

## CANCELLATION AGREEMENT

THIS CANCELLATION AGREEMENT (the "**Agreement**") is made effective as of the \_\_\_\_ day of \_\_\_\_\_, 2013.

BETWEEN:

NORTHMONT RESORT PROPERTIES LTD.  
As General Partner for Northmont Limited Partnership  
("Northmont")

-and-

\_\_\_\_\_  
Print name of timeshare owner 1

\_\_\_\_\_  
Print name of timeshare owner 2

\_\_\_\_\_  
Print name of timeshare owner 3

\_\_\_\_\_  
Print name of timeshare owner 4

(whether one or more, the "Timeshare Owner")

Northmont and the Timeshare Owner are sometimes referred to herein, collectively, as the "Parties" and, individually as a "Party"

### RECITALS:

- A. Northmont is the manager of the resort located in Fairmont, British Columbia known as Sunchaser Vacation Villas (the "Resort").
- B. The Timeshare Owner is a party to a Vacation Interval Agreement (the "VIA") for timeshare interval \_\_\_\_\_ at the Resort.
- C. The Timeshare Owner has the full right and authority to enter into this Agreement and that the Certificate of Leasehold Interest for the VIA has not been transferred, pledged or assigned by the Timeshare Owner.
- D. Northmont is also a party to the VIA either as signatory or as successor to Fairmont Resort Properties Ltd. as a result of a Foreclosure Agreement dated June 15, 2010 approved by the Court of Queen's Bench of Alberta.
- E. Northmont, in its capacity as manager, has levied a renovation project maintenance fee (the "Renovation Project Maintenance Fee") in connection with the VIA.
- F. The Timeshare Owner would like to terminate the VIA and surrender its rights to Northmont.
- G. The Timeshare Owner either (i) does not own another VIA; or (ii) has entered into cancellation agreement(s) (the "Additional Agreement(s)") for each additional VIA owned that relates to a lower season value based on a priority of Golden greater than Prime Golf greater than Prime greater than Leisure.
- H. The VIA does not provide for termination by either Party but Northmont is prepared to permit termination on the terms and conditions set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements herein set forth the Parties agree as follows:

1. Subject to payment of all amounts owing to Northmont under this Agreement and the Additional Agreement(s), if any, the VIA shall be terminated and the Timeshare Owner shall be released from all current and future obligations under the VIA as of the Effective Date (as defined below in paragraph 2).
2. The effective date (the "Effective Date") of termination of the VIA shall be the date on which the last payment required under paragraph 3 of this Agreement is received by Northmont.
3. The Timeshare Owner will pay Northmont, upon execution of this Agreement, by certified cheque or money order:
  - a. a cancellation fee of \$\_\_\_\_\_ (the "Cancellation Fee"); and
  - b. any outstanding balances related to the VIA, including but not limited to outstanding maintenance fees, interest, and any payments related to acquisition of the VIA on a promissory note or security agreement, but specifically excepting balances related to the Renovation Project Maintenance Fee, with the total amount to be determined by Northmont concurrent with execution of this Agreement.
4. If the Timeshare Owner fails to make any payment under this Agreement within the time stipulated for payment, Northmont, in its sole discretion, may terminate this Agreement without notice. If this Agreement is terminated as a result of a default in payment by the Timeshare Owner:

- a. the VIA shall continue in full force and effect;
  - b. any amounts paid in respect of the Cancellation Fee, up to a maximum of 50% of the entire Cancellation Fee, shall be retained by Northmont as liquidated damages and not as a penalty; and
  - c. any portion of the Cancellation Fee then paid which exceeds 50% of the total Cancellation Fee shall be transferred to Resort Villa Management Ltd. applied against existing or, if insufficient existing obligations exist, future maintenance fee obligations of the Timeshare Owner within ten (10) days of the date of termination,
- provided for greater certainty that no Timeshare Owner shall be entitled to the refund of any amounts paid under this Agreement.

- 5. The Timeshare Owner hereby absolutely and irrevocably assigns, transfers and sets over to Northmont any and all of the Owner's rights now or hereafter existing to vote or consent (or withhold consent) to any matter as an owner under the VIA.
- 6. Until the Effective Date, the Timeshare Owner shall remain liable for any and all amounts owing by it with respect to the VIA including, without limitation, interest on outstanding balances and new invoices such as the next year's maintenance fee billing if it occurs.
- 7. The following additional terms form part of this Agreement.
  - a. This Agreement shall be construed, interpreted and applied in accordance with, and shall be governed by, the laws of the Province of Alberta and the laws of Canada applicable therein.
  - b. No Party shall be entitled to assign this Agreement or any right hereunder without the prior written consent of the other Party or Parties, as the case may be.
  - c. No consent or waiver, expressed or implied, by a Party to or any breach or default by another Party in the performance by such other Party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in performance by such other Party hereunder. Failure on the part of a Party to complain of any act or failure to act of another Party or to declare the other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such first mentioned Party of its rights hereunder.
  - d. If any covenant, obligation or agreement of this Agreement, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation or agreement to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each covenant, obligation and agreement of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.
  - e. Even though a Party may not affix its seal, this Agreement shall for all purposes be deemed to have been executed under seal.
  - f. This Agreement may be executed in counterparts and delivered by facsimile or other electronic means.
  - g. This Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date and year first above written.

**NORTHMONT RESORT PROPERTIES LTD.**

Per: \_\_\_\_\_  
Authorized Signature

**Timeshare Owner 2**

Per: \_\_\_\_\_  
Timeshare Owner's Signature

**Timeshare Owner 4**

Per: \_\_\_\_\_  
Timeshare Owner's Signature

**Timeshare Owner 1**

Per: \_\_\_\_\_  
Timeshare Owner's Signature

**Timeshare Owner 3**

Per: \_\_\_\_\_  
Timeshare Owner's Signature

SURRENDER OF OWNERSHIP FOR SUNCHASER VACATION VILLAS (without production of the original certificate)

SURRENDER AND INDEMNIFICATION BY HOLDER

"Freedom to Choose"

To: Philip K Matkin Professional Corporation

And to: Carthew Registry Services Ltd.

I/We \_\_\_\_\_

(Print Owner Name(s))

whether one or more (the "Holder") being the owner(s) of Vacation Lease No. \_\_\_\_\_

(Insert Lease No.)

(the "Vacation Lease") hereby surrender(s) and transfer(s) to Northmont Resorts Properties Ltd. ("Northmont") of 5799 - 3<sup>rd</sup> Street S.E., Calgary, Alberta T2H 1K1 all of my/our interest in the Vacation Lease, in accordance with the cancellation agreement made between the Holder and Northmont.

The Holder hereby confirms that he/she/they have full right and authority to transfer the said leasehold interest and that the Certificate of Leaseholder Interest has not been transferred, pledged or assigned to any third party. The Holder hereby indemnifies and saves harmless Philip K Matkin Professional Corporation, Carthew Registry Services Ltd. and their offices, directors, employees and agents (collectively the "Indemnitees"), in their capacity as trustee with respect to the said Vacation Lease from and against all claims and demands and all losses, damages, cost, charges and expenses which the Indemnitees may sustain or incur in consequences of having cancelled or surrendered the rights of the Holder in the system of the trustee with respect to the Certificate(s) with respect to the Vacation Lease.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Signature of Holder

\_\_\_\_\_  
Signature of Holder

\_\_\_\_\_  
Signature of Holder

\_\_\_\_\_  
Signature of Holder

[Evidence of Identity of the Holder(s) in the form of a drivers license or other approved for of government issued photo identification must be scanned and provided with this document.]

CONSENT AND DIRECTION

Northmont Resorts Properties Ltd. ("Northmont") does hereby consent to the surrender of Vacation Lease described above and hereby directs the Indemnitees to amend the register maintained by them and to cancel any Certificate(s) issued with respect to the Vacation Lease.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Northmont Resorts Properties Ltd.

Per: \_\_\_\_\_

Sunchaser Vacation Villas

RENOVATION PROGRAM RESPONSE FORM

"Freedom to Choose, Reason to Stay"

Recitals.

A. The undersigned (whether one or more, the "**Owner**") is/are the owner(s) of a leasehold or co-ownership interest at Sunchaser Vacation Villas (Riverside/Hillside and Riverview) (the "**Resort**").

B. Philip K. Matkin Professional Corporation (the "**Trustee**") and Carthew Registry Services Ltd. hold title to the lands which form part of the Resort on behalf of the Owner and all of the other owners of vacation interval interests at the Resort, including Northmont (collectively, the "**Owners**").

C. Resort Villa Management Ltd., as subcontractor to Northmont Resort Properties Ltd. ("**Northmont**"), manages the Resort pursuant to vacation interval agreements (individually a "**VIA**" or collectively the "**VIA's**") made between the Owners and Northmont, or its or their predecessors.

D. Improvements at the Resort require renovation and refurbishment and Northmont, as property manager, has created a program to address these requirements and has levied, or will levy, an assessment on the Owners to fund a renovation and refurbishment program (the "**Program**"), the particulars of which are summarized in a letter from Resort Villa Management Ltd. to the Owners dated April 12, 2013 and set out in greater detail at [www.sunchaservillas.ca/longerversion.asp](http://www.sunchaservillas.ca/longerversion.asp).

E. Recognizing that Owners may, for various reasons, wish to surrender their rights and obtain a release of their obligations under the VIA's rather than continue as owners, Northmont is prepared to accept a surrender and release such owners in exchange for payment of an applicable fee.

F. Northmont anticipates that a significant number of owners will take advantage of Northmont's offer as set out in Recital E and in that event, it will be necessary to remove a number of buildings from the timeshare program at the Resort and to reallocate vacation interval interests in buildings which will be removed to equivalent interests (as to season and type of unit) in the buildings that will remain.

Now, therefore, the Owner hereby gives notice to Northmont as follows **(please mark the appropriate box(es) giving your selection(s)).**

**Program Acceptance**

I/We:

(a) enclose:

(i) our completed Renovation Project Fee Payment Option Form (with void cheque or copy thereof, if applicable); or

(ii) our cheque/credit card information in full payment of the 2013 assessment;

(b) hereby consent to the amendment of our VIA, if necessary, to effect the transfer of our vacation interval interest to a season and type of unit equivalent to the season and type of unit set out in our VIA, but in an alternate building;

(c) hereby consent to the removal of buildings and associated land (or portions of buildings) from the Resort to the extent that such buildings and associated land (or portions) are no longer subject to any vacation interval interests except those owned by the developer.

**Biennial Odd/Even Migration (Optional)**

- I/We hereby consent to the amendment of our VIA, if necessary, to effect the transfer of our vacation interval interest to a season and type of unit equivalent to the season and type of unit set out in our VIA, but in an alternate biennial year (odd moving to even or even moving to odd) provided that I/we are provided at least twelve months notice in advance of the start of the season of my/our new next vacation usage right.

**Election to Surrender (Optional)**

- I/We elect to surrender our vacation interval interest and terminate the VIA and enclose:

- (a) our cheque in the amount of \$\_\_\_\_\_, representing the termination fee for our VIA;
- (b) a signed, completed cancellation agreement; and
- (c) a signed, completed surrender of ownership form.

*Note: If you have elected to surrender your vacation interval interest, Northmont will return a fully signed cancellation agreement and a fully signed surrender of ownership form, along with confirmation from the Trustee that the register has been updated to reflect the termination. We anticipate there will be many Owners who make this election and we appreciate your patience as the register is updated and the forms are signed.*

**The Owner acknowledges that this renovation program response form may be relied upon by Northmont and the Trustee.**

This form may be signed in counterparts and delivered by facsimile or other electronic means.

**THIS FORM AND ANY ATTACHMENTS MUST BE RETURNED TO THE FOLLOWING ADDRESS NO LATER THAN MAY 31, 2013:**

Resort Villa Management Ltd.  
5799 - 3<sup>rd</sup> Street SE  
Calgary, AB T2H 1K1  
Toll Free Fax: 1.877.451.1239

Signed and dated this \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Owner Signature

\_\_\_\_\_  
Owner Signature

\_\_\_\_\_  
Owner Signature

\_\_\_\_\_  
Owner Signature

**Cancellation Agreement cheques are to be made payable to Northmont Resort Properties Ltd.**

If you have any questions or concerns, please contact vacation ownership services at 1-877-451-1250 or [customercare@northwynd.ca](mailto:customercare@northwynd.ca) and put "Cancellation Agreement" in the subject line of your email.

**Instructions on how to fill out the forms**

In order to complete a cancellation of your vacation interval agreement (the "Vacation Interval Agreement") with Northmont Resort Properties Ltd., we require all owners whose names appear on the Vacation Interval Agreement to complete the Cancellation Agreement, the Surrender and Indemnification Form, and the Renovation Program Response Form.

In the case of death of one of the owners, the surviving owner must sign and any beneficiaries listed in the Last Will and Testament must sign on behalf of the Estate. If the beneficiary is the other member located on the contract then they must sign twice. A copy of the following, if appropriate, must be sent by registered mail to the address below:

- Cancellation Agreement – Must be signed by all owners listed on the Vacation Interval Agreement
- Surrender and Indemnification Form – Must be signed by all owners listed on the Vacation Interval Agreement
- Renovation Program Response Form – Must be signed by all owners listed on the Vacation Interval Agreement
- Death certificate (required if an owner is deceased)
- Last will and testament (required if an owner is deceased)
- Photocopy of valid government issued picture ID (driver's license, passport, etc.) for each owner
- Cheque made payable to Northmont Resort Properties Ltd.

In addition, if you have your original Certificate of Leasehold Interest, it should also be submitted.

For each of the forms, ensure that all "blanks" have been filled in with the appropriate information. If you are unsure as to the appropriate cancellation fee or any other information to be filled in on the forms, please contact us to ensure you fill them in correctly.

As a reminder, until the Cancellation Agreement is accepted and approved by Northmont Resort Properties Ltd., you will continue to be the owner of your Vacation Interval Agreement and responsible for the obligations therein.

Mail to:

RESORT VILLA MANAGEMENT LTD.  
5799 – 3 STREET SE  
CALGARY, AB T2H 1K1