

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 1

Per: _____
Timeshare Owner's Signature

Timeshare Owner 2

Per: _____
Timeshare Owner's Signature

Timeshare Owner 3

Per: _____
Timeshare Owner's Signature

Timeshare Owner 4

Per: _____
Timeshare Owner's Signature