in sourcing approximately 800 million dollars of debt financing and 300 million dollars of project and corporate equity. Mr. Fitzsimonds has acquired valuable experience in the areas of construction, design, cash management and financial structure. Earlier in his career Mr. Fitzsimonds held executive positions within Shelter Corporation of Canada, Qualico Developments and United Inc. in addition to his more recent role with the General Partner of several real estate Limited Partnerships focused on the capitalization and production of multi-family product. Currently residing in Calgary, Patrick joined Fairmont Resort Properties mid 2009 in the capacity of Chief Operating Officer, with the intent to provide assistance in their process of corporate reorganization.

Dale Kearns – ***Chief Financial Officer***

Mr. Kearns is President of MSK Ventures Inc., a privately-owned real estate investment and management services company doing business in Alberta, British Columbia and Mexico. Dale's experience as an executive officer of public and private real estate developers in Canada and the United States spans 20 years. Mr. Kearns began his real estate finance career with Campeau Corporation continuing through to O&Y Properties Corporation. Dale is a Certified Management Accountant (Ontario) and a member of the Society of Management Accountants of Alberta. Mr. Kearns joined Fairmont Resort Properties Ltd. in August 2009.

Doug Frey – ***Vice President, Development***

Mr. Frey is a graduate of the University of Alberta and has spent the previous 21 years involved in real estate finance and development. His career commenced with National Trust in mortgage and real estate finance focusing on loan work-outs and repositioning National's real estate portfolio in Alberta. Thereafter, he held progressively senior positions with Morguard Investments Ltd., a pension-owned investment firm specializing in real estate finance. In 1992, he helped found International Properties Group, a public company where he was an officer and was responsible for successfully managing multi-family real estate acquisitions in excess of $800,000,000 in Canada and the United States. Since 2002, Doug has been active in real estate investment and development as a co-founder-principal in Foxbridge Development Ltd., a real estate development company active in Alberta and British Columba.

Gary Bentham – ***Director***

Mr. Bentham is President of BTM Corporate Advisory Inc., an advisory firm founded in 2005 that provides corporate finance and consulting services to privately-owned companies in Canada and the United States. In this capacity, Gary has facilitated acquisitions and divestitures in the energy service, manufacturing, financial services and biopharmaceutical industries, served as a Chief Financial Officer, arranged bank, debenture and equity financings and advised creditors in financial distress situations. Gary consulted to FRPL Finance Ltd. throughout the events leading to the filing in March 2009 by Fairmont Resort Properties Ltd. for protection under the CCAA. He has also assisted FRPL in 2010 in the development of FRPL's proposed Plan of Arrangement.

Prior to 2005, Gary was a corporate recovery and audit partner with KPMG Canada where he served public and private companies in the high technology, financial services, real estate development and energy industries. While at KPMG, Gary served on KPMG Canada's Board of Directors for five years. Gary has served on a number of private company and not-for-profit Boards and is presently a director of Central Alberta Well Services Corp., a junior public energy services company, and a member of the SAIT Polytechnic Board of Governors. Gary is a graduate of the University of Saskatchewan, a Chartered Accountant, and a member of the Canadian Institute of Corporate Directors.

Rod Burylo – *Director*

Mr. Burylo is the founder and Managing Partner of Global Real Estate Investments, a leading provider of analysis, education and support related to exempt market investments, with a specialization in real estate. Global serves investment advisors and planners in the financial services industry. In addition, Rod is the founder and Director of Sartano Services Corp., a service specializing in the distribution of exempt market investments. Sartano is a service primarily for retail level investors. Mr. Burylo was previously Associate Regional Director for Investors Group and has prior experience mortgage lending and brokerage industry. Mr. Burylo holds a Bachelor of Arts from the University of Calgary.

Liability of Trustees

The Declaration of Trust contains customary provisions limiting the liability of the Trustees. The Trustees will not be liable to any Unitholder or any other person, in tort, contract or otherwise, for any action taken or not taken in good faith in reliance on any documents that are, *prima facie*, properly executed; for any depreciation of, or loss to, the Trust incurred by reason of the sale of any asset or security; for the loss or disposition of money or securities; or any action or failure to act of any other person to whom the Trustees have delegated any of their duties under the Declaration of Trust; or for any other action or failure to act (including failure to compel in any way any former Trustee to redress any breach of trust or any failure by any person to perform its duties under or delegated to it, under the Declaration of Trust), unless, in each case, such liabilities arise out of a breach of the Trustees' standard of care, diligence and skill or breach of the restrictions on the Trustees' powers as set out in the Declaration of Trust. If the Trustees have retained an appropriate expert, advisor or legal counsel with respect to any matter connected with their duties under the Declaration of Trust, the Trustees may act or refuse to act based on the advice of such expert, advisor or legal counsel, and the Trustees will not be liable for and will be fully protected from any loss or liability occasioned by any action or refusal to act based on the advice of such expert, advisor or legal counsel. In the exercise of the powers, authorities or discretion conferred on the Trustees under the Declaration of Trust, the Trustees are and will be conclusively deemed to be acting as Trustees of the Trust's assets and will not be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Trust or the Trust's assets.

Incentive Plans

On Closing, the Trust will establish incentive plans for employees, officers and directors of the General Partner and officers and trustees of the Trust which may include a Cash Bonus Plan and a Performance based Trust Unit incentive plan. Such trust unit incentive plans are intended to enhance the performance of the Trust and align the interests of management and employees with the interests of the holders of Trust Units, as well as to encourage participants in these plans to remain with the Trust and to attract new employees to the Trust.

RISK FACTORS

An investment in the Trust Units involves a number of risks. In addition to the other information contained in this Information Circular, Bondholders should give careful consideration to the following factors. The risks described below are not the only risks facing the Trust following implementation of the Arrangement. Additional risks and uncertainties not currently known or that are currently considered to be immaterial may also materially and adversely affect the Trust and the operations of Northwynd LP. If any of these or other risks actually occur, the business, financial condition, results of operations and cash flow of Northwynd LP could be adversely affected.

Nature of Trust Units

The Trust Units represent a fractional interest in the Trust. As holders of Trust Units, Trust Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. The Trust's sole assets will be the shares of the General Partner, the LP Units and other investments in securities. The value of Trust Units is a function of anticipated Distributable Cash, the underlying assets of the Trust and management's ability to effect long-term growth in the value of Northwynd LP, the Secured Assets and other entities now or hereafter owned directly or indirectly by the Trust.

The Trust Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that act or any other legislation. Furthermore, the Trust is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

The Trust is Dependent on Northwynd LP for All Cash Available for Distributions

The Trust is dependent on the operations and assets of Northwynd LP, through the ownership of LP Units, which in turn will own the Secured Assets. Distributions to the holders of Trust Units will be dependent on the generation of positive cash flow from the Secured Assets and the ability of Northwynd LP to make distributions on the LP Units. The actual amount of cash available for distribution to holders of the Trust Units will depend upon numerous factors relating to the business of Northwynd LP and the Secured Assets, including the volume of Remainder conversions completed over the six-year CRP Period, the volume of time share sales realized and the demand for vacation time share and whole ownership product in Western Canada. Any reduction in the amount of cash available for distribution, or actually distributed by, Northwynd LP will reduce the amount of cash available for distributions to the holders of Trust Units.

Possible Restriction on Growth

The payout of substantially all of Northwynd LP's operating cash flow will make additional capital and operating expenditures dependent on increased cash flow or additional financing in the future. The lack of these funds could limit Northwynd LP's future growth and cash flow which in turn may affect the amount of distributions by the Trust to Trust Unitholders. In addition, Northwynd LP may be precluded from pursuing otherwise attractive acquisitions or investments because they may not be accretive on a short-term basis.

Potential Sales of Additional Trust Units

The Trust may issue additional Trust Units in the future to directly or indirectly fund capital expenditure requirements of Northwynd LP and other entities now or hereafter owned directly or indirectly by the Trust, including to finance acquisitions by those entities. Such additional Trust Units may be issued without the approval of Unitholders. Unitholders have no pre-emptive rights in connection with such additional issues. The Trustees have discretion in connection with the price and the other terms of the issue of such additional Trust Units.

Absence of Public Market

There will be no public market for the Trust Units.

Nature of Distributions

Unlike interest payments on an interest-bearing security, distributions by income trusts on trust units (including those of the Trust) are, for Canadian tax purposes, composed of different types of payments (portions of which may be fully or partially taxable or may constitute non-taxable "returns of capital"). The composition for tax purposes of those cash distributions may change over time, thus affecting the after-tax return to Trust Unitholders. Therefore, a Trust Unitholder's rate of return over a defined period may not be comparable to the rate of return on a fixed-income security that provides a return on capital over the same period. This is because a Trust Unitholder may receive distributions that constitute a return of capital (rather than a return on capital) to some extent during the relevant period. Returns on capital are generally taxed as ordinary income, dividends or taxable capital gains in the hands of a Trust Unitholder while returns of capital are generally non-taxable to a Trust Unitholder (but reduce a Trust Unitholder's ACB in the Trust Unit for tax purposes). Trust Unitholders are advised to consult their own tax advisors with respect to the implications of the distinction discussed above in their own circumstances.

Issuance of Additional Trust Units

The Declaration of Trust provides that an amount equal to the taxable income of the Trust will be payable each year to Trust Unitholders in order to reduce the Trust's taxable income to zero. Where in a particular year, the Trust does not have sufficient distributable cash to distribute such an amount to Trust Unitholders, the Declaration of Trust provides that additional Trust Units must be distributed to Trust Unitholders in lieu of cash payments. Trust Unitholders will generally be required to include an amount equal to the FMV of those Trust Units in their taxable income, notwithstanding that they do not directly receive a cash payment. See *"Certain Canadian Federal Income Tax Considerations - Taxation of Trust Unitholders"*.

Variability of Distributions

As the cash flow available for distribution to Trust Unitholders is a function of numerous factors, including Northwynd LP's financial performance, the impact of interest rates, the growth of the general economy, and the number of Trust Units outstanding, depending on the operations of Northwynd LP and the performance of its assets, distributions may be reduced or suspended entirely.

Changes in Legislation

There can be no assurance that income tax laws, such as the status of mutual fund trusts, will not be changed in a manner which adversely affects Trust Unitholders.

Environmental and applicable operating legislation may be changed in a manner which adversely affects Trust Unitholders.

Investment Eligibility

If the Trust ceases to qualify as a mutual fund trust, the Trust Units will cease to be qualified investments for Exempt Plans which will have adverse tax consequences to Exempt Plans or their annuitants or beneficiaries. Notes received on the redemption of Trust Units will not be qualified investments for Exempt Plans which will have adverse tax consequences to Exempt Plans or their annuitants or beneficiaries.

Distribution of Assets or Redemption Notes on Redemption or Termination of the Trust

It is anticipated that the redemption right of Unitholders will not be the primary mechanism for Trust Unitholders to liquidate their investment. Securities which may be received as a result of a redemption of Trust Units will not be listed on any stock exchange and no market for such securities is expected to develop. The securities so distributed may not be qualified investments for Exempt Plans, depending upon the circumstances existing at that time. On termination of the Trust, the Trustees may distribute the securities directly to Trust Unitholders, subject to obtaining all of the necessary regulatory approvals. In addition, there may be resale restrictions imposed by applicable law upon the recipients of securities pursuant to the redemption right.

Debt Service

Northwynd LP and its affiliates may, from time to time, finance a significant portion of its operations through debt. Notwithstanding the oversight of the Trustees and their expected stringent borrowing guidelines, amounts paid in respect of interest and principal on debt incurred by Northwynd LP and its affiliates may impair Northwynd LP's and its affiliates' ability to satisfy its obligations under their debt instrument(s). Variations in interest rates and scheduled principal repayments could result in significant changes in the amount required to be applied to debt service before payment of inter-entity debt. Ultimately, this may result in lower levels of Distributable Cash for the Trust.

Taxation of the Trust

Canadian federal and provincial tax aspects and local tax aspects should be considered prior to acquiring the Trust Units. See *"CERTAIN CANADIAN INCOME TAX CONSIDERATIONS"*. The discussion of certain Canadian federal income tax considerations contained in this Information Circular is provided for information purposes only and is not a complete analysis or discussion of all potential tax considerations that may be relevant to the acquisition of Trust Units. **Bondholders are urged to consult their own tax advisors in connection with the Reorganization with respect to the specific tax consequences to them. No advance income tax ruling has been applied for or received with respect to the income tax consequences described in this Information Circular.**

There can be no assurance that Canadian federal income tax laws or the judicial interpretation thereof or the administrative or assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects the Unitholders or fundamentally alters the income tax consequences of investing in, holding or disposing of Trust Units. If the Trust ceases to qualify as a "mutual fund trust" under the Tax Act, the income tax considerations described under the heading "*CERTAIN CANADIAN INCOME TAX CONSIDERATIONS*" would be materially and adversely different in certain respects. There is also a risk that CRA may reassess the returns of Bondholders relating to their investments in the Trust Units.

The Trust Declaration provides that a sufficient amount of the Trust's net income and net realized capital gains is to be distributed each year to Trust Unitholders in order to eliminate the Trust's liability for tax under Part I of the Tax Act. Where such amount of net income and net realized capital gains of the Trust in a taxation year exceeds the Distributable Cash in the year, such excess net income and net realized capital gains will be distributed to Trust Unitholders in the form of additional Trust Units. Trust Unitholders would generally be required to include an amount equal to the fair market value of those Trust Units in their taxable income.

Although the Trust is of the view that all expenses to be claimed by the Trust in the determination of its income under the Tax Act will be reasonable and deductible in accordance with the applicable provisions of the Tax Act and that the allocations of income and losses to be made for purposes of the Tax Act will be reasonable, there can be no assurance that the Tax Act or the interpretation of the Tax Act will not change, or that the CRA will agree with the expenses claimed. If the CRA successfully challenges the deductibility of expenses or the allocation of income and losses, taxable income and losses to the Trust and the Trust Unitholders, will increase or change.

The taxation of partnerships and trusts is complex. In the ordinary course of business, the Trust and/or the Partnership may be subject to ongoing audits by tax authorities. In addition, tax legislation changes periodically. While management believes that its tax filing positions are appropriate and supportable, and that the Trust is not subject to the SIFT Rules, it is possible that tax matters, including the calculation and determination of revenue, expenditures, deductions, credits and other tax attributes, taxable income and taxes payable, may be reviewed and challenged by the tax authorities. If such challenge were to succeed, it could have a material adverse effect on the Trust's and therefore the Unitholders' tax position. Further, the interpretation of and changes in tax laws, whether by legislative or judicial action or decision, and the administrative policies and assessing practices of taxation authorities, could materially adversely affect our tax position. As a consequence, management is unable to predict with certainty the effect of the foregoing on taxation of the Trust and its Unitholders. Management will review the adequacy of the tax provisions. Should the ultimate outcomes differ materially from the provisions, taxation and earnings may be affected positively or negatively in the period in which the matters are resolved.

SIFT Legislation

In the event that the Trust is characterized as a SIFT trust, the income tax considerations described under the heading "*CERTAIN CANADIAN INCOME TAX CONSIDERATIONS*" would be materially different. Investments in the Trust (such as Units) cannot be listed or traded on a stock exchange or any other "public market". A "public market" includes any trading system or other organized facility on which securities are qualified for public distribution are listed or traded. Such facility could be public or privately organized. The meaning of this prohibition is not exhaustive or conclusive. In the event that any "public market" exists with respect to Trust Units, the Trust may be characterized as a SIFT, in which case the income tax considerations described under the heading "*CERTAIN CANADIAN INCOME TAX CONSIDERATIONS*" would be materially and adversely different in certain respects.

Unitholder Limited Liability

The Declaration of Trust provides that no Unitholder will be subject to any liability in connection with the Trust or its obligations and affairs and, in the event that a court determines Unitholders are subject to any such liabilities, the liabilities will be enforceable only against, and will be satisfied only out of the Trust's assets.

The Declaration of Trust provides that all written instruments signed by or on behalf of the Trust must contain a provision to the effect that obligations under those instruments will not be binding upon Unitholders personally. Personal liability may however arise in respect of claims against the Trust that do not arise under contracts, including claims in tort, claims for taxes and possibly certain other statutory liabilities. The possibility of any personal liability of this nature arising is considered unlikely.

The operations of the Trust will be conducted, upon the advice of counsel, in such a way and in such jurisdictions as to avoid as far as possible any material risk of liability to the Unitholders for claims against the Trust, including by obtaining appropriate insurance, where available and to the extent commercially feasible.

Deductibility of Expenses

Although the Trustees are of the view that all expenses to be claimed by the Trust, Northwynd LP and the General Partner will be reasonable and deductible, there can be no assurance that CRA will agree. If CRA successfully challenges the deductibility of any such expenses, the return to Trust Unitholders may be adversely affected.

Indemnity of Limited Partners

While the General Partner has agreed pursuant to the Limited Partnership Agreement, to indemnify the limited partners of Northwynd LP, including without limitation holders of LP Units, the General Partner may not have sufficient assets to honour such indemnification.

Risks Relating to Real Property Ownership

General

Northwynd LP will acquire ownership of the Secured Assets following the Arrangement, and therefore will be subject to risks generally incident to the ownership of real property. The underlying value of the Secured Assets and the Trust's income and ability to make distributions to Unitholders will depend on the ability of the Northwynd LP to maintain or increase revenues from the Secured Assets and to generate income in excess of operating expenses. Income from the Secured Assets may be adversely affected by changes in national or local economic conditions, changes in interest rates and in the availability, cost and terms of mortgage financing, the impact of present or future environmental legislation and compliance with environmental laws, the ongoing need for capital improvements, particularly in older structures, changes in real estate assessed values and taxes payable on such values (including as a result of possible increased assessments as a result of the acquisition of the Secured Assets by Northwynd LP) and other operating expenses, changes in governmental laws, regulations, rules and fiscal policies, changes in zoning laws, civil unrest, acts of God, including earthquakes and other natural disasters and acts of terrorism or war (which may result in uninsured losses). When interest rates increase, the cost of acquiring, developing, expanding or renovating real property increases and real property values may decrease as the number of potential buyers decreases. Similarly, as financing becomes less available, it becomes more difficult to both acquire and to sell real property. Finally, governments can, under eminent domain laws, expropriate or take real property for less compensation than an owner believes the property is worth. Almost all of these factors are beyond the Partnership's control.

Illiquidity

Real estate investments are relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may limit the Partnership's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the Partnership were to need to liquidate a property, the proceeds to the Partnership might be significantly less than the aggregate carrying value of such property. In addition, by concentrating on resort properties, the Partnership is exposed to the adverse effects on that segment of the real estate market and does not benefit from a diversification of its portfolio by property type.

Environmental Matters

The Partnership and the Secured Assets will be subject to various federal, provincial and municipal laws relating to environmental matters. These laws provide that the Partnership could be liable for the costs of removal of certain hazardous, toxic or regulated substances released on or in the Secured Assets or disposed of at other locations sometimes regardless of whether the Partnership knew of or was responsible for their presence. The failure to remove, remediate or otherwise address such substances or locations, if any, could adversely affect the Partnership's ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims against the Partnership by private plaintiffs. In addition, environmental laws and regulations may change in the future and the Partnership may become subject to more stringent environmental laws and regulations. Compliance with more stringent environmental laws and regulations could have a material adverse effect on the Partnership's business, financing condition or results of operations and distributions.

Uninsured Losses

The Declaration of Trust requires that the Trust obtain and maintain at all times insurance coverage in respect of its potential liabilities and the accidental loss of value of its assets from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties. There are, however, certain types of risks, generally of a catastrophic nature, such as wars or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. Should an uninsured or under-insured loss occur, the Partnership could lose its investment in, and anticipated profits and cash flows from, the affected property, but the Partnership would continue to be obliged to repay any recourse mortgage indebtedness on such properties. There can be no assurance that a claim in excess of the insurance coverage or claims not covered by insurance coverage will not arise or that the liability coverage will continue to be available on acceptable terms. A successful claim against the Partnership not covered by, or in excess of, the insurance coverage could have a material adverse effect on the Partnership's business, financing condition or results of operations and distributions.

Economic Downturn

A severe economic downturn could reduce spending on recreational activities and result in declines in the resort development industry. In addition, a deterioration of economic conditions could weaken sales of resort real estate and reduce the value of the Secured Assets. In addition, an economic downturn could expose Northwynd LP's real estate operations to land risk and completed inventory risk. Land risk arises when land is purchased with debt and economic conditions deteriorate resulting in higher holding costs and reduced profitability or loan defaults and foreclosure action. Completed inventory risk arises when completed units cannot be sold and construction financing cannot be repaid. There can be no assurance that an economic downturn will not have a material adverse effect on Northwynd LP operations.

Growth Initiatives

Northwynd LP has plans for, a variety of improvement, expansion and development projects relating to its resort and real estate operations. There can be no assurance (i) that Northwynd LP will receive the necessary regulatory approvals for such projects, (ii) as to when such projects will be completed, (iii) that Northwynd LP's estimated costs associated with such projects will prove to be accurate or (iv) that Northwynd LP will receive the expected benefits from such projects. In addition, Northwynd LP may seek opportunities to acquire new businesses, establish new strategic partnerships or secure new management contracts. New opportunities may not be available on favorable terms and, if Northwynd LP is able to consummate any such transactions, no assurance can be given that it will be successful in realizing the expected benefits from such transactions.

Capital Expenditures

Northwynd LP expects to make significant capital expenditures in the future to develop its real estate holdings. There can be no assurance that it will have adequate funds, from internal or external sources, to make all planned or required capital expenditures. A lack of available funds for such capital expenditures could have a material adverse effect on its ability to implement its operating and growth strategies.

World Events

World events such as international conflicts, terrorism or contagious illness outbreaks disrupt domestic or international travel patterns, which could reduce revenue from resort operations. The occurrence of similar such events in the future could have a material adverse effect on Northwynd LP's financial condition and results of operations.

Risks Specific to Real Estate Development

The development of real estate exposes Northwynd LP to a number of specific risks, including: an inability to obtain zoning approvals or building permits; construction and other development costs could exceed budget; project completion could be delayed; and purchasers could rescind their purchase contracts. In addition there is no assurance that market conditions will support Northwynd LP's planned real estate development activities.

Adequacy of Insurance Coverage

All resorts comprising the Secured Assets are insured against property damage, business interruptions and general liability. There can be no assurance that such insurance will remain available to the Partnership at commercially reasonable rates or that the amount of such coverage will be adequate to cover any liability incurred by the Partnership. If Northwynd LP is held liable for amounts exceeding the limits of its insurance coverage or for claims outside the scope of that coverage, its business, results of operations and financial condition could be materially adversely affected.

Vacation Ownership Industry

The vacation ownership industry consists of a large number of local and regional resort developers and operators as well as some of the world's most recognized national and international lodging, hospitality, and entertainment companies. Many of these companies have much greater access to capital and other resources than Northwynd LP. As a result, the Partnership may be at a competitive disadvantage with competitors for access to marketing, personnel, capital and other resources that are required to compete successfully. In addition, competition from other vacation ownership resort developers and operators may limit the Partnership's ability to acquire additional resorts and to obtain access to affinity groups and the scale of the large national and international competitors may provide greater amenities and diversity of locations and services to customers. The business of the Partnership and results of operations may be materially adversely affected if it is unable to compete successfully against such companies.

In addition to international competitors referred to above, the Partnership's resorts and sales offices may face direct competition from smaller, local vacation ownership companies with resorts or sales offices within the vicinity of resorts comprising the Fairmont Assets, as well as from resales of vacation ownership interests. The Partnership will also be subject to competition from other entities engaged in the commercial lodging business, including condominiums, hotels and motels, and others engaged in the leisure business who will compete with the Partnership by offering easy access, including online through proprietary web sites and internet travel intermediaries, to competitive nightly rates on luxury resort accommodations in desirable locations, which could reduce demand for the Partnership's vacation ownership interests. Management anticipates that we will continue to be substantial competition in all aspects of the Partnership's proposed operations from organizations that are more experienced in the leisure industry and that have greater access to financial, marketing, and other resources. As a result, these competitors may have greater negotiating leverage to acquire properties or other resources required to compete or may be able to take advantage of greater gross sales or access to in house resort guests and thereby reduce the retail price of their vacation ownership interests. The Partnership's profit margins and operating results could be adversely affected if it is necessary to reduce prices in order to remain competitive. A reduction in profit margins as a result of competitive pressures, or an increase in costs relative to such competitors' costs, could have a material adverse effect on the Partnership's results of operations, liquidity, and financial position.

Management believe that resales of vacation ownership interests generally are made at net sales prices below their original customer purchase price. The relatively lower sales price is partly attributable to the high marketing and sales costs associated with initial sales of such vacation ownership interests. Accordingly, the initial purchase of a vacation ownership interest may be less attractive to prospective buyers. Also, buyers who seek to resell their vacation ownership interests may compete with the Partnership's efforts to sell vacation ownership interests. While vacation ownership interest resale clearing houses or brokers are not anticipated to have a material impact on the Partnership's business, if a secondary market for vacation ownership interests were to become more organized and liquid, the availability of resale vacation ownership interests at lower prices could adversely affect prices and sales volumes. As a result, the Partnership's business and results of operations may be adversely affected.

GENERAL PROXY MATTERS

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by the management of FRPL and the associated costs will be borne by FRPL. The solicitation will be made primarily by mail but may also be by newspaper publication, in person of by telephone, fax or oral communication by directors, officers, employees of FRPL.

Appointment and Revocation of Proxies

Accompanying this Information Circular are separate forms of proxy for each of the holders of Series 1/2 Bonds and the holders of Series B Bonds for use at the Meeting.

The persons named in the enclosed forms of proxy are directors or officers of FRPL. **A Bondholder desiring to appoint a person (who need not be a Bondholder) to represent such Bondholder at the Meeting other than the persons designated in the accompanying forms of proxy may do so either by inserting such person's name in the blank space provided in the appropriate form of proxy or by completing another form of proxy and, in either case, sending or delivering the completed proxy to the offices of Computershare Trust Company of Canada, 100 University Avenue, Toronto, Ontario, M5J 2Y1.** A form of proxy must be received by Computershare not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment thereof. Failure to so deposit a form of proxy shall result in its invalidation.

A Bondholder who has given a form of proxy may revoke it as to any matter on which a vote has not already been cast pursuant to its authority by an instrument in writing executed by such Bondholder or by his attorney duly authorized in writing or, if the Bondholder is a corporation, by an officer or attorney thereof duly authorized, and deposited either at the above mentioned office of Computershare on or before the last Business Day preceding the day of the Meeting or any adjournment thereof or with the chairman of the Meeting on the day of the Meeting or any adjournment thereof.

The FRPL director has fixed the record date for the Meeting as at the close of business on February 26, 2010. Bondholders of record as at the Record Date are entitled to receive notice of, to attend and to vote at the Meeting, except to the extent a holder of Bonds transfers any Bonds after the Record Date and the transferee of those Bonds establishes ownership of the Bonds and demands, not later than 10 days before the Meeting, that the transferee's name be included in the list of holders of Bonds entitled to vote, in which case such transferee shall be entitled to vote such Bonds at the Meeting.

Signature of Proxy

The form of proxy must be executed by the Bondholder or his attorney authorized in writing, or if the Bondholder is a corporation, the form of proxy should be signed in its corporate name under its corporate seal by an authorized officer whose title should be indicated. A proxy signed by a person acting as attorney or in some other representative capacity should reflect such person's capacity following his signature and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with FRPL).

Voting of Proxies

The persons named in the accompanying forms of proxy will vote the Bonds in respect of which they are appointed in accordance with the direction of the Bondholder appointing them. **In the absence of such direction, such Bonds will be voted FOR the approval of the Arrangement Resolution.**

Exercise of Discretion of Proxy

The enclosed forms of proxy confer discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting and this Information Circular and with respect to other matters that may properly come before the Meeting. At the date of this Information Circular, management of FRPL knows of no amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting.

Voting Securities and Principal Holders Thereof

As at March 1, 2010 there were $27,013,828 principal amount of Series 1/2 Bonds issued and outstanding and $14,429,621 principal amount of Series B Bonds issued and outstanding. To the knowledge of the directors and officers of FRPL, as at March 1, 2010 no person or company beneficially owned, directly or indirectly, or exercised control or direction, over more than 10% of the Series 1/2 Bonds or the Series B Bonds.

Procedure and Votes Required

Arrangement Resolution

The Interim Order provides that each holder of Bonds at the close of business on the Record Date will be entitled to receive notice of, to attend and to vote at the Meeting. In addition, the Interim Order provides that each holder of Bonds issued by FRPL after the Record Date and prior to the date of the Meeting will be entitled to receive notice of and to vote at the Meeting. Each such Bondholder will be entitled to vote in accordance with the provisions set out below, provided that, to the extent that a Bondholder transfers the ownership of any Bonds after the Record Date and the transferee of those Bonds establishes ownership of the Bonds and demands, not later than 10 days before the Meeting, to be included in the list of Bondholders entitled to vote at the Meeting, such transferee will be entitled to vote those Bonds at the Meeting.

Pursuant to the Interim Order:

(a) each Bondholder will be entitled to one vote for each $1.00 principal amount of Bonds held (the principal amount of Bonds held by any registered holder shall be rounded up or down to the nearest whole $1.00 amount);

(b) the majority required to pass the Arrangement Resolution, shall be, subject to further order of the Court, not less than two-thirds of the votes cast, either in person or by proxy, at the Meeting by the Series 1/2 Bondholders and Series B Bondholders, voting separately;

(c) the quorum at the Meeting of the Bondholders will be two persons present in person or by proxy and holding or representing not less than 50% of the outstanding principal amount of each of the Series 1/2 Bonds and the Series B Bonds entitled to be voted at such Meeting; and

(d) if no quorum of Bondholders is present within 30 minutes of the appointed time of the Meeting, the Meeting shall stand adjourned to the same day in the next week if a Business Day and, if such day is a non-Business Day, the Meeting shall be adjourned to the next Business Day following one week after the day appointed for the Meeting at the same time and place, and if at such adjourned meeting a quorum is not present, the Bondholders present, if at least two, shall be a quorum for all purposes.

OTHER MATTERS

The management of FRPL knows of no amendment, variation or other matter to come before the meeting other than the matters referred to in the notice of meeting. However, if any other matter properly comes before the meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person voting the proxy.

APPENDIX A
ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT:

1. the arrangement under section 193 of the *Business Corporations Act* (Alberta) (the "**Arrangement**") substantially as set forth in the plan of arrangement (the "**Plan of Arrangement**") attached as Appendix C to the Information Circular dated March 8, 2010 (the "**Information Circular**") accompanying the notice of this meeting is hereby authorized, approved, ratified and confirmed;

2. the Arrangement Agreement dated March 5, 2010 among FRPL Finance Ltd. ("**FRPL**"), Fairwynd Resort Properties Ltd., Northwynd Properties Real Estate Investment Trust and Northwynd Limited Partnership (the "**Arrangement Agreement**"), with such amendments or variations thereto made in accordance with the terms of the Arrangement Agreement as may be approved by the persons referred to in paragraph 4 hereof, such approval to be evidenced conclusively by their execution and delivery of any such amendments or variations, is hereby authorized, approved, ratified and confirmed;

3. notwithstanding that this resolution has been duly passed and/or has received the approval of the Court of Queen's Bench of Alberta, the board of directors of FRPL may, without further notice to or approval of Bondholders, subject to the terms of the Arrangement, amend or terminate the Arrangement Agreement or the Plan of Arrangement or revoke this resolution at any time prior to the filing of Articles of Arrangement giving effect to the Arrangement; and

4. any director or officer of FRPL is hereby authorized, for and on behalf of FRPL, to execute and deliver Articles of Arrangement and to execute, with or without the corporate seal, and, if, appropriate, deliver all other documents and instruments and to do all other things as in the opinion of such director or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action.

APPENDIX A

APPENDIX B
INTERIM ORDER

APPENDIX A

Action No.: 1001-03452

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

IN THE MATTER OF SECTION 193 OF THE *BUSINESS CORPORATIONS ACT*, R.S.A. 2000, c. B-9, AS AMENDED

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING FRPL FINANCE LTD., NORTHWYND PROPERTIES REAL ESTATE INVESTMENT TRUST, NORTHWYND LIMITED PARTNERSHIP, FAIRWYND RESORT PROPERTIES LTD., AND THE BONDHOLDERS OF FRPL FINANCE LTD.

I hereby certify this to be a true copy of the original Order
Dated this 5 day of MARCH, 2010
for Clerk of the Court

BEFORE THE HONOURABLE JUSTICE C.A. KENT IN CHAMBERS	)))	**AT THE CALGARY COURTS CENTRE, AT CALGARY, ALBERTA, ON THE 5th DAY OF MARCH, 2010.**

INTERIM ORDER

UPON the application of FRPL Finance Ltd. ("**FRPL**") for an Interim Order pursuant to Section 193 of the *Business Corporations Act* (Alberta), R.S.A. 2000, c B-9, as amended (the "**ABCA**");

AND UPON reading the Affidavit of Edward Nycholat, sworn March 4th, 2010 and the documents referred to therein (the "**Affidavit**");

AND UPON hearing counsel for FRPL and any other counsel in attendance;

AND UPON being informed that it is a condition precedent to the arrangement proposed herein that the holders of Series 1 and 2 Mortgage Bonds and Series B Mortgage Bonds (collectively, the "**Bondholders**") do not sign a written direction authorizing and directing Computershare Trust Company of Canada to take enforcement action pursuant to the security interests granted by Fairmont Properties Ltd. to secure repayment of the Bonds.

FOR THE PURPOSES OF THIS ORDER:

(a) the capitalized terms not defined in this Order shall have the meanings attributed to them in the management information circular of FRPL (the "**Information Circular**"), a draft copy of which is attached as Exhibit "A" to the Affidavit; and

(b) all references to "Arrangement" used herein mean the plan of arrangement attached as Appendix C to the Information Circular.

IT IS HEREBY ORDERED AND ADJUDGED THAT:

General

1. The proposed course of action is an "Arrangement" within the definition of the ABCA and the Petitioners may proceed with the Arrangement, as described in the Affidavit.

2. FRPL shall seek approval of the Arrangement by the Bondholders and the Court in the manner set forth below.

Meeting of the Bondholders

3. FRPL shall be permitted to call and conduct a meeting (the "**Meeting**") of the Bondholders on April 13, 2010. At the Meeting, Bondholders will consider and vote upon the Arrangement Resolution and such other business as may properly be brought before the Meeting or any adjournment thereof, all as more particularly described in the Information Circular.

4. A quorum at the Meeting shall be: (i) two or more persons present in person or by proxy and holding or representing not less than 50% of the Series 1/2 Bonds; and (ii) two or more persons present in person or by proxy and holding or representing not less than 50% of the Series B Bonds, entitled to be voted at the Meeting.

5. In the event of a quorum not being present within 30 minutes at the appointed time of the Meeting, the Meeting shall stand adjourned to the same day in the next week if a Business Day and, if such day is a non-Business Day, the Meeting shall be adjourned to the next Business Day following one week after the day appointed for the Meeting at the same time and place. No notice of the adjourned Meeting shall be required and, if at such adjourned meeting a quorum is not present, the Bondholders present, if at least two, shall be a quorum for all purposes.

6. Each Bondholder will be entitled to one vote for each $1.00 principal amount of Bonds held, at the Meeting in respect of the Arrangement Resolution and any other matters to be considered at the Meeting. The FRPL Board has fixed a record date for the Meeting of February 26, 2010 (the "**Record Date**"). Only Bondholders whose names have been entered on the register of Bonds on the close of business on the Record Date will be entitled to receive notice of and to vote at the

Meeting in accordance with this paragraph 6, provided that, to the extent that a Bondholder transfers the ownership of such holder's Bonds after the Record Date and the transferee of those bonds establishes that the transferee owns the Bonds and demands, not later than 10 days before the Meeting, to be included on the list of Bondholders eligible to vote at the Meeting, such transferee shall be entitled to vote such Bonds at the Meeting.

Notice of Meeting

7. An Information Circular, substantially in the form attached as Exhibit "A" to the Affidavit with amendments thereto as counsel for FRPL may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Order), shall be mailed by prepaid ordinary mail, at least 21 days plus 5 Business Days prior to the date of the Meeting to Bondholders at the addresses for such holders recorded in the records of FRPL at the close of business on the Record Date, and to the FRPL Board and auditors of FRPL. In calculating the 21 day plus 5 Business Day period, the date of mailing shall be included and the date of the Meeting shall be excluded.

8. Delivery of the Information Circular in the manner directed by this Order shall be deemed to be good and sufficient service upon the Bondholders, the FRPL Board and auditors of FRPL, of:

(a) the Petition;

(b) this Order;

(c) the Notice of the Meeting; and

(d) the Notice of Petition,

all in substantially the forms set forth in the Information Circular, together with instruments of proxy, voting directions and such other material as FRPL may consider fit.

9. The accidental omission to give notice of the Meeting or the non-receipt of the notice shall not invalidate any resolution passed or proceedings taken at the Meeting.

Deposit and Revocation of Proxies

10. To be valid a proxy must be deposited with FRPL in the manner described in the Information Circular.

11. Proxies may be revoked in the manner described in the Information Circular.

Conduct of Meeting

12. The chairman of the Meeting shall be the Manager of Operations of FRPL or, failing him, any other director or officer of FRPL, or failing them, any person to be chosen at the Meeting.

13. The scrutineers of the Meeting shall be Computershare Trust Company of Canada (acting through its representatives for that purpose) or such other persons as permitted by the chairman of the Meeting.

14. The only persons entitled to attend and speak at the Meeting shall be Bondholders or their authorized representatives, the directors and officers of FRPL, FRPL's auditors and such other persons as permitted by the chairman of the Meeting.

15. The number of votes required to pass the Arrangement Resolution shall be not less than two-thirds of the votes cast, either in person or by proxy, at the Meeting by the holders of Series 1/2 Bonds and Series B Bonds, voting separately.

Final Application

16. Subject to further Order of this Court and provided that the Bondholders have approved the Arrangement and the FRPL Board has not revoked that approval, FRPL may proceed with an application for approval of the Arrangement and the Final Order on April 14, 2010 at 9:00 a.m. (MST) or so soon thereafter as counsel may be heard at the Calgary Courts Centre, Calgary, Alberta. Subject to the Final Order, and to the issuance of the Certificate of Arrangement (or equivalent document), all Bondholders, FRPL, Northwynd REIT, Northwynd LP and the General Partner will be bound by the Arrangement in accordance with its terms.

17. Any Bondholder or any other interested party (collectively, "**Interested Party**") desiring to appear and make submissions at the application for the Final Order is required to file with this Court and serve, upon FRPL, on or before 4:00 p.m. (MST) on April 13, 2010, a Notice of Intention to Appear including the Interested Party's address for service, together with any evidence or materials which the Interested Party intends to present to the Court. Service of this Notice on FRPL shall be effected by service upon the solicitors for FRPL, Borden Ladner Gervais LLP, 1000, 400 – 3rd Avenue S.W., Calgary, Alberta, T2P 4H2, Attention: Patrick T. McCarthy Q.C./John L. Ircandia.

18. In the event that the application for the Final Order is adjourned, only those parties appearing before this Court for the application for the Final Order, and those Interested Parties serving a Notice of Intention to Appear in accordance with paragraph 17 of this Order, shall have notice of the adjourned date.

Leave to Vary Interim Order

19. Service of notice of the application for this Interim Order on any person is hereby dispensed with.

20. FRPL is entitled at any time to seek leave to vary this Interim Order upon such terms and the giving of such notice as this Court may direct.

"C. A. Kent"
J.C.Q.B.A.

ENTERED at Calgary, Alberta,
March 5, 2010.

K. MCAUSLAND COURT SEAL

Clerk of the Court of Queen's Bench

APPENDIX A

APPENDIX C
PLAN OF ARRANGEMENT

APPENDIX C
PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT UNDER SECTION 193

OF THE

BUSINESS CORPORATIONS ACT (ALBERTA)

ARTICLE 1
INTERPRETATION

1.1 In this Plan, the following terms have the following meanings:

(a) "**ABCA**" means the *Business Corporations Act*, Alberta R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

(b) "**Arrangement**" means the proposed arrangement under the provisions of section 193 of the ABCA on the terms and conditions set forth in the Plan;

(c) "**Arrangement Agreement**" means the arrangement agreement dated as of March 5, 2010, among FRPL, the Trust, the General Partner and the Northwynd LP providing for the implementation of the Arrangement, as from time to time amended, supplemented or restated;

(d) "**Arrangement Resolution**" means the special resolution approving the Arrangement in substantially the form attached as Appendix A to the Information Circular, which special resolution will be voted on by the Series B Holders, voting as a separate class and by the Series 1 Holders and Series 2 Holders voting together as a separate class at the Meeting;

(e) "**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required under subsection 193(10) of the ABCA to be filed with the Registrar after the Final Order has been made to give effect to the Arrangement;

(f) "**Bondholders**" means collectively, or any one or more of, the Series B Holders, the Series 1 Holders and the Series 2 Holders;

(g) "**Bonds**" means collectively, or any one or more of, the Series B Bonds, the Series 1 Bonds and the Series 2 Bonds;

(h) "**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in Calgary, Alberta, for the transaction of banking business;

(i) "**Certificate**" means the certificate of arrangement to be issued by the Registrar pursuant to subsection 193(11) of the ABCA, giving effect to the Arrangement;

(j) "**Court**" means the Court of Queen's Bench of Alberta;

(k) "**Declaration of Trust**" means the declaration of trust of the Trust dated as of March 4, 2010, between the settlor of the Trust and the Trustees as it may from time to time amended, supplemented or restated;

(l) "**Depository**" means Computershare Investor Services Inc., at its offices referred to in the Letter of Transmittal;

(m) "**Effective Date**" means the date on which the Arrangement is effective under the ABCA;

(n) "**Effective Time**" means 12:01a.m. (Calgary time) on the Effective Date regardless of the time of the Closing on that date;

(o) "**FRPL**" means FRPL Finance Ltd.;

(p) "**FRPL Directors**" means the board of directors of FRPL;

(q) "**Fairmont**" means Fairmont Resort Properties Ltd., a corporation incorporated pursuant to the ABCA;

(r) "**Fairmont Loan Agreements**" means the loan agreements dated September 30, 2005 and July 17, 2006 between Fairmont and FRPL pursuant to which FRPL agreed to lend to Fairmont the full proceeds of the Bonds and pursuant to which Fairmont agreed to grant to FRPL the Underlying Security, as amended from time to time;

(s) "**Final Order**" means the order of the Court approving the Arrangement to be applied for following the approval of the Arrangement at the Meeting to be granted pursuant to the provisions of subsection 193(9) of the ABCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

(t) "**Forbearance Agreement**" means the Forbearance Agreement dated February 18, 2009 entered into by FRPL with Fairmont, LOR, LORV and certain other subsidiaries of Fairmont;

(u) "**GSAs**" means the general security agreements granted by Fairmont, LOR and LORV to FRPL in connection with the execution of the Forbearance Agreement;

(v) "**General Partner**" means Fairwynd Resort Properties Ltd., a corporation incorporated pursuant to the ABCA and which is the general partner of Northwynd LP;

(w) "**Indentures**" means the Trust Indenture dated July 17, 2006 between FRPL and Computershare Trust Company of Canada and the Trust Indenture dated October 24, 2005 between FRPL and Computershare Trust Company of Canada;

(x) "**Information Circular**" means the information circular dated March 8, 2010, together with all appendices thereto distributed by FRPL in connection with the Meeting;

(y) "**Interim Order**" means the Interim Order of the Court dated March 5, 2010 pursuant to subsection 193(4) of the ABCA containing declarations and directions with respect to the Arrangement and the Meeting and issued pursuant to the petition of FRPL therefor, a copy of which order is attached as Appendix B to the Information Circular;

(z) "**LP Units**" means the limited partnership units of the Northwynd LP;

(aa) "**Letter of Transmittal**" means the Letter of Transmittal enclosed with the Information Circular pursuant to which a Bondholder is required to deliver certificate(s) representing Bonds to the Depository;

(bb) "**LOR**" means Lake Okanagan Resort (2001) Ltd.;

(cc) "**LORV**" means Lake Okanagan Resort Vacation (2001) Ltd.;

(dd) "**Meeting**" means the meeting of Bondholders to be held on April 13, 2010 and any adjournment(s) thereof to, *inter alia*, consider and to vote on the Arrangement Resolution and the matters referred to in the Notice of Meeting;

(ee) "**Northwynd LP**" means Northwynd Limited Partnership, a limited partnership established pursuant to the laws of the province of Alberta pursuant to the Northwynd LP Limited Partnership Agreement;

(ff) "**Northwynd LP Limited Partnership Agreement**" means the limited partnership agreement dated as of March 4, 2010 among the General Partner, the Trust and each person who from time to time is accepted as and becomes a limited partner pursuant thereto, as from time to time amended, supplemented or restated;

(gg) "**Notice of Meeting**" means the Notice of Meeting which accompanies the Information Circular;

(hh) "**person**" includes any individual, body corporate, partnership, trust, association, joint venture, other organization or entity (whether or not a legal entity) or governmental authority;

(ii) "**Plan**" means this plan of arrangement, as from time to time amended, supplemented or restated in accordance with the terms hereof;

(jj) "**Registrar**" means the Registrar of Corporations appointed under section 263 of the ABCA;

(kk) "**Series 1 Bonds**" means the outstanding 10% Series 1 mortgage bonds due June 30, 2009 in the aggregate principal amount of $914,000 issued by FRPL pursuant to a Trust Indenture dated July 17, 2006 between FRPL and Computershare Trust Company of Canada;

(ll) "**Series 1 Holders**" means the holders of Series 1 Bonds;

(mm) "**Series 2 Bonds**" means the outstanding 12% Series 2 mortgage bonds due June 30, 2011 in the aggregate principal amount of $26,099,828 issued by FRPL pursuant to a Trust Indenture dated July 17, 2006 between FRPL and Computershare Trust Company of Canada;

(nn) "**Series 2 Holders**" means the holders of Series 2 Bonds;

(oo) "**Series B Bonds**" means the outstanding 12% Series B mortgage bonds due September 30, 2010 in the aggregate principal amount of $14,429,621 issued by FRPL pursuant to a Trust Indenture dated October 24, 2005 between FRPL and Computershare Trust Company of Canada;

(pp) "**Series B Holders**" means the holders of Series B Bonds;

(qq) "**Series A Trust Units**" means the voting Series A Trust Units of the Trust having the terms and conditions set out in the Declaration of Trust;

(rr) "**Series B Trust Units**" means the non-voting Series B Trust Units of the Trust having the terms and conditions set out in the Declaration of Trust;

(ss) "**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1. (5th Supp), including the *Income Tax Regulations* from time to time promulgated thereunder, all as amended from time to time;

(tt) "**Trust**" means Northwynd Properties Real Estate Investment Trust, an unincorporated open-ended trust established under the laws of Alberta pursuant to the Declaration of Trust, and, where the context requires, includes its subsidiaries and where used in conjunction with operations means an operating affiliate of the Trust;

(uu) "**Trustees**" means the trustees of the Trust from time to time and "**Trustee**" means any one of them;

(vv) "**Trust Unit**" means a trust unit of any series of the Trust, each such trust unit representing an equal undivided beneficial interest in the Trust;

(ww) "**Underlying Security**" means the security provided to FRPL pursuant to the Fairmont Loan Agreements; and

(xx) "**Unitholders**" means the holders from time to time of Trust Units.

1.2 The division of this Plan into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan.

1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan.

1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders.

1.5 In the event that the date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.6 References in this Plan to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

1.7 Unless otherwise stated all references in this Plan to sums of money are expressed in lawful money of Canada.

ARTICLE 2
ARRANGEMENT AGREEMENT

2.1 This Plan is made pursuant and subject to the provisions of the Arrangement Agreement.

2.2 This Plan, upon the filing of the Articles of Arrangement and the issue of the Certificate, will become effective on, and be binding on and after, the Effective Time on: (i) the Bondholders; (ii) FRPL; (iii) the Trust; (iv) the Northwynd LP; and (vi) the General Partner.

2.3 The Articles of Arrangement and Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the

Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein.

ARTICLE 3
ARRANGEMENT

3.1 On the Effective Date, each of the events set out below shall occur and shall be deemed to occur in the following order, unless otherwise stated, without any further act or formality:

(a) the Fairmont Loan Agreements, the Underlying Security and the GSAs shall be assigned by FRPL to Northwynd LP in exchange for a demand promissory note in the principal amount of $43,804,817 from Northwynd LP;

(b) the Trust shall issue to FRPL that aggregate number of Trust Units required to be distributed by FRPL to the Bondholders to complete the redemption of Bonds provided for in subsection 3.1(e), in consideration for the promissory note of Northwynd LP received by FRPL in the immediately preceding step;

(c) the Trust shall assign and contribute the promissory note of Northwynd LP received by the Trust in the immediately preceding step to Northwynd LP for 43,804,817 LP Units at a price of $1.00 per LP Unit and the Trust shall be recorded as the holder of such LP Units on the register maintained by Northwynd LP for LP Units;

(d) FRPL shall issue to those Series B Holders and Series 2 Holders entitled thereto pursuant to the terms of the respective Indentures, an aggregate of $670,887 of Series B Bonds and $1,690,481 of Series 2 Bonds, respectively, as full payment and satisfaction of the accrued and unpaid interest on such Bonds to September 30, 2008;

(e) each $1.00 of principal amount of each issued and outstanding Bond (including those issued pursuant to subsection 3.1(d)), shall be redeemed by FRPL in exchange for one (1) Series A Trust Unit and one (1) Series B Trust Unit held by FRPL as full repayment and satisfaction of all outstanding principal of the Bonds and all interest on the Bonds accrued after September 30, 2008 and unpaid shall be cancelled and the Bonds shall be cancelled in accordance with their terms; and

(f) the one (1) outstanding common share of the General Partner shall be purchased for cancellation by the General Partner for $0.10 and cancelled;

provided that if any of the foregoing steps in (a) through (f) fails to occur or complete then all of such steps will be deemed not to have occurred.

3.2 On the day immediately after the Effective Date the Trust shall subscribe for 10 common shares of the General Partner for an aggregate purchase price of $1.00.

ARTICLE 4
OUTSTANDING CERTIFICATES AND FRACTIONAL SECURITIES

4.1 After the Effective Time, certificates formerly representing Bonds shall represent only the right to receive upon surrender as contemplated by Section 4.2: (a) the certificates representing Trust Units which the former holder of such Bonds, is, subject to this Article 4, entitled to receive pursuant to Article 3; and (b) distributions with respect thereto pursuant to Section 4.3, subject to compliance with the requirements set forth in this Article 4.

4.2 The parties shall, as soon as practicable following the later of the Effective Date and the deliver to the Depository of certificates representing any person's Bonds, together with such other documents and instruments as would have been required to effect the transfer of the Bonds represented by such certificates under the ABCA and such additional documents and instruments as the Depository may reasonably require, cause the Depository to deliver to such person certificate(s) representing the number of Trust Units which such person has the right to receive (together with any distributions with respect thereto pursuant to Section 4.3). In the event of a transfer of ownership of Bonds which is not registered in the transfer records of FRPL, certificate(s) representing the appropriate number of Trust Units may be issued to the transferee if the certificate(s) representing such Bonds is presented to the Depository, accompanied by all documents required to evidence and effect such transfer to the transferee.

4.3 All distributions made with respect to any Trust Units with a record date after the Effective Time but for which a certificate has not been issued shall be paid or delivered to the Depository to be held by the Depository in trust for the registered holder of such Trust Units. All monies received by the Depository shall be invested by it in interest bearing trust accounts upon such terms as the Depository may reasonably deem appropriate. The Depository shall pay and deliver to any such registered holder such distributions and any interest thereon to which such holder is entitled, net of applicable withholding and other taxes, upon delivery of the certificate representing the Trust Units issued to such holder in accordance with Section 4.2.

4.4 No fractional Trust Units shall be issued pursuant to the Arrangement. In the event that any exchange ratio referred to herein would in any case result in a former holder of Bonds being entitled to a fractional Trust Unit, such Trust Units shall be rounded to the nearest whole number, provided that each beneficial former holder of Bonds, shall be entitled to the benefit of only one adjustment in respect of each of such holder's Trust Units.

4.5 After the fifth anniversary of the Effective Date, if any certificate formerly representing Bonds has not been deposited with all other documents as provided in Section 4.2 so as to claim the Trust Units issuable pursuant to subsection 3.1(e) and any distributions with respect thereto pursuant to Section 4.3, FRPL will deliver such Trust Units and any distributions thereon to the Minister under the *Unclaimed Property and Vested Property Act* (Alberta).

4.6 The Trust and the Depository shall be entitled to deduct and withhold from any consideration or distribution otherwise payable to any former holder of Bonds or any holder of Trust Units, such amounts as the Trust and the Depository is required to deduct and withhold with respect to such payment under the Tax Act or any provision of federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the Bonds in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. The Trust and the Depository are hereby authorized to sell or otherwise dispose of such portion of the Trust Units as is necessary to provide sufficient funds to the Trust and the Depository, as the case may be, to enable it to comply with such deduction or withholding requirement and the Trust and the Depository shall notify the holder thereof and remit any unapplied balance of the net proceeds of such sale.

ARTICLE 5
AMENDMENTS

5.1 FRPL reserves the right to amend, modify and/or supplement this Plan from time to time at any time prior to the Effective Time provided that any such amendment, modification or supplement must be contained in a written document that is:

(a) agreed to by each of the Trust, the General Partner and the Northwynd LP;

(b) filed with the Court and, if made following the Meeting, approved by the Court; and

(c) communicated to Bondholders in the manner required by the Court (if so required).

5.2 Any amendment, modification or supplement to this Plan may be proposed by FRPL at any time prior to or at the Meeting provided that the Trust, the General Partner and the Northwynd LP, shall have consented thereto with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan for all purposes.

5.3 Any amendment, modification or supplement to this Plan which is approved by the Court following the Meeting shall be effective only:

(a) if it is consented to by FRPL;

(b) if it is consented to by the General Partner, the Northwynd LP and the Trust; and

(c) if required by the Court or applicable law, it is consented to by the Bondholders.

APPENDIX D
FINANCIAL STATEMENTS OF FRPL

APPENDIX A

FRPL FINANCE LTD.

FINANCIAL STATEMENTS

DECEMBER 31, 2009

UNAUDITED – PREPARED BY MANAGEMENT

FRPL FINANCE LTD.
BALANCE SHEET
UNAUDITED – PREPARED BY MANAGEMENT

DECEMBER 31	2009	2008
ASSETS		
CURRENT		
Cash	$ 127,255	$ 706,008
Accounts receivable (note 4)	90,868	50,943
Income tax recoverable (payable)	56,700	(172,146)
Prepaid expenses	-	250,300
Loans receivable (note 3)	50,613,436	45,046,058
Allowance for uncollectible loans receivable (note 3)	(6,808,619)	-
	44,079,640	45,881,163
ADVANCES TO RELATED PARTIES (note 4)	121,313	177,227
PROPERTY, PLANT AND EQUIPMENT	3,802	3,802
	$ 44,204,755	$ 46,062,192
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 58,989	$ 60,444
Due to related party (note 4)	44,826	396,391
Bond interest payable	9,169,987	3,602,609
Bonds payable (note 5)	41,443,449	41,443,449
	50,717,251	45,502,893
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (note 6)	160	160
RETAINED EARNINGS (DEFICIT)	(6,512,656)	559,139
	(6,512,496)	559,299
	$ 44,204,755	$ 46,062,192

Approved on behalf of the Board

Director *"signed"*
Edward Nycholat

APPENDIX A

FRPL FINANCE LTD.

STATEMENT OF OPERATIONS AND RETAINED EARNINGS

UNAUDITED – PREPARED BY MANAGEMENT

YEAR ENDED DECEMBER 31	2009	2008
REVENUE		
Interest income	$ 5,463,769	$ 5,427,620
Selling and administration fees	796,628	474,153
	6,260,397	5,901,773
EXPENSES		
Reserve for uncollectible loans receivable	6,808,619	-
Bond interest	5,567,378	5,007,820
Bad debts	285,868	-
Professional fees	727,027	179,323
Amortization	-	1,442
	13,388,892	5,188,585
EARNINGS (LOSS) BEFORE INCOME TAXES	(7,128,495)	713,188
INCOME TAXES		
Current (recoverable) payable (note 7)	(56,700)	172,146
NET EARNINGS (LOSS)	(7,071,795)	541,042
RETAINED EARNINGS, beginning of year	559,139	18,097
RETAINED EARNINGS (DEFICIT), end of year	$ (6,512,656)	$ 559,139

APPENDIX A

FRPL FINANCE LTD.
STATEMENT OF CASH FLOWS
UNAUDITED – PREPARED BY MANAGEMENT

YEAR ENDED DECEMBER 31,	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net earnings (loss)	$ (7,071,795)	$ 541,042
Amortization expense	-	1,442
Reserve for uncollectible loans	6,808,619	-
Change in non-cash working capital items		
Accounts payable and accrued liabilities	(1,455)	(158,660)
Income taxes	(228,846)	59,711
Prepaid expenses	250,300	(250,300)
Accounts receivable	(39,925)	(20,730)
	(283,102)	172,505
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans receivable	-	707,000
Purchase of office furniture & equipment	-	(5,244)
	-	701,756
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from related parties	55,914	-
Repayment to shareholders	-	(778,383)
Due to related party	(351,565)	1,169,671
Redemption of bonds payable	-	(707,000)
	(295,651)	(315,712)
CHANGE IN CASH POSITION	(578,753)	558,549
CASH, beginning of year	706,008	147,459
CASH, end of year	$ 127,255	$ 706,008
OTHER INFORMATION		
Interest paid	$ -	$ 1,405,362
Income taxes paid	$ -	$ 172,146

1. NATURE OF OPERATIONS

FRPL Finance Ltd. (the "Company") was incorporated under the Business Corporations Act (Alberta) on December 29, 2004. The Company carries on the business of providing financing, principally for companies in the resort development and time share sales industry.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared using the historical cost basis in accordance with Canadian generally accepted accounting principles. These financial statements have, in management's opinion, been properly prepared within the framework of the accounting policies summarized as follows:

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are accounts receivable, loans receivable, and accounts payable and accrued liabilities.

Cash

Cash consists of balances with financial institutions.

Revenue recognition

The Company derives revenue from interest earned on the loan receivable, selling and administration fees earned on sales of bonds and trust units, and consulting fees. Interest income is recognized on an accrual basis, at prescribed rates, which depend upon the series of bonds issued then subsequently loaned to Fairmont Resort Properties Ltd. ("Fairmont"). Selling fee income and administration fee income are recognized when bonds and trust units are sold, based on pre-established fee schedules agreed upon by the Company and Fairmont. The selling fees are shown net of all expenses directly related to the sales. Consulting fees are recognized once the service has been provided. Revenue is recorded only when collectibility is reasonably assured.

Future income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, the Company records future income taxes for the effect of any difference between the accounting and income tax basis of an asset or liability, using the substantively enacted income tax rates. Accumulated future income tax balances are adjusted to reflect changes in income tax rates that are substantively enacted with the adjustment being recognized in earnings in the period that the change occurs. Future tax assets are recognized to the extent that they are more likely than not to be realized.

3. **LOANS RECEIVABLE**

		2009	2008
Loan receivable from Fairmont, representing funds raised from issuing Series B bonds. The loan earns interest at 13% per annum.	$	14,429,621 $	14,429,621
Loan receivable from Fairmont, representing unpaid interest owed on Series B bonds.		3,022,973	1,103,776
Loan receivable from Fairmont, representing funds raised from issuing Series 1 bonds. The loan earns interest at 11% per annum.		914,000	914,000
Loan receivable from Fairmont, representing unpaid interest owed on Series 1 bonds.		118,134	22,850
Loan receivable from Fairmont, representing funds raised from issuing Series 2 bonds. The loan earns interest at 13% per annum.		26,099,828	26,099,828
Loan receivable from Fairmont, representing unpaid interest owed on Series 2 bonds.		6,028,880	2,475,983
	$	50,613,436 $	45,046,058

On December 31, 2008, Fairmont Resort Properties Ltd., Lake Okanagan Resort (2001) Ltd. and Lake Okanagan Resort Vacation (2001) Ltd. defaulted on the payment of interest on the loans receivable.

Loans to Fairmont are secured as follows:

Unlimited guarantees by Lake Okanagan Resort (2001) Ltd. and Lake Okanagan Resort Vacation (2001) Ltd., which are subsidiaries of Fairmont.

First mortgages on certain assets of Fairmont or its subsidiaries. The collateral value for such mortgages must be greater than the aggregate outstanding principal amount of mortgage bonds (see note 7), and is calculated as follows:

(a) 75% of the most recent appraised value of hotel assets and development lands pledged as security;

(b) 75% of the inventory value defined as unsold time share weeks and fractional undivided interests available for sale in units of properties owned by Fairmont pledged as security, plus

(c) A General Security Agreement provided by Fairmont, Lake Okanagan Resort (2001) Ltd. and Lake Okanagan Resort Vacation (2001) Ltd. over all of their assets which were not provided as specific security for the mortgage bonds issued.

3. **LOANS RECEIVABLE, continued**

Fairmont is also required to carry all-risk insurance on the mortgaged property with payments resulting from losses payable to the Company.

An allowance for uncollectible loans receivable has been recorded to reflect the loans receivable from Fairmont Resort Properties Ltd. at a value equal to the exchange value that is being proposed to bond holders through a plan of arrangement.

4. **RELATED PARTY TRANSACTIONS**

(a) During the year, the Company entered into transactions with the following related parties:

Fairmont Resort Properties Ltd., related by common shareholder
FRPL Management Ltd., related by common shareholders
1149098 Alberta Ltd., related by common management
Resorts International Real Estate Investment Trust, related by common management
Corporations owned by directors of the Company
Directors of the Company

(b) Transactions

	2009	2008
Revenue - interest, selling, consulting and administration fees income		
Fairmont Resort Properties Ltd.	$ 6,276,791	$ 6,281,985
Resorts International Real Estate Investment Trust	-	2,163,940
	$ 6,276,791	$ 8,445,925
Expenses - interest and commission expense		
1149098 Alberta Ltd.	$ 116,000	$ 224,366
Corporations owned by directors of the Company	-	6,598
Directors of the Company	-	30,045
	$ 116,000	$ 261,009

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

4. **RELATED PARTY TRANSACTIONS, continued**

(c) Advances to related parties

	2009	2008
FRPL Management Ltd.	$ 21,076	$ 77,847
FRPL Group Ltd.	100,237	99,380
	$ 121,313	$ 177,227

Advances to related parties are unsecured, non-interest bearing, with no specific terms of repayment.

(d) Accounts receivable include amounts receivable from:

	2009	2008
Fairmont Resort Properties Ltd.	$ 89,092	$ 897,004
Resorts International Real Estate Investment Trust	-	2,686
	$ 89,092	$ 899,690

(e) Bonds payable include Series B bonds payable to:

	2009	2008
Corporations owned by directors of the Company	$ -	$ 13,745
Directors of the Company	-	220,620
	$ -	$ 234,365

(f) Due to related party:

	2009	2008
Fairmont Resort Properties Ltd.	$ 44,826	$ 396,391

Due from related party is unsecured, non-interest bearing with no specific terms of repayment

5. BONDS PAYABLE

		2009	2008
Series B bonds. Interest paid annually at 12% per annum by way of issuance of additional fractional Series B bonds, equal to the amount of interest payable less $300, which is to be paid in cash. Alternatively, bondholders may elect at the time of subscription, and annually thereafter, to receive interest paid quarterly at 12% per annum in cash.	$	14,429,621 $	14,429,621
Series 1 bonds. Interest paid quarterly at 10% per annum.		914,000	914,000
Series 2 bonds. Interest paid annually at 12% per annum by way of issuance of additional fractional Series B bonds, equal to the amount of interest payable. Alternatively, bondholders may elect at the time of subscription, and annually thereafter, to receive interest paid quarterly at 12% per annum in cash.		26,099,828	26,099,828
	$	41,443,449 $	41,443,449

The Series B, Series 1, and Series 2 bonds are secured through an assignment by the Company to a Trustee, pursuant to a Trust Indenture of all security provided to it by Fairmont, as security for the Fairmont loans receivable (see note 3).

6. SHARE CAPITAL

Authorized
Unlimited number of common shares

Issued

	2009		2008	
	Issued	Amount	Issued	Amount
Common shares,	160 $	160	160 $	160
	160 $	160	160 $	160

7. **INCOME TAXES**

The provision for income taxes recorded in the financial statements differs from the amount which would be obtained by applying the statutory income tax rate of 16.12% (2006 - 16.12%) to the earnings for the years as follows:

	2009	2008
Earnings (loss) for the year before income taxes	$ (7,128,495)	$ 541,042
Anticipated income tax (recovery) expense	(56,700)	172,146
Provision for income taxes	$ (56,700)	$ 172,146

8. **OTHER INFORMATION**

On March 30, 2009 FRPL Finance Ltd. and FRPL management Ltd. applied to the Court of Queen's Bench, with the consent of Fairmont, to seek and obtained creditor protection for Fairmont Resort Properties Ltd., Lake Okanagan Resort vacation (2001) Ltd., Lake Okanagan Resort (2001) Ltd. and LL Developments Ltd. under the Companies' Creditors Arrangement Act R.S.C. 1985 c. C-36 (CCAA). The stay of actions against under the CCAA order has been subject to several extensions and will expire on April 15, 2010.

9. **ECONOMIC DEPENDENCE**

The Company earned 99% (2008 - 85%) of its revenue from Fairmont.

10. **SUBSEQUENT EVENT**

At a meeting to be convened of all bond holders, a Plan of Arrangement will be proposed, wherein the bond holders will be asked to consider exchanging the principal amount of their bonds plus accrued interest to September 30, 2008 into trust units of a Real Estate Investment Trust. This will be accomplished through an extraordinary resolution under the Bond Trust Indenture, wherein 66 2/3rds of the principal amount of the bonds outstanding is required for the resolution to be approved. Should the resolution be approved by the bond holders, the Plan of Arrangement will result in the Real Estate Investment Trust owing 100 % of the assets of Fairmont Resort Properties Ltd., Lake Okanagan Resort (2001) Ltd. and Lake Okanagan Resort Vacation (2001) Ltd.

11. **GOING CONCERN**

Due to the default on December 31, 2008 of Fairmont Resort Properties Ltd. in its obligations to pay interest under the loans receivable, FRPL Finance Ltd. is unable to meet it's financial obligations under the bonds payable. A Plan of Arrangement will be proposed to the bond holders, wherein they are being asked to consider exchanging their bonds and accrued interest to September 30, 2008 for trust units of a Real Estate Investment Trust. Should 66 2/3rds of the

11. GOING CONCERN, continued

bond holders vote in favor of the Plan of Arrangement, the loans receivable and the loans payable will be extinguished. Upon successful completion of the Plan of Arrangement, FRPL Finance Ltd. will be in a financial position to meet it's future obligation.

12. FINANCIAL INSTRUMENTS

Financial instruments consist of recorded amounts of cash, accounts receivable, loans receivable, and advances to related parties, which will result in future cash receipts, as well as accounts payable and accrued liabilities, advances from shareholders, and bonds payable, which will result in future cash outlays.

The Company is exposed to the following risks in respect of certain of the financial instruments held:

(a) Credit risk

Credit risk arises from the potential that the loans receivable will not be collected. Management seeks to mitigate this risk by ensuring the loans are adequately secured.

(b) Fair value

In management's opinion, the Company's carrying value of cash, accounts receivable, and accounts payable and accrued liabilities approximates their fair value due to the immediate or short-term maturity of these instruments. The fair value of the advances to related parties and advances from shareholders are less than carrying value, as the amounts are non-interest bearing. As the amounts have no terms of repayment, the fair value cannot be calculated with any degree of certainty. The carrying value of the loans receivable reflect the exchange value that is being proposed to the bond holders under a plan of arrangement, to be voted on by the bond holders, wherein the bond holders will be asked to consider exchanging their bonds for trust units of a Real Estate Investment Trust.

(c) Interest rate risk

The Company is exposed to interest rate price risk as the fair value of the loans receivable and bonds payable will fluctuate with changes in market interest rates. The Company seeks to minimize this risk by borrowing and lending funds on similar terms.

13. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

APPENDIX A

APPENDIX E
FINANCIAL PROJECTIONS OF THE TRUST

Northwynd Properties Real Estate Investment Trust

Financial Projections

For the Years Ending December 31, 2010 - 2015

Northwynd Properties Real Estate Investment Trust
Projected Balance Sheets
In $Thousands
(Unaudited - Prepared by Management)

	Pro Forma	Projected As At					
	01-Apr-10	31-Dec-10	31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15
Assets							
Timeshare inventory and reversionary land interests	$ 24,838	$ 18,320	$ 9,997	$ 10,231	$ 3,264	$ 2,905	$ 2,905
Land held for development	8,106	8,556	7,628	6,701	6,701	6,701	6,701
Condominium inventory	6,646	4,154	-	-	-	-	-
Capital assets	2,308	3,463	3,379	3,294	3,212	3,132	3,053
Projects under development	-	1,500	9,500	-	-	-	-
Finance notes receivable	13,709	14,923	21,474	32,723	42,430	36,503	29,306
Management contract	3,628	3,084	2,358	1,633	907	181	-
Other assets	2,149	3,219	3,063	3,312	3,209	2,290	2,173
Cash held in trust	886	1,969	-	-	-	-	-
Cash	2,318	4,782	3,720	2,183	2,355	1,794	832
	$ 64,588	**$ 63,970**	**$ 61,120**	**$ 60,078**	**$ 62,078**	**$ 53,506**	**$ 44,971**
Liabilities							
Operating loan	$ 8,000	$ 8,000	$ -	$ -	$ -	$ -	$ -
ject financing	-	1,500	9,500	1,000	-	-	-
.e monetization facility	8,150	7,664	11,761	21,299	30,416	26,500	21,586
Accounts payable and accrued liabilities	332	978	869	869	869	869	869
Trust liability	4,300	4,300	-	-	-	-	-
	20,782	22,442	22,131	23,168	31,286	27,369	22,455
Unitholders' equity							
Trust units	43,805	43,805	43,805	43,805	43,805	43,805	43,805
Net income	-	289	6,838	12,572	21,123	22,342	22,271
Accumulated distributions to unitholders	-	(2,566)	(11,655)	(19,468)	(34,136)	(40,011)	(43,561)
	43,805	41,528	38,989	36,910	30,792	26,137	22,516
	-	-	-	-	-	-	-
	$ 64,588	**$ 63,970**	**$ 61,120**	**$ 60,078**	**$ 62,078**	**$ 53,506**	**$ 44,971**

See accompanying notes.

Northwynd Properties Real Estate Investment Trust
Projected Statements of Operations
In $Thousands
(Unaudited - prepared by Management)

	9 months ending 31-Dec-10	Years Ending 31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15
Revenue						
Timeshare	$3,775	$15,469	$27,054	$24,644	$1,744	$720
Reversionary	10,921	10,071	5,238	4,784	1,669	-
Sale of real estate	2,385	10,795	2,000	-	-	-
Management fees and retail sales	1,104	1,519	1,662	1,630	1,630	1,630
Hotel operations	3,926	5,120	5,383	5,646	5,932	6,227
Interest on notes receivable	1,435	2,643	3,500	5,165	5,463	4,598
	23,546	45,617	44,837	41,869	16,438	13,175
Expenses						
Cost of sales	9,623	16,087	10,902	7,702	1,121	792
Selling and marketing	4,354	9,270	13,047	11,936	1,234	310
Note monetization costs	157	644	1,125	1,025	73	30
Operating and administrative	7,129	9,682	10,298	9,590	9,686	9,898
	21,263	35,682	35,373	30,253	12,114	11,030
Operating income	**2,284**	**9,934**	**9,464**	**11,617**	**4,324**	**2,145**
Interest	1,406	2,575	2,921	2,257	2,299	1,956
Depreciation and amortization	589	810	810	808	806	260
Net income (loss)	$289	$6,550	$5,734	$8,551	$1,219	($71)

See accompanying notes.

Northwynd Properties Real Estate Investment Trust
Projected Summary of Unitholders' Distributions and Equity
In $Thousands
(Unaudited - Prepared by Management)

		Years Ending					
	nine months 31-Dec-10	31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15	Total
Cash distribution of taxable income	$566	$7,088	$6,313	$9,169	$1,874	$50	**$25,061**
Cash distribution of capital	2,000	2,000	1,500	5,500	4,000	3,500	**18,500**
Total cash distributions	2,566	9,088	7,813	14,669	5,874	3,550	**43,561**
Residual Unitholders' Equity	$41,528	$38,989	$36,910	$30,792	$26,137	$22,516	**$22,516**
							$66,077

See accompanying notes.

Northwynd Properties Real Estate Investment Trust
Projected Statement of Cash Flows
In $Thousands
(Unaudited - Prepared by Management)

		Years Ending				
	nine months 31-Dec-10	31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15
Cash receipts:						
Timeshare sales and notes receivable collections	$4,565	$11,832	$18,371	$19,666	$13,413	$12,273
Reversionary sales and notes receivable collections	9,282	9,955	5,922	5,324	2,309	359
Proceeds from financing notes receivable	1,963	8,044	14,068	12,815	907	374
Proceeds from project financing	1,500	10,000	-	-	-	-
Sale of real estate	2,385	10,795	2,000	-	-	-
Management fees and retail sales	1,104	1,519	1,662	1,630	1,630	1,630
Hotel operations	3,926	5,120	5,383	5,646	5,932	6,227
Total cash receipts	24,725	57,265	47,407	45,080	24,191	20,863
Cash disbursements						
Capital expenditures	3,150	14,300	-	-	-	-
Selling costs, operating and overheads	11,607	20,386	25,179	23,286	11,755	11,030
Repayment of project and corporate financings	-	10,000	8,500	1,000	-	-
Repayment of financings notes	2,449	3,947	4,531	3,697	4,823	5,289
Cost of financing	1,406	2,575	2,921	2,257	2,299	1,956
Total cash disbursements	18,612	51,208	41,131	30,240	18,878	18,275
Net cash generated	6,113	6,057	6,276	14,840	5,314	2,58[illegible]
Cash balance before distributions	9,317	12,808	9,996	17,023	7,668	4,382
Cash distribution of taxable income	566	7,088	6,313	9,169	1,874	50
Cash distribution of capital	2,000	2,000	1,500	5,500	4,000	3,500
Cash balance after distributions	$6,751	$3,720	$2,183	$2,355	$1,794	$832
Number of Series A Trust Units	43,805	43,805	43,805	43,805	43,805	43,805
Distributed Cash per Trust Unit for the period	**$ 0.06**	**$ 0.21**	**$ 0.18**	**$ 0.33**	**$ 0.13**	**$ 0.08**

See accompanying notes.

Northwynd Properties Real Estate Investment Trust
Notes to the Financial Projection
April 1, 2010 to December 31, 2015
(Unaudited – Prepared by Management)

1. Purpose and Basis of Presentation

This financial projection, comprised of projected consolidated balance sheets of Northwynd Properties Real Estate Investment Trust (the 'REIT") as at April 1, 2010, and at December 31 2011, 2012, 2013, 2014 and 2015 and the consolidated projected statements of operations, summary of unitholders' distributions and equity, and statement of cash flows of the REIT for each of the periods then ending, has been prepared by management for inclusion in the information circular with respect to the proposed Plan of Arrangement involving FRPL Finance Ltd. ("FRPL"), FRPL's Bondholders and certain other entities dated March 5, 2010. Readers are cautioned that this projection may be not appropriate for other purposes.

The financial projection has been prepared using assumptions that reflect management's planned course of action for the projection period given management's judgment as to the most probable set of economic conditions, together with hypotheses, which assume a set of economic conditions or courses of action that are not necessarily the most probable in management's judgment, but are consistent with the purpose of the projection.

Readers are cautioned that assumptions integral to the financial projection, although considered by management to be reasonable, inevitably will not materialize as projected and the reader is cautioned that actual results will vary from the amounts projected and the amounts may be material.

The financial projection includes the consolidated results of the financial projection of Northwynd Properties Real Estate Investment Trust (the "REIT") and of the limited partnership, Northwynd Limited Partnership (the "Partnership").

The effective date of the hypotheses and assumptions is March 5, 2010.

2. Assumptions

The financial projection is based on the following assumptions

(a) Reorganization of FRPL

FRPL has proposed to reorganize its debt owed to Bondholders pursuant to a Plan of Arrangement under section 193 of the Alberta Business Corporations Act. In accordance with an Arrangement Agreement between FRPL, the REIT and the Partnership dated March 1, 2010, the following transactions are proposed:

(i) The Fairmont Loan Agreements and related security shall be assigned by FRPL to the Partnership in exchange for a demand promissory note in the principal amount of $43,804,817 from the Partnership;

(ii) the Trust shall issue to FRPL that aggregate number of Trust Units required to be distributed by FRPL to the Bondholders to complete the redemption of Bonds provided for in subsection (v), in consideration for the promissory note of the Partnership received by FRPL in the immediately preceding step;

(iii) the Trust shall assign and contribute the promissory note of the Partnership received by the Trust in the immediately preceding step to the Partnership for $43,804,817 LP Units at a price of $1.00 per LP Unit and the Trust shall be recorded as the holder of such LP Units on the register maintained by the Partnership for LP Units;

(iv) FRPL shall issue to those Series B Holders and Series 2 Holders entitled thereto pursuant to the terms of the respective Indentures, an aggregate of $670,887 of Series B Bonds and $1,690,481 of Series 2 Bonds, respectively, as full payment and satisfaction of the accrued and unpaid interest on such Bonds to September 30, 2008;

(v) each $1.00 of principal amount of each issued and outstanding Bond (including those issued pursuant to subsection (iv)), shall be redeemed by FRPL in exchange for one (1) Series A Trust Unit and one (1) Series B Trust Unit held by FRPL as full repayment and satisfaction of all outstanding principal of the Bonds and all interest on the Bonds accrued after September 30, 2008 and unpaid shall be cancelled and the Bonds shall be cancelled in accordance with their terms; and

(vi) The one (1) outstanding common share of the General Partner shall be purchased for cancellation by the General Partner for $0.10 and cancelled;

provided that if any of the foregoing steps in (i) through (vi) fails to occur or complete then all of such steps will be deemed not to have occurred.

On the day immediately after effective date of the Plan of Arrangement the Trust shall subscribe for 10 common shares of the General Partner for an aggregate purchase price of $1.00. To be effective, each of these transactions must be completed and must be approved by special resolutions of the FRPL Bondholders at a meeting to be held on April 13, 2010. It is assumed that these transactions will be completed and approved

(b) Acquisition of assets:

The reorganization as contemplated by the Arrangement Agreement will have an effective date of April 13, 2010. It is assumed that the Partnership will then realize on its security and effect the transfer of the assets and businesses of Fairmont to the Partnership. As Fairmont is presently operating under the Companies Creditors Arrangements Act ("CCAA"), the Partnership's asset realization action will be completed in conjunction with the CCAA court process. It is assumed that the effective date of transfer will be May 15, 2010. The Fairmont net assets will be acquired at their fair values which are estimated as follows:

Assets acquired:	
Timeshare and reversionary inventory	$24,838,000
Condominium inventory	6,646,016
Land held for development	8,106,000
Hotel property	1,583,000
Other real estate	725,000
Finance notes receivable	13,709,000
Management contract	3,628,000
Cash (including $885,000 Building 7000 trust funds)	3,203,887
Other assets	2,148,103
	64,587,006
Liabilities assumed:	
Operating loan	8,000,000
RFI loans	8,150,021
Accounts payable	332,168
Building 7000 liability	4,300,000
	20,782,189
Net assets acquired	$43,804,817
Trust units issued as consideration:	
Series A voting trust units	$43,805
Series B non-voting trust units	43,761,012
	$43,804,817

All revenues earned and expenses incurred subsequent to May 15, 2010 from these assets will accrue to the Partnership.

3. Significant accounting policies

These projected financial statements have been prepared in accordance with Canadian generally accepted accounting principles for private enterprises. The significant accounting policies include:

(a) Basis of Presentation

The financial projection includes the assets, liabilities, revenues and expenses of Northwynd and the Partnership. No provision for income taxes has been made in the financial projection as income from the REIT is taxable in the hands of the unitholders.

(b) Use of estimates

The preparation of projected financial statements in conformity with Canadian generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the projected financial statements, the reported amounts of revenues and expenses and the collection and payment of cash during the reporting periods. By their nature, these estimates are subject to measurement uncertainly. The effect of changes in such estimates on these projected financial statements in the future may be significant.

(c) Cash

Cash consists of balances with financial institutions.

(d) Inventories of timeshare weeks, reversionary interests and condominium units

Inventories acquired at the time of the reorganization are recorded at estimated fair value and subsequently adjusted, if required, to net realizable value. New inventory constructed or acquired is valued at the lower of average cost and net realizable value.

(e) Land held for development

Land held for development acquired at the time of the reorganization is valued at estimated fair value and subsequently adjusted, if required, to net realizable value. All costs of carrying the land held for development will be capitalized as part of the cost of that land. Lots or tracts of land sold will be recognized as a cost of sale at the time the revenue is recognized. In the event the Partnership wishes to construct a building on any portion of the land, the carrying value of that portion of the land will be transferred to the inventory of land and building under construction.

(f) Management contract

The fair market value of the management contract between the Partnership and the timeshare operating company has been capitalized at fair value at the time of the reorganization and valued on an ongoing basis at the lower of cost and estimated net realizable value. The management contract is amortized over 5 years.

(g) Revenue recognition

Revenue on the sale of timeshare inventory and of reversionary sales is recognized upon the completion of the rescission period. Revenue arising from the sale of undeveloped land is recognized at the time of the closing of the sales transaction and adequate consideration has been provided by the purchaser.

4. Hypotheses

(a) Revenues and expenses

Projected revenue from the sale of timeshare inventory, from reversionary sales, hotel operations, retail sales and from management fees during the projection period are based on the recent history of revenue from those sources.

Projected annual sales of new timeshare units from either existing buildings or newly constructed buildings which will become available for sale as timeshare product are based on the timing of new units becoming available for sale, at the rate of sales as noted below:

	New Buildings	
Year of sale	Fairmont Hot Springs (Units Sold)	Lake Okanagan (Units Sold)
2010	-	125
2011	652	625
2012	980	474
	1,632	1,224

Sale of the 1224 equivalent annual timeshare intervals of an existing building at Lake Okanagan Resort commence in September 2010 and the sales are expected to be completed by 2012. In 2012, upon completion of the construction of a new building at Fairmont, the sale of the 1,632 equivalent annual timeshare intervals will commence.

The Partnership acquired approximately 20,000 timeshare leases which expire in the next 20 – 40 years, after which time the leased property reverts back to the Partnership. The Partnership is converting the leases to fee simple interests in the properties and selling the reversionary interests to timeshare owners. It is assumed that approximately 10,300 leases will be converted over the projection period.

Sales of whole ownership units in real estate representing the sale of currently constructed units, certain of the undeveloped lands, condominium units and Marina units at Lake Okanagan Resort are assumed to be sold in the time frame and number of units as follows:

Year of sale	Undeveloped Lots	Condominium Units	Marina Slips
2010	-	3	-
2011	50	9	50
2012	50	12	-

Interest revenue is earned on finance notes taken back by the Partnership on sale of timeshare intervals and reversionary sales at a rate of 13.5%, amortized over 84 months.

Cost of timeshare and reversionary sales are based on the fair value acquired at reorganization

The cost of real estate sales reflect the fair value unit cost of the constructed whole ownership units, the Marina units and the fair value of the total undeveloped land as determined at the date of acquisition.

Selling and marketing costs are based on 43% of the sales price for timeshare inventory and 25% of the reversionary sales price. The selling and marketing cost of reversionary sales is projected to increase by 1% per year beginning in 2011. Operating and administrative costs are based on actual cost incurred by Fairmont for prior periods adjusted for the costs reductions the Partnership has put in place.

Interest expense reflects the financing cost on the various debt instruments arranged during the projection period as outlined in notes 10 to 13 below.

(b) Inflation

It is assumed that inflationary increases in costs will be offset by increased sales prices.

(c) Distribution of cash

It is assumed that the REIT will make quarterly distributions each year equating to 100% of the REIT's annual taxable income. In addition Series B units will be redeemed for cash as directed by the Trustees.

(d) Finance notes receivable

The Partnership acquired finance notes representing loans due from timeshare purchasers provided at their time of purchase. The Partnership will continue to provide financing to timeshare and reversionary interest purchasers for up to 80% of their purchase value. The notes will bear interest at 13.5% per annum, and will be repayable over 84 months.

(e) Cash held in trust/Trust liability

The Partnership will assume at the date of asset acquisition a liability for structural repairs of Building 7000 at Fairmont Vacation Villas. An estimate of the remedial repairs to this building was $4,300,000. Fairmont set up a trust account to fund the remedial repairs through the setting aside of $400 from each timeshare interval and each reversionary sale at Fairmont after July 3, 2009. The cash in that trust fund, estimated to be $885,000, will be acquired and applied to the Building 7000 liability. The remedial repairs to Building 7000 will be completed in 2011. To the extent that the trust cash acquired and additional cash collected on timeshare and reversionary sales is insufficient to complete the cost of the repairs, any additional funds will be funded from the Partnership's financial resources.

(f) Operating loan

An operating loan facility is projected to be put in place to fund the repayment of debtor-in-possession financing and other CCAA liabilities as Fairmont's CCAA process is completed. The Partnership will assume this loan facility at the date of acquisition and provide the lender security interest in certain lands and buildings and an assignment of proceeds from the reversionary program. The loan is projected to have a one year term bearing interest at 15%. For purposes of this projection the operating loan is assumed to be repaid in the first quarter of 2011.

(g) Resort Funding Inc. Loan

The Resort Funding Inc. loan ("RFI Loan") was in place prior to the CCAA process to provide monetization of certain of the notes receivable arising on the sale of timeshare intervals. The interest rate on the RFI Loan facility is the higher of CIBC prime plus 2.25% and 7%. The terms of the loan agreement provide that all amounts received on collection of the notes receivable will be applied to repay the RFI loan. RFI failed to perfect its security position prior to commencement of the CCAA process and negotiations are ongoing with RFI with respect to the priority of their loan. For purposes of this projection only, it is assumed that the Partnership will assume the RFI loans and recognizing that settlement as to the priority of the respective claims of RFI and FRPL may affect the amount assumed. .

(h) Project Funding

The Partnership will arrange financing specific to the construction of certain projects as follows:

i. Marina construction at Lake Okanagan Resort

The Partnership will provide a major upgrade to the Marina at Lake Okanagan Resort. The Marina will be reconstructed and expanded at a cost of $2,000,000 to create 200 Marina slips. The construction is expected to be completed over the winter season of 2010-2011 and be complete for use in the summer of 2011.

The loan facility, projected to be put in place for the full cost of the construction, will be repaid from the sale of the first 50 Marina slips. The remaining 50 slips will be held in inventory with 12 allocated to the sale of condominium units at Lake Okanagan Resort.

ii. Construction of new timeshare building at Fairmont

The Partnership will begin construction on the new timeshare building at Fairmont Hot Springs in early 2011 with completion expected by the end of that year. The $9,500,000 capital requirement will be funded through a project financing facility, repayable from the proceeds of sale of timeshare intervals.

(i) Note monetization facility

The Partnership will obtain funding from a new facility in order to monetize the notes received on the sale of new timeshare intervals and reversionary interests. This facility, to be put in place effective April 1, 2010, will provide financing of 80% of the amount of the note written by the time share purchasers. This funding will be raised through private investors with an origination cost of 8% of the amount of the funding raised and the notes provided as security for the loans. The annualized interest rate on this facility will be 8%.

APPENDIX F
PRO FORMA BALANCE SHEET OF THE TRUST

APPENDIX F
PRO FORMA BALANCE SHEET OF THE TRUST

NORTHWYND PROPERTIES REAL ESTATE INVESTMENT TRUST
PRO FORMA CONSOLIDATED BALANCE SHEET
March 5, 2010
(Unaudited – Prepared by Management)

ASSETS	
Reversionary land interests	$15,124,000
Timeshare inventory	9,714,000
Land held for development	8,106,000
Condominium inventory	6,646,016
Hotel property	1,583,000
Other real estate	725,000
Finance notes receivable	13,709,000
Management contract	3,628,000
Cash	2,318,027
Other assets	2,148,103
Cash held in trust	885,860
	$64,587,006
LIABILITIES AND UNITHOLDERS' EQUITY	
Operating loan	$8,000,000
RFI loans	8,150,021
Accounts payable	332,168
Building 7000 repair liability	4,300,000
	20,782,189
Unitholders' equity	
Series A trust units	43,805
Series B trust units	43,761,012
	43,804,817
	$64,587,006

See accompanying notes.

Northwynd Properties Real Estate Investment Trust
Notes to Pro Forma Balance Sheet
March 5, 2010
(Unaudited – Prepared by Management)

1. **Basis of Presentation**

Northwynd Properties Real Estate Investment Trust (the "REIT" or the "Trust") is a private real estate investment trust established for the purpose of acquiring the assets and business of Fairmont Resort Properties Ltd. ("Fairmont" and "the Fairmont Assets"). At March 5, 2010 that acquisition had not been completed and the REIT had no assets.

This pro forma balance sheet has been prepared to reflect at March 5, 2010 the acquisition of the Fairmont assets as follows:

(a) Reorganization of FRPL

FRPL Finance Ltd. ("FRPL") has proposed to reorganize its debt owed to its Bondholders pursuant to a Plan of Arrangement under section 193 of the Alberta Business Corporations Act. FRPL has advanced loans to Fairmont which has pledged its assets as security for the loans. In accordance with an Arrangement Agreement between FRPL, the REIT and Northwynd Limited Partnership ("the Partnership") dated March 1, 2010, the following transactions are proposed:

(i) The Fairmont Loan Agreements and the security shall be assigned by FRPL to the Partnership in exchange for a demand promissory note in the principal amount of $43,804,817 from The Partnership;

(ii) the Trust shall issue to FRPL that aggregate number of Trust Units required to be distributed by FRPL to the Bondholders to complete the redemption of Bonds provided for in subsection (v), in consideration for the promissory note of the Partnership received by FRPL in the immediately preceding step;

(iii) the Trust shall assign and contribute the promissory note of the Partnership received by the Trust in the immediately preceding step to the Partnership for $43,804,817 LP Units at a price of $1.00 per LP Unit and the Trust shall be recorded as the holder of such LP Units on the register maintained by the Partnership for LP Units;

(iv) FRPL shall issue to those Series B Holders and Series 2 Holders entitled thereto pursuant to the terms of the respective Indentures, an aggregate of $670,887 of Series B Bonds and $1,690,481 of Series 2 Bonds, respectively, as full payment and satisfaction of the accrued and unpaid interest on such Bonds to September 30, 2008;

(v) each $1.00 of principal amount of each issued and outstanding Bond (including those issued pursuant to subsection (iv)), shall be redeemed by FRPL in exchange for one (1) Series A Trust Unit and one (1) Series B Trust Unit held by FRPL as full repayment and satisfaction of all outstanding principal of the Bonds and all interest on the Bonds accrued after September 30, 2008 and unpaid shall be cancelled and the Bonds shall be cancelled in accordance with their terms; and

(vi) The one (1) outstanding common share of the General Partner shall be purchased for cancellation by the General Partner for $0.10 and cancelled;

provided that if any of the foregoing steps in (i) through (vi) fails to occur or complete then all of such steps will be deemed not to have occurred.

On the day immediately after the effective date of FRPL's Plan of Arrangement, the Trust shall subscribe for 10 common shares of the General Partner for an aggregate purchase price of $1.00. To be effective, each of these transactions must be completed and must be approved by special resolutions of the FRPL Bondholders at a meeting to be held on April 13, 2010. It is assumed that these transactions will be completed and approved.

(b) Acquisition of assets:

Upon completion of the FRPL's Plan of Arrangement, the Partnership will realize on its security and affect the transfer of the assets and businesses of Fairmont to the Partnership. As Fairmont is presently operating under the Companies Creditors Arrangements Act ("CCAA"), the Partnership's asset realization action will be completed in conjunction with the CCAA court process. It is assumed that the effective date of transfer will be May 15, 2010. The Fairmont net assets will be acquired at their fair values which are estimated as follows:

Assets acquired:	
Timeshare and reversionary inventory	$24,838,000
Condominium inventory	6,646,016
Land held for development	8,106,000
Hotel property	1,583,000
Other real estate	725,000
Finance notes receivable	13,709,000
Management contract	3,628,000
Cash (including $885,000 Building 7000 trust funds)	3,203,887
Other assets	2,148,103
	64,587,006
Liabilities assumed:	
Operating loan	8,000,000
RFI loans	8,150,021
Accounts payable	332,168
Building 7000 liability	4,300,000
	20,782,189
Net assets acquired	$43,804,817
Trust units issued as consideration:	
Series A voting trust units	$43,805
Series B non-voting trust units	43,761,012
	$43,804,817

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 DEVELOPMENT LTD.

SIXTH REPORT OF THE MONITOR
ERNST & YOUNG INC.
MARCH 15, 2010

BLAKE, CASSELS & GRAYDON LLP
Barristers and Solicitors
3500, 855 - 2 Street S.W.
Calgary, Alberta T2P 4J8

Attention: Kelly J. Bourassa
Phone: 403.260.9697
Fax: 403.260.9700

File No: 8431/1358