

This is **Exhibit "A"** referred to in the
Affidavit of Douglas Prothero sworn
before me this 31st day of October, A.D. 2008

A handwritten signature in black ink, appearing to read 'Gavin D.F. MacDonald', written over a horizontal dotted line.

Gavin D.F. MacDonald
A Barrister of the Supreme Court of Nova Scotia

PLAN OF COMPROMISE OR ARRANGEMENT

CANADIAN SAILING EXPEDITIONS INC.

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Plan (including the Schedules hereto), unless otherwise stated or the context otherwise requires:

"Affected Claim" means a Claim other than an Unaffected Claim;

"Applicant" means Canadian Sailing Expeditions Inc., a company incorporated pursuant to the laws of the Province of Nova Scotia;

"Business Day" means any day, other than a Saturday or Sunday, on which Canadian chartered banks are open for business in Halifax, Nova Scotia;

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

"Claim" means any right or claim of any Person, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever against the Applicant or any present or former director or officer of the Applicant, and, in the case of any such present or former director or officer, any indebtedness, liability or obligation of any kind whatsoever actually and reasonably incurred by the director or officer as a result of his or her position or involvement with the Applicant, and, without limiting the foregoing, whether arising from employment, contract, the commission of a tort (intentional or not intentional), any breach of duty (legal, statutory, fiduciary or otherwise), or any Taxes, or any right of ownership or title to property, or to a trust or deemed trust, howsoever created, and whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise:

- (i) which indebtedness, liability or obligation is based in whole or in part on facts existing on or prior to the Filing Date or would have been claims provable in bankruptcy had the Applicant become bankrupt on the Filing Date; or
- (ii) which indebtedness, liability or obligation arises after, or is based upon facts arising after, the Filing Date, including without limitation, that which arises from or is

caused by the repudiation or termination of any contract, lease or agreement by the Applicant or order of this Court.

“Claims Bar Date” means September 11, 2008 as set by the Claims Bar Order;

“Claims Bar Order” means the Order of the Court issued August 13, 2008 setting forth a process to *inter alia* value and bar Claims against the Applicant;

"Class" means any group of Claims designated as a class in Article 3 hereof;

"Court" means the Supreme Court of Nova Scotia;

"Creditor" means any Person holding an Affected Claim;

“DIP Lender” means Growthworks in its capacity as lender of debtor in possession financing to the Applicant;

"Disallowed Creditor" means a Creditor who has received a Disallowance (as such term is defined in section 8.1) and the amount of whose Affected Claim for purposes of distribution has not been determined in accordance with section 8.2 prior to the Implementation Date;

"Final Order" means an order of the Court sanctioning this Plan under the CCAA;

“Filing Date” means June 27, 2008;

“Growthworks” means Growthworks Atlantic Venture Fund Limited;

"Implementation Date" means the 7th day following the issuance of the Final Order and the expiry of any relevant appeal period without any appeal of the Final Order having been made or, in the case of an appeal of the Final Order having been made, the final determination of any such appeal in a manner satisfactory to the Applicant by the appropriate appellate tribunal or such other date as the Court may order;

"Initial Order" means the order of the Court made on the Filing Date, pursuant to which the Applicant made its initial application under the CCAA and was, *inter alia*, provided protection pursuant to the CCAA, as the same may be amended, supplemented, replaced or restated from time to time;

“Lease Lenders” means any Person who is a lessor of equipment for which the Applicant is a lessee;

“Monitor” means BDO Dunwoody Goodman Rosen Inc., in its capacity as court-appointed monitor of the Applicant pursuant to the Initial Order;

“**New Credit Agreement**” means a loan agreement to be entered into by the Applicant for funds in the amount of \$3,500,000.00 closing on or before the Implementation Date;

"**Person**" means any individual, corporation, partnership, co-ownership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;

"**Plan**" means this Plan of Compromise and Arrangement as amended, supplemented, restated or replaced from time to time;

“**Shareholders**” means any Person who owns any common shares of any class, there being only common shares issued by the Applicant;

"**Shares**" means the common shares in the capital of the Applicant as constituted on the Implementation Date immediately prior to implementation of the Plan;

“**Statutory Creditors**” means the Canada Revenue Agency;

“**Statutory Secured Claims**” means the Claims of any Statutory Creditor that are secured by a deemed trust or interest in the Applicant’s property or assets arising by operation of statutory law, including (without limitation) the *Income Tax Act* and *Excise Tax Act*.

“**Taxes**” means taxes, including all income, capital, corporate, gross receipts, goods and services, sales, use, value-added, *ad valorem*, transfer, non-resident, property, real or personal property, business, franchise, license and excise taxes and duties, together with any interest, penalties, fines, additional taxes and additions to tax imposed with respect to the foregoing;

"**Unaffected Claim**" means a Claim identified in section 2.3;

"**Unsecured Claim**" means (i) any Affected Claim where the Applicant has not granted a mortgage, charge or other security interest in real or personal property of the Applicant to secure such Claim; and (ii) an Affected Claim secured by a charge, construction lien, possessory lien, writ of execution, right of distraint or other lien or encumbrance arising by operation of law (statutory or otherwise) except for Statutory Secured Claims;

"**Unsecured Creditor**" means any Creditor who has an Unsecured Claim; and

"**Valued Claim for Voting**" shall mean, in respect of an Affected Claim, the amount of such Affected Claim set out in the proof of claim accepted or deemed to be accepted by the Monitor or otherwise determined pursuant to the procedure set out in the Claims Bar Order.

1.2 Article References

In this Plan, a reference to an Article, section, clause or paragraph shall, unless otherwise stated, refer to an Article, section, clause or paragraph of this Plan.

1.3 Number, etc.

In this Plan, where the context requires, a word importing the singular number shall include the plural and vice versa; and a word or words importing any gender shall include all genders.

1.4 Interpretation not Affected by Headings

The division of this Plan into Articles, sections, clauses and paragraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan.

1.5 Date for any Action

In the event that any 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 Time

All times expressed herein are local time in Halifax, Nova Scotia unless otherwise stipulated herein.

1.7 Currency

Unless otherwise stated herein, all references to currency in this Plan are to lawful money of Canada.

1.8 Successors and Assigns

This Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal and personal representatives, successors and assigns of any Person named or referred to in this Plan.

1.9 Governing Law

This Plan shall be governed by and interpreted or construed in accordance with the laws of the Province of Nova Scotia.

ARTICLE 2 PURPOSE AND EFFECT OF PLAN

2.1 Purpose

The purpose of this Plan is to restructure the business and affairs of the Applicant and to effect a compromise and arrangement of the Applicant's debt obligations and capital structure in a manner that provides consistent and equitable treatment among the Creditors, the Shareholders and the holders of options or rights to purchase Shares. In addition to restructuring its debt and capital, the Applicant will continue to list the sailing vessel Caledonia for sale so that, if an offer to purchase is received by the Applicant, the Applicant will advise Caterpillar Financial Services Limited (“**Caterpillar**”) and Growthworks of the terms and conditions of such offer. If the offer is acceptable to the Applicant it will amend this Plan as set out in section 4.12 below.

2.2 Persons Affected

On the Implementation Date, the Affected Claims will be compromised in accordance with the terms hereof and the Plan shall become effective and shall be binding upon the Applicant, the Creditors to the extent of their Affected Claims, the holders of Shares, the holders of options or rights to purchase Shares.

2.3 Persons and Claims Not Affected

This Plan does not affect Claims held by the following Persons:

- (a) Employees and Officers - Claims of existing employees and officers of the Applicant for wages earned for the period ending on the Implementation Date except for the Claims of such Persons arising in their capacity as Shareholders;
- (b) Post Filing Claims - Claims of Persons arising on account of any new obligations incurred by, or goods, services or materials supplied to, an Applicant after the date of the Initial Order;
- (c) New Advances - Claims of Persons, including Creditors, if any, who advance new funds to the Applicant after the date of the Initial Order, but only in respect of such new advances and, for greater certainty, all advances under the New Credit Agreement, whether by way of loan, continuation of existing letters of credit or otherwise;
- (d) Professional Advisors – All persons whose Claims are included in the Administrative Charge (as defined in the Initial Order), including the Monitor, the counsel to the Monitor, and counsel to the Applicant; and

- (e) DIP Lender – Claims by the DIP Lender secured by orders of the Court dated July 4 and August 13, 2008 and any Claims of the DIP Lender secured by future orders of the Court.

ARTICLE 3 CLASSIFICATION OF CLAIMS

3.1 Classification of Claims

For purposes of considering and voting on the Plan, the Affected Claims shall be grouped in the following Classes and each Creditor in a designated Class shall, to the extent of its Valued Claim for Voting, be entitled to vote on the Plan as part of that Class:

Class 1 - Unsecured Claims shall be designated as Class 1;

Class 2 – Claims of Caterpillar shall be designated as Class 2;

Class 3 - Claims of Growthworks other than claims as the DIP Lender shall be designated as Class 3;

Class 4 – Claims of the Lease Lenders shall be designated as Class 4;

Class 5 – Claims of Shareholders shall be designated as Class 5; and

Claims 6 – Statutory Secured Claims of Statutory Creditors shall be designated as Class 6

ARTICLE 4 ARRANGEMENT

For purposes of this Plan, a holder of an Affected Claim in a Class listed in Article 3 shall receive the treatment provided in this Article 4 on account of such Affected Claim and shall have no further rights or remedies as against the Applicant in respect of such Affected Claim except as specifically provided in this Article 4. On the Implementation Date each of the events set out in this Article 4 shall be effected and, when effected, shall be deemed to occur consecutively at five minute intervals commencing at 9:00 a.m., in the order set out in this Article 4 regardless of when actually occurring without any further authorization being required or any other act or formality.

4.1 Excluded Claims

For greater certainty, this Plan does not affect or compromise the holder of an Unaffected Claim.

4.2 Debtor in Possession Financing

All amounts owing to the DIP Lender under the orders of the Court issued July 4 and August 13, 2008 or any future orders of the Court shall be repaid in full on the Implementation Date.

4.3 Administrative Charge

All amounts to the Monitor, the Monitor's counsel and the Company's counsel, secured by the Administrative Charge provided pursuant to the Initial Order shall be repaid in full on the Implementation Date.

4.4 Caterpillar Financial Services Limited

The Company proposes to repay to Caterpillar all amounts owing by the Company to Caterpillar secured by the security held by Caterpillar, including all interest charges accrued to the Implementation Date and secured by the security held by Caterpillar on the following terms:

- (a) Repayment would be made by blended monthly payments of principal and interest commencing the third month following the Implementation Date;
- (b) The amount payable would be made with reference to the loan agreement dated November 16, 2007 between Caterpillar and the Applicant;
- (c) The Applicant would repay the balloon payment, which was due on or about the Filing Date by equal monthly payments in addition to the payment referenced in 4.4(a) above over twelve months commencing the third month following the Implementation Date; and
- (d) Should Caterpillar receive payment from Nova Scotia Business Incorporated ("NSBI") on the guarantee (the "NSBI Guarantee") of the debts and obligations of the Applicant to Caterpillar prior to the Implementation Date then this Plan shall be amended in the manner prescribed by Article 7 hereof in respect of the terms for repayment of the Claims of Caterpillar and NSBI.

4.5 Nova Scotia Business Incorporated

NSBI acknowledges that its contingent Claim is included in the Valued Claim for Voting of Caterpillar and therefore has no separate vote on the Plan. NSBI shall not terminate or take any step to invalidate its guarantee of the indebtedness of the Applicant to Caterpillar for any act or omission of the Applicant prior to the Implementation Date.

If NSBI has not paid Caterpillar the amount demanded in respect of the NSBI Guarantee on or before the Meeting Date then NSBI shall be bound by the decision of Caterpillar in respect of the Plan.

To the extent NSBI has paid Caterpillar in respect of the NSBI Guarantee then the Plan shall be amended to provide for NSBI and Caterpillar to vote as one Class with a Valued Claim for Voting based on an aggregate of the originally Valued Claim for Voting of Caterpillar split between Caterpillar and NSBI by reference to the amount paid by NSBI in respect of the NSBI Guarantee.

4.6 Growthworks Atlantic Venture Fund Limited

All amounts owing to Growthworks and all security held by it shall be postponed and subordinated to the rights of the lender under the New Credit Agreement on terms and conditions acceptable to such lender and to Growthworks.

4.7 Lease Lenders

The amounts owing to the Lease Lenders shall continue to be paid in the ordinary course of business by the Applicant.

4.8 Unsecured Creditors

The Applicant proposes to pay:

- (a) The first \$2,000 of each Unsecured Creditor Claim shall be paid 100 cents on the dollar within 120 days of the Implementation Date;
- (b) Those Unsecured Creditors with Claims in aggregate less than \$200,000:
 - (i) Shall be paid 50% of the balance owing to such Unsecured Creditor on the Filing Date after deduction of the \$2,000 payment referenced in 4.8(a);
 - (ii) Repayment of the balance owing to such Unsecured Creditors shall be made by equal monthly payments without interest over 24 months commencing the fifth month from the Implementation Date;
- (c) Those Unsecured Creditors with Claims in aggregate of \$200,000 or more:
 - (i) Shall be paid 60% of the balance owing to such Unsecured Creditor on the Filing Date after deduction of the \$2,000 payment referenced in 4.8(a); and

- (ii) Repayment of the balance owing to such Unsecured Creditors shall be made by equal monthly payments without interest over 10 years commencing the fifth month from the Implementation Date;

4.9 Statutory Claims

The Company shall pay the Statutory Creditors 100 cents on the dollar for all Statutory Secured Claims without interest within 6 months of the Implementation Date. All Claims of Statutory Creditors other than Statutory Secured Claims shall be treated as Unsecured Claims and subject to Section 4.8.

4.10 Shareholders

All amounts owing to Shareholders shall be converted to Shares on the basis of one Share for each \$750.00 outstanding on the Filing Date.

4.11 Extinguishment of Claims

On the Implementation Date and after the completion of all of the events outlined in this Article 4, all Affected Claims as of the Implementation Date, including, without limitation, all accruals, indebtedness, liabilities or obligations in respect of such Affected Claims, against the Applicant will be extinguished and the Applicant will be released from all claims, liabilities and obligations with respect thereto. For greater certainty and as provided under section 6 of the Claims Bar Order, the Claim of any Person who has not complied with the process mandated by the Claims Bar Order shall have its Claim forever extinguished and is barred from participating in this plan or making or enforcing the Claim against the Applicant, Monitor or any other Person.

4.12 Sale of the Caledonia

Notwithstanding the foregoing, if an offer to purchase the sailing vessel Caledonia is received by the Applicant on or before 5 Business Days prior to the meeting date described in section 5.1(a) of the Plan, which offer the Applicant with the concurrence of the Monitor wishes to accept, then the Applicant shall amend this Plan as follows:

- (a) The Applicant shall provide a copy of the offer to each Creditor having an Affected Claim;
- (b) All proceeds of the sale of the Caledonia will fund the amended Plan and the Applicant shall provide a detailed accounting to the Monitor for distribution to the Creditors having an Affected Claim as soon as possible after acceptance of the offer to purchase;
- (c) The Implementation Date shall be amended to coincide with the closing date for the sale of the Caledonia;

(d) Not later than 30 days after the amended Implementation Date, the Applicant shall cause the following payments to be made from the proceeds of the sale of the Caledonia as follows:

- (i) First, the DIP Lender on the basis of 100 cents on the dollar of the amounts outstanding to it;
- (ii) Second, payment of all Unaffected Claims on the basis of 100 cents on the dollar of their Claims;
- (iii) Third, all amounts owing in respect of Statutory Secured Claims shall be paid 100 cents on the dollar to the Statutory Creditors but all other claims of Statutory Creditors shall be treated as Unsecured Claims;
- (iv) Fourth, Claims of Growthworks, Caterpillar, and the Lease Lenders shall be paid from the net proceeds, subject to the foregoing payments, from the sale of the Caledonia in an order consistent with the priority of their security; and
- (v) All Unsecured Claims and the Claims of Shareholders shall be paid from the balance of proceeds, if any, after the foregoing payments in proportion to their respective Claims.

ARTICLE 5 IMPLEMENTATION

5.1 Voting on the Plan

- (a) Meetings for each Class of Affected Claims in respect of which Creditors are entitled to vote shall be held not earlier than 10 days and not later than 30 days from the date on which the Monitor sends notice of such meeting to the Creditors or such other date as the Court may order.
- (b) Each Creditor having an Affected Claim in a Class shall be entitled to attend and to vote at the meeting for such Class. In order for this Plan to be accepted by a Class, it must be approved by a majority in number, representing two-thirds in value of the Affected Claims, of the Creditors in such Class who are present and voting either in person or by proxy at the meeting.
- (c) The Monitor shall preside as the Chair of each meeting and shall, subject to the Initial Order or any other order of the Court, decide on matters relating to procedure at the meeting. A quorum at each meeting of a Class shall be one Creditor in that Class. If the requisite quorum is not present at any meeting or any meeting is postponed by the vote of a majority of Creditors present at such meeting in person or by proxy and entitled to vote at such meeting, then the meeting shall be adjourned by the Chair to a date not less than 10 days thereafter and to such time and place as may be appointed by the Chair, who shall determine what notice shall be provided to the Creditors.

- (d) In the event that one or more Classes, with the exception of Class 2 and Class 3, do not approve this Plan and, in the reasonable opinion of the Applicant, this Plan may be implemented substantially in accordance with its terms without any material adverse effect upon the Classes who have approved this Plan, the Applicant may deem all Affected Claims in any such Class that has not so approved this Plan to be Unaffected Claims and may apply to the Court for a Final Order which sanctions this Plan only insofar as it affects the Classes which have approved this Plan or, in this alternative, the Applicant may amend this Plan in accordance with Article 7.
- (e) A meeting for the Shareholders shall be held within 2 Business Days of the meeting of Creditors described in section 5.1(a). At such meeting the Shareholders shall consider and vote upon a resolution to approve the Plan. The results of such vote shall be presented to the Court for its consideration in connection with the Final Order but approval of the Plan by the Shareholders, or any class thereof, shall not be a condition to the Applicant seeking sanction of this Plan or to the granting of the Final Order.
- (f) Each Shareholder shall be entitled to notice of and the right to attend the meeting of Shareholders to vote with respect to the resolution to approve the Plan.
- (g) A representative of the Applicant shall preside as the Chair of the meeting of the Shareholders and shall, subject to the memorandum and articles of association of the Applicant, the Initial Order and any other order of the Court, decide on matters relating to procedure at the meeting.

5.2 Conditions Precedent to Sanction

The Applicant shall seek sanction of this Plan by the Court once it has been approved by the requisite majorities of Creditors in number and in value as required by the CCAA. Subject to the granting of the Final Order, the expiry of any relevant appeal period without any appeal of the Final Order having been made or, in the case of an appeal of the Final Order having been made, the final determination of any such appeal in a manner satisfactory to the Applicant by the appropriate appellate tribunal and the fulfilment or satisfaction of the conditions set out in section 5.3, this Plan will be implemented by the Applicant and will be binding upon the Applicant, all holders of Shares, all holders of options or rights to purchase Shares and upon all Creditors to the extent of their Affected Claims.

5.3 Conditions to Implementation

The implementation of this Plan will be conditional upon the fulfilment or satisfaction of the following conditions either by completion or by completion and delivery in escrow pending the Implementation Date:

- (a) the Applicant shall have taken all necessary corporate actions and proceedings to approve this Plan and to enable the Applicant to execute, deliver and perform its obligations under this Plan and the agreements, indentures, documents and other instruments to be executed or delivered pursuant to, or required to give effect to, the terms of this Plan;
- (b) all governmental, regulatory and other similar consents and approvals from, and the making of all filings with, all governmental authorities or other regulatory authorities having jurisdiction, in each case to the extent deemed necessary by counsel to the Applicant, shall have been received and made;
- (c) all third party consents and approvals, to the extent deemed necessary by counsel to the Applicant acting reasonably, shall have been received;
- (d) the Final Order shall have been granted:
 - (i) declaring, among other things, that the New Credit Agreement and all advances thereunder on the Implementation Date and all security (including guarantees) granted or confirmed by the Applicant as contemplated by this Plan: (A) are or will be legal, valid and binding obligations; and (B) do not and will not constitute fraudulent or other challengeable conveyances or preferences under any applicable law;
 - (ii) further declaring, among other things, that (A) all Shares issued pursuant to this Plan shall, when issued, be validly issued as fully paid and non-assessable shares in the capital of the Applicant; and (B) the compromises effected hereby and the releases described herein are binding and effective as herein set out;
 - (iii) providing for such other matters as are otherwise necessary or desirable to implement this Plan,

and any relevant appeal period shall have expired without an appeal having been taken or any appeal so taken shall have been finally determined by the appropriate appellate tribunal and shall have confirmed the Final Order without amendment;

- (e) all relevant Persons shall have executed, delivered and filed all necessary agreements, indentures, documents and other instruments required to be executed or delivered pursuant to, or required to give effect to, the terms of this Plan including, without limitation, the New Credit Agreement, the loans to the Applicant under the New Credit Agreement and all documents required or contemplated under such documentation; and

- (f) all conditions precedent set out in the New Credit Agreement shall have been fulfilled or waived.

ARTICLE 6 CANCELLATION AND ISSUANCE OF CERTIFICATES

6.1 Cancellation of Certificates

Immediately after the time on the Implementation Date at which all the transactions in Article 4 have become effective, securities, notes, certificates or other forms of indebtedness formerly evidencing the Claims of Shareholders will be deemed to be cancelled and will be null and void and will only entitle any holder thereof to the certificates representing Shares to which such holder is entitled hereunder.

6.2 Issuance of New Shares

On the Implementation Date, the Applicant shall issue as fully paid and non-assessable shares, such number of additional common shares as are required to satisfy its obligations hereunder on such date.

6.3 Issuance of Certificates

As soon as practicable after the Implementation Date, and from time to time thereafter, the Applicant will:

- (a) record in the share register of the Applicant the number of Shares which each Shareholder on the Implementation Date is entitled to receive pursuant to the Plan; and
- (b) forward to each such holder at the address of such holder as it appears on the relevant register maintained by or on behalf of the Applicant a certificate or certificates representing such Shares which each such Person is entitled to receive under this Plan, provided that certificates will not be forwarded to any Person unless and until all discharges, releases or other instruments or documents in order to evidence or register the extinguishment or release of such Creditor's Claim as may reasonably be requested by the Applicant are forwarded to the Applicant.

6.4 No Fractional Shares

No fractional Shares will be issued in connection with the implementation of this Plan. Calculations resulting in less than one-half of any such share will be rounded down to the next lower whole number and calculations resulting in one-half or more of any such share will be rounded up to the next higher whole number. The entitlement of each holder to receive a fractional portion of any such share will be extinguished on the Implementation Date.

6.5 No Other Entitlements

The Creditors and the Shareholders will not be entitled to any interest, dividend, premium or other payment on or with respect to the Affected Claims or the Shares other than as provided pursuant to this Plan.

6.6 Paid Up Capital

The aggregate paid up capital for purposes of the *Companies Act* of the Shares issued on the Implementation Date will be the amount of indebtedness compromised or foregoing in respect of such Shares as determined by the board of directors of the Applicant.

ARTICLE 7 AMENDMENT TO THE PLAN

7.1 Amendments

- (a) The Applicant reserves the right, at any time prior to a meeting, to amend this Plan, provided that the Applicant shall inform all Creditors and all Shareholders voting at such meeting of the details of any amendment prior to the vote being taken at the meeting and provided further that the amendment does not adversely affect any Class of Creditors or the Shareholders that have already voted.
- (b) The Applicant may propose an amendment to this Plan at a meeting of Creditors or Shareholders or at any time prior to both such meetings and it shall not be necessary to adjourn either meeting unless the Creditors or Shareholders present, in person or by proxy, by a majority vote, determine that the Creditors, Shareholders or any of them are adversely affected by the amendment proposed.
- (c) After the last meeting and prior to the Implementation Date, changes may be made to the provisions of Article 4 of this Plan with the approval of any Class of Creditors or the Shareholders particularly affected by the change in question and, if the Final Order has been granted, the Court.
- (d) Subsequent to any meeting and whether or not the Final Order has been granted, the Applicant may, with the approval of the Court and upon notice as prescribed by the Initial Order, make any technical or de minimis amendment to this Plan that is not materially prejudicial to any Class of Creditors or the Shareholders.

ARTICLE 8 MISCELLANEOUS

8.1 Notices

Any notice or communication to be made or given hereunder shall be in writing and shall reference this Plan and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by telecopier addressed to the respective parties as follows:

(a) if to the Applicant:

Canadian Sailing Expeditions Inc.
P.O. Box 2613
Halifax NS B3J 3N5

Attention: Douglas Prothero, President
Facsimile: 902-429-1475
Email: doug@canadiansailingexpeditions.com

with a copy to the Monitor at:

BDO Dunwoody Goodman Rosen Inc.,
in its capacity as Monitor
1718 Argyle Street, Suite 620
Halifax, NS B3J 3N6

Attention: Paul G. Goodman
Facsimile: 902-425-3777
Email: pgoodman@bdo.ca

and with a copy to the Applicant's counsel at :

Cox & Palmer
1959 Upper Water St., Suite 1100
Halifax NS B3J 3N2

Attention: Robert G. MacKeigan
Facsimile: 902-421-3130
Email: robbie@coxandpalmer.com

and with a copy to the Monitor's counsel at :

Wickwire Holm
1801 Hollis Street, Suite 2100

PO Box 1054
Halifax NS B3J 2X6

Attention: Carl Holm
Facsimile: 902-429-8215
Email: cholm@wickwireholm.com

- (b) if to a Creditor: to the last address of such Creditor as shown in the records of the Applicant or as may be specified in the proofs of Claims filed by a Creditor pursuant to the Initial Order or this Plan;

or to such other address as the Applicant may from time to time notify the Creditors, or as any Creditor may from time to time notify the Applicant in accordance with this section 10.1. All notices and communications shall be deemed to have been received, in the case of notice by telecopier or by delivery received prior to 5:00 p.m. on a Business Day, when received or, if received after 5:00 p.m. on a Business Day or at any time on a day other than a Business Day, on the next following Business Day and, in the case of notice mailed as aforesaid, on the 3rd Business Day following the date on which such notice or other communication is mailed. In the event of any strike, lockout or any other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by telecopier and any notice or any other communication given or made by prepaid mail within the five Business Day period immediately preceding the commencement of such interruption shall be deemed not to have been given or made. The unintentional failure by the Applicant to give a notice contemplated hereunder to any particular Creditor shall not invalidate this Plan or any action taken by any Person pursuant to this Plan.

8.2 Participation in Different Capacities

Creditors may be affected by this Plan in more than one capacity and belong to more than one Class. Each Creditor shall be entitled to participate hereunder in each such capacity and Class. Any action taken by a Creditor in any one capacity or Class shall not affect the Creditor in any other capacity or Class unless the Creditor agrees in writing.

8.3 Release

On the Implementation Date and after the completion of all steps outlined in this Plan, each Creditor and each Shareholder will be deemed in its capacity as such to have forever released each of the Applicant and its directors, officers, employees, legal counsel, auditors and advisers from any and all demands, suits, claims, debts, sums of money, accounts, damages, expenses, liens, actions and causes of action it had, may have had, or may have been entitled to assert, whether known or unknown, matured or unmatured, against the Applicant or its respective directors, officers, employees, legal counsel, auditors or advisers based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking

place on or prior to the Implementation Date arising from, relating to or in connection with any Affected Claim, any of the Shares or the options or rights to purchase Shares, the business and affairs of the Applicant, the Plan, or the proceedings under the CCAA, as the case may be.

8.4 Paramountcy

From and after the Implementation Date, any conflict between this Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, by-laws of the Applicant, lease or other covenant or agreement, written or oral, and any and all amendments or supplements thereto, existing between a Creditor, a holder of Shares or a holder of options or rights to purchase Shares and the Applicant or between one or more of such parties and the Applicant as at the Implementation Date (other than those entered into or effective as of the Implementation Date as part of this Plan) will be deemed to be governed by the terms, conditions and provisions of this Plan, which shall take precedence and priority.

8.5 Waiver of Defaults

Subject to sections 4.3 and 4.5, from and after the Implementation Date, each Creditor, holder of Shares or holder of options or rights to purchase Shares will be deemed to have waived any and all defaults by the Applicant of every covenant, warranty, representation, term, condition, provision or obligation, expressed or implied, in every contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease or other covenant or agreement, written or oral, and any and all amendments or supplements thereto, existing between such party or parties and the Applicant which have occurred and are continuing as at the Implementation Date.

8.6 Ratification and Further Assurances

Each Creditor, holder of Shares and holder of options or rights to purchase Shares will be deemed in its capacity as such to have ratified and confirmed, as of the Implementation Date, all of the transactions contemplated in this Plan. Each Creditor will execute and deliver or otherwise provide such further documents, instruments or information required by the Applicant as may be reasonably necessary or desirable to give effect to this Plan and the transactions contemplated by this Plan.

DATED this 31st day of October, 2008.