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April 18, 2016

**NOTICE: MODIFICATION TO ALL LEASES
ENTERED INTO PRIOR TO JANUARY 1, 2003**

Dear Sunchaser Vacation Villas Owner:

As we updated you on March 18, 2016, Northmont was successful on all issues in the JEKE (the plaintiff) v. Northmont "test-case" for the benefit of all owners.

Northmont submits that the helpful guidance of the British Columbia Supreme Court clearly details that all owners, regardless of contract ("VIA") version, are responsible for all costs of the Resort and are responsible to each other as members of the collective time share plan.

It has and remains our position that the intended operation of a time share plan is that "an owner is an owner". Where any changes to the VIAs have occurred over time, those changes are intended to bind all owners, both current and future. This is the only reasonable interpretation of the VIAs and a time share plan in general. It would be inconceivable that the Manager or owners would have conflicting obligations or rights.

All VIAs specifically contemplate this consistency through the "MODIFICATIONS TO LEASE" provision.

With the test-case judgment, we believe it is important to formally establish the consistency of all owners to remove any potential ambiguity. In the long-term, we intend to establish a common VIA for all owners with the sole exception being whether an owner is a lessee or co-owner. At that stage, all owners, regardless of initial VIA, will be bound by the current VIA in whatever form that takes. However, as that process will take additional time and legal review, it is a future project.

As an interim measure to help establish uniformity, clarity of contractual obligations, and ensure all owners have a consistent baseline level of rights and responsibilities, we are amending all VIAs entered into prior to January 1, 2003. This is the date that the VIA consistent with the test-case VIA came into force and effect.

NOTICE OF MODIFICATION TO LEASE: ALL VIAs ENTERED INTO PRIOR TO JANUARY 1, 2003 ARE HEREBY MODIFIED FOR THE BENEFIT OF EXISTING AND FUTURE LESSEES TO MATCH THE PROVISIONS OF THE VIA ATTACHED AS SCHEDULE "H" TO THE PROSPECTUS OF FAIRMONT RESORT PROPERTIES LTD. DATED JANUARY 1, 2003 FILED WITH THE OFFICE OF THE SUPERINTENDENT OF REAL ESTATE OF BRITISH COLUMBIA

This modification brings all prior leases into conformity with the test-case lease that was found to be valid and enforceable and clear and unambiguous by the British Columbia Supreme Court. A copy of the January 1, 2003 Prospectus Schedule "H" has been placed on the Resort website or can be obtained by contacting Vacation Ownership Services at 1-877-451-1250.

Northmont advises you to seek appropriate legal advice if you have any questions about this communication or any other questions of a legal nature.