

MORGANS RISE

AGREEMENT OF PURCHASE AND SALE

Made this _____ day of _____, 2011

BETWEEN:

Burgundy Homes Inc.
a body corporate having an office at
1200, 1015 - 4 Street S.W.
Calgary, AB
T2R 1J4

(herein called the "Developer")

-and-

(herein called the "Buyer")

Description of Lot

1. The Developer agrees to sell to the Buyer and the Buyer agrees to buy from the Developer the Property described as:

Address: _____

Legal Description: Lot _____, Block 1, Plan 0514055

Purchase Price

- | | | |
|----------------------|----------|-------------|
| 2. Purchase Price \$ | _____ | Price |
| | \$ _____ | Add 5% GST |
| | \$ _____ | Total Price |

Subject to clause 7, payments by the Buyer to the Developer shall be made as follows:

- a. \$ 10,000 herein as the initial Deposit.
- b. \$ 40,000 additional Deposit upon waiver of all conditions (a. & b. Deposits to form the total "Deposits" amount)
- c. \$ _____ final payment being the balance of the Total Price, less any Deposits, to be paid by the Buyer on or

1 _____ Developer's Initials _____ Buyer's Initials

before _____, 2011. (hereinafter called the "Closing Date")

The Deposits shall be held in trust for both the Developer and the Buyer and shall be:

- a. refunded forthwith to the Buyer if a Condition Precedent is not satisfied or waived (as per Clause 4.) or the Developer fails to perform it's obligations under this Agreement; and
- b. forfeited to the Developer if this Agreement is accepted and all conditions are satisfied or waived and the Buyer fails to perform on this Agreement.

Deposit cheques are to be made payable to **DLBH Barristers and Solicitors** (Solicitors for the Developer) "In Trust"

Interest

3. In the event that the Developer agrees to accept late payment of the Purchase Price, then the Buyer shall pay interest to the Developer from and including the Closing Date to the date the Developer is paid in full at the First Calgary Financial prime rate at the Closing Date plus three (3%) percent calculated daily and compounded monthly until paid.

Buyer's Conditions Precedent

4. It is a condition precedent of this Agreement that the Buyer shall have until before 5 p.m. on the _____ day of _____, 2011 to inspect and accept the Property.

Permitted Encumbrances

5. Title to the Lot shall be free and clear of all restrictions, charges and encumbrances except:
 - a. the terms of the Architectural Guidelines described in clause 9 of this agreement and attached as Schedule "A", which shall be registered by way of restrictive covenant;
 - b. such building schemes, deferred service agreements, restrictive covenants, caveats, encumbrances, rights of way or easements which may be registered pursuant to or arising out of the Developer's development agreement (herein referred to as the "Development Agreement") with the Municipal District of Rocky View relating to the Morgans Rise Subdivision containing the Lot or pursuant to any land use bylaw, or instruments registered by the Developer with respect to its rights under this agreement;
 - c. such further restrictive covenants, caveats, rights of way or easements as may be or may have been related to the Lot and reasonably necessary for, but not limited to, access, drainage or to install utilities and services, or in respect to signs, mail

- boxes, fire hydrants, electrical transformers, cable TV boxes, telephone boxes, or street lighting, or are or were incidental to the Subdivision or development of the Morgans Rise Subdivision within which the Lot is located;
- d. such encumbrances and rent charges in favour of any utility provider in connection with the services to be provided by it in connection with the Lot and an encumbrance in favour of the Morgans Rise Homeowners Association as security for its costs in connection with the maintenance and management of facilities to be used by the owners of Lots and units within the Morgans Rise Subdivision; and
 - e. any charges and encumbrances created by, or through the Buyer.

Fixtures

- 6. The Buyer agrees that all buildings, erections or improvements, now or hereafter, put upon the Lot shall be and become part of the freehold and until the Buyer has fulfilled all of its obligations under this agreement none of the buildings, erections or improvements put upon the Lot shall be altered, destroyed, taken down or removed therefrom without the prior written consent of the Developer.

Buyer Default

- 7. Should the Buyer's at any time make default in any of the payments (in whole or in part) that it has agreed to make under this agreement, or should it otherwise fail to observe any of the covenants that it has agreed to perform under this agreement and the Buyer has failed to rectify the default within ten (10) days of written notice by the Developer of such default, or should the Buyer become bankrupt, insolvent, or make a general assignment for the benefit of creditors or otherwise take advantage of any rights protecting debtors under the Bankruptcy and Insolvency Act of Canada, or any other federal or provincial legislation whatsoever, then, and in such case, or on any such default, the Developer may, without limiting its other remedies herein or at law or in equity, be entitled at its option to do any one or more of the following: declare the Buyer's rights under this agreement terminated and at an end; to retain the Deposit monies paid to it by the Buyer as liquidated damages and not as penalty; to retain any other sums paid to it by the Buyer on account of its damages, losses and expenses incurred or suffered by it in excess of the Deposit and associated with the Buyer's default (including legal costs on a solicitor and his own client basis) or associated with any resale of the Lot; to retain all improvements made on the Lot; to proceed to sell the Lot; and to take possession of the Lot and enjoy the same and remove the Buyer therefrom. In the event of a resale of the Lot by the Developer, the Developer shall account to the Buyer for up to eighty (80%) percent of any proceeds of sale attributable to improvements upon the Lot constructed by the Buyer net of any damages, losses and expenses incurred or suffered by the Developer in excess of the Deposit and associated with the Buyer's default (including legal costs on a solicitor and his own client basis) or associated with any resale of the Lot. Without limiting any of its other remedies, upon default by the Buyer, the Developer may perform or cause to be performed each or any obligation of the Buyer hereunder, including correction

so any work improperly performed or performed in breach of the Architectural Guidelines (as hereinafter defined), and all expenses resulting therefrom, including an administrative fee equal to fifteen percent (15%) of the cost of such corrections to reimburse the Developer for the cost of providing such services, shall be paid by the Buyer forthwith upon demand and shall bear interest from the dates such expenses are incurred at the rate of ten percent (10%) per annum until the Buyer reimburses the Developer for such expenses. The Buyer charges its estate and interest in the Lot as security for the performance of all the Buyer's obligations under this agreement.

Conditions of Lands

8. The Buyer acknowledges that it or its agent has inspected the Lot and surrounding lands and that it is agreed that the Buyer shall make no objection nor claim any compensation because of an error or description as to quantity of measurement or otherwise if any such be found and agrees to purchase the Lot "as is", being responsible for testing the soil for bearing capacity, percolation, water permeability, water table and sulfate content. Further, the Buyer acknowledges that the Lot may require added caution in foundation and design and construction, and the Buyer acknowledges and agrees that the Developer shall not have any responsibility or liability arising from or in respect of any settlement which may occur on the Lot or otherwise arising out of the condition of the soil on the Lot. The Buyer is responsible for all Lot grading in accordance with plans approved by the Developer.

Architectural Guidelines

9. The Buyer agrees to observe and perform the requirements of the Developer's Architectural Guidelines (herein referred to as the "Architectural Guidelines"), a copy of which are attached as Schedule "A" hereto. Without limiting the foregoing, the Buyer agrees that prior to applying for a building permit or commencement of any construction on the Lot, the Buyer shall, in accordance with the Architectural Guidelines, submit to the Developer detailed plans of the home and any other building, structure or improvement to be constructed on the Lot, including, but not limited to, design, location, elevations, footing elevations, grades, exterior appearance, finishing materials and colors, finished grades and landscaping. The Buyer shall not construct or cause or permit to be constructed any building, structure or improvement upon the Lot other than in strict conformity with such plans as have been approved as required within the Architectural Guidelines. Adequacy of plans and specifications and their conformity with applicable codes and laws and the requirements of any New Home Warranty Program (if applicable) shall be the sole responsibility of the Buyer and the Developer shall have no responsibility or liability by reason of its approval of the Buyer's plans. The covenants contained in this paragraph shall be covenants running with the land and shall be binding upon the Buyer and its successors in title. A Design Review Committee has been appointed by the Developer and approvals shall be granted

by this committee in their sole discretion. The Buyer hereby agrees to provide a construction compliance deposit in the amount \$5,000 and a landscape compliance deposit in the amount of \$2,500 which shall be payable to the Developer on the Closing Date of this transaction. These funds shall be held by the Developer as security deposits and shall be refunded to the Buyer upon the completion of the architectural and landscaping inspections providing there are no deviations from the approved architectural and landscaping drawings.

Compliance with Laws

10. The Buyer shall ensure that the provision of all federal, provincial, and municipal laws and all restrictive covenants and easements registered against title to the Lot are complied with in connection with the construction upon the Lot.

Re-Sale

11. The Buyer will not, for a period of twenty four (24) months from the Closing Date, sell or otherwise dispose of the Lot or its interest therein (unless the Buyer has completed the construction of a home on the Lot) without first agreeing in writing to sell the Lot or its interest therein to the Developer at 80% of the original Purchase Price. The Agreement shall be open for acceptance for thirty (30) business days from its receipt by the Developer and the terms of purchase shall be in accordance with all of the terms of clause 15. herein with the exception of clause 15. c. iii. If the Developer elects not to re-purchase the Lot, then the Buyer shall be entitled to sell the Lot to any other person, provided such person has agreed, in writing, with the Developer to observe and perform the obligations of the Buyer hereunder, including granting the Developer an option to purchase the Lot from such person as provided in this paragraph as if such person were the Buyer named in this agreement. Should the Buyer sell the Lot in breach of this provision, then any proceeds of sale received by the Buyer shall be deemed to have been received in trust for the Developer and the Developer shall be entitled to receive and the Buyer shall pay to the Developer the same in full without prejudice to any other rights or remedies that the Developer may have against the Buyer in law or in equity.

Excavation and Waste

12. All dirt excavated when constructing the home and any other buildings, structures or improvements shall be stored on the Lot upon which the construction is being undertaken and shall be removed on a regular basis. The Buyer shall at all times keep a garbage bin upon the Lot to contain all construction waste and shall otherwise keep the Lot in an orderly and tidy appearance to the satisfaction of the Developer. The Buyer acknowledges that the Architectural Guidelines contain restrictions regarding excavation and that certain portion of the Lot may not be excavated. The Buyer shall keep the Lot free from weeds, debris, waste and building materials and shall not dump the same on any lands owned by the municipality nor on any part of the lands within the Morgans Rise Subdivision. In

the event that the Buyer does not comply with the terms of this paragraph, the Developer shall have the right to remove such fill or remedy the Lot appearance, and all expenses thereby incurred by the Developer plus fifteen percent (15%) of such costs as an administration fee of the Developer shall be paid by the Buyer to the Developer upon demand.

Hazardous Materials

13. The Buyer covenants and represents and warrants to and in favour of the Developer that it shall not allow any hazardous substance, pollutant, contaminant, or toxic or dangerous substance or material (herein collectively referred to as "Hazardous Materials") to be placed, stored, or disposed of on or about the Lot. The Buyer further covenants and agrees that it shall not permit the Lot to be used in any manner, which would be in contravention of any laws intended to protect the environment. The Buyer hereby indemnifies and saves harmless the Developer from and against any and all losses, liabilities, fines, penalties, damages, costs and expenses of any kind whatsoever including, without limitation:

- a. the cost of defending, counter-claiming, or claiming over and against third parties in respect of any action or matter including legal costs (on a solicitor and his own client basis) at all court levels;
- b. any cost, liability or damage arising out of a settlement of any action entered into by the Developer with or without the consent of the Buyer;
- c. the cost of repair, clean-up or restoration paid by the Developer;

which at any time or from time to time may be paid, incurred or asserted against the Developer, as to a direct or indirect result of the presence on, about or under the Lot or as to be the direct or indirect result of the escape, seepage, leakage, spillage, discharge, emission or release of Hazardous Materials from the Lot either into the atmosphere or into any water or onto land other than the Lot as a result of anything done by the Buyer, its employees, agents, contractor and subcontractor or any other person for whom it is responsible at law. This indemnification shall survive the payment of the purchase price for the Lot and the satisfaction of all other obligations under this agreement.

Time for Construction

14. The Buyer acknowledges and supports the Developer's policy of controlling the design and expediting the construction of homes on the lands within the Morgans Rise Subdivision in order to enhance the appearance of the Morgans Rise Subdivision and therefore the value of the Lots comprised or to be comprised therein and any home on the said Lots as well as to minimize the cost of development. Accordingly, the Buyer covenants and agrees with the Developer that it will, in accordance with all of the terms of this agreement:

- a. commence construction of a residential building on the Lot within twenty four (24) months of the Closing Date, and complete the construction of the home within sixteen (16) months of the commencement of construction; and
- b. finish the grading, topsoiling and landscaping within twenty four (24) months of commencing construction of the home.

Developer Option to Re-Purchase

- 15. a. The Buyer does hereby grant to the Developer an irrevocable option to purchase in respect to the Lot should the Buyer fail to commence construction or complete construction within the times and in the manner described in Clause 14. The said option to purchase may be exercised by written notice given by the Developer to the Buyer within a period of ninety (90) days following the date of such a breach in respect to the Lot that gave rise to the option to purchase. In the event the Developer exercises the said option to purchase, the terms of purchase and sale of the Lot shall be as set forth in subclause c. below.
- 15. b. The Buyer does hereby grant to the Developer an irrevocable option to purchase in respect to the Lot (or its interest therein if the Developer still owns the Lot) should the Buyer construct a home or other structure or improvement in breach of the Architectural Guidelines and such breach of the Architectural Guidelines has not been rectified within three (3) months of written notice by the Developer of such breach. The option to purchase may be exercised by written notice given by the Developer to the Buyer within a period of ninety (90) days following the date of such a breach. In the event the Developer exercises the said option to purchase, the terms of purchase and sale of the Lot shall be as set forth in subclause c. below.
- 15. c. The terms of sale of the Lot subject to an option to purchase, which has been exercised as aforesaid, shall be as follows:
 - i. the date for transfer of title and possession shall be the 30th day following the date of exercise of the option to purchase;
 - ii. usual adjustments for taxes shall be made;
 - iii. the purchase price for the Lot (which shall be deemed to include any applicable GST) shall be 80% of the purchase price paid by the Buyer to the Developer plus 80% of the hard costs reasonably incurred by the Buyer in constructing the improvements upon the Lot up to the date of exercise of the option to purchase by the Developer. The Buyer agrees to produce true and accurate records to substantiate such hard costs; in the event it fails to do so, such hard costs shall be determined by the Developer;

- iv. the Developer may set-off against the purchase price due by it any sums owed to it by the Buyer;
 - v. title to the Lot shall be free and clear of all encumbrances except those in favour of the Developer or arising by, through or under the Developer and except those instruments to which the title was subject at the time the title to the Lot was transferred by the Developer to the Buyer;
 - vi. at the request of the Developer, any New Home Warranty Program warranty shall be assigned to or issued in the name of the Developer at the time for closing;
 - vii. at the request of the Developer, the Buyer shall assign to the Developer at closing the Buyer's interest in any agreement to sell the Lot;
 - viii. time shall be of the essence.
15. d. The covenants contained in this clause 15 shall be covenants running with the land and shall be binding upon the Buyer and its successors in title.

Signage and Advertising

16. The Buyer agrees that the only signage that will be erected upon the Lot or the home thereon by the Buyer shall be signage that has been first approved in writing by the Developer (which approval may be withheld in its sole discretion except in the case of a "for sale" sign which shall be approved by the Developer if the sign is acceptable to the Developer, acting reasonably, and the Buyer is not in breach of this agreement).

The Buyer agrees not to advertise or communicate, in any manner, verbal or written, printed, electronic, auditory, web-based or otherwise, the Lot nor any home constructed or to be constructed thereon as a showhome or otherwise for the purpose of demonstrating the quality of product supplied by the Buyer or their contractors. The Buyer agrees that all of its advertising (whether verbal or written, printed, electronic, auditory, web-based or otherwise) in connection with the sale of the Lot or any home thereon shall be approved by the Developer prior to publication or distribution or otherwise becoming available to the public.

Indemnity

17. The Buyer shall indemnify and save harmless the Developer from and against all costs of and incidental to the repair, maintenance and replacement of trees, fences, survey stakes and pins and monuments, road base and pavement (including repairing, refilling, removing and regrading any damaged road or removing any earth or foreign matter deposited on a road), fire hydrants, water lines, water valves, sewer systems, street lights, transformers, underground

utilities and improvements on the Lot or any other lands within the Morgans Rise Subdivision arising from or necessitated by the acts or negligence of the Buyer, the Buyer's employees, servants, contractors, agents, workers, or successors in title and any person or persons whomsoever acting on behalf of the Buyer or for whom the Buyer is responsible at law;

- a. all costs of repairs which are required to be made in order to obtain any intermediate or final approval or acceptance of any utilities and services by the local authority;
- b. all claims, demands, proceedings, actions, damages, costs and expenses (including legal costs on a solicitor and his own client basis) which may be made or brought against the Developer howsoever or which it may sustain, incur or be put to howsoever, either directly or indirectly, by reason of the Buyer's use or occupation of the Lot, or the construction, or the performance of any other work, on or relating to the Lot by the Buyer, its employees, servants, contractors, agents, workers, or successors in title or any other person for whom the Buyer is responsible at law.

Insurance

18. On demand, the Buyer shall provide to the Developer proof of all risk course of construction insurance and public liability insurance, both in an amount, form and substance satisfactory to the Developer.

Residency

19. The Developer represents and warrants to the Buyer that it is not now (nor will it be 60 days after the Closing Date) a non-resident of Canada within the meaning of the Income Tax Act of Canada.

Non-Merger

20. All matters herein contained which have not been fully observed or performed at the time of delivery of the transfer of title documentation respecting the Lot shall remain in full force and effect and shall not be deemed to have merged on delivery of such transfer.

Assignment

21. The Buyer shall not be entitled to assign its interest or any part thereof in this agreement without the prior written approval of the Developer, which approval may be arbitrarily withheld, and if approval is granted by the Developer such approval may be subject to the Buyer paying the Developer's legal costs in attending to the preparation, execution and deliver of an assumption agreement in a form satisfactory to the Developer and in the preparation and registration of any additional caveat that the Developer may require.

Caveats

22. The Developer and/or Buyer may register a caveat to protect its rights under this agreement.

Severability

23. Should any provision of this agreement be unenforceable or illegal it shall be considered separate and severable from the remaining provisions of this agreement, which shall remain in force and be binding as though that provision had not been included.

Waiver

24. It is agreed that the waiver by the Developer of the strict performance of any covenant, condition or agreement herein contained (or contained in any other Lot purchase and sale agreement made between the Developer and the Buyer) shall not of itself constitute a waiver of or abrogate any covenant, condition or agreement, nor be a waiver of any subsequent breach of the same, or any other covenant, condition or agreement. The Buyer covenants to pay the Developer all costs (including legal costs on a solicitor and his own client basis) incurred by the Developer in enforcing the Buyer's covenants hereunder, or in exercising the Developer's rights hereunder, or in respect to a request made by the Buyer or its solicitor to amend or re-issue a transfer of land prepared in accordance with the Buyer's initial instructions or to re-issue or amend a trust letter or statement of monies owing by the Buyer prepared in accordance with the Buyer's initial instructions or in a manner consistent with the terms of this agreement, or in respect to the Buyer's failure to tender the correct amount of interest and any other monies owing to the Developer on the purported date of full payment of the purchase price, or in respect to any breach of trust conditions imposed upon the use of the transfer of land for the Lot. The Developer shall be entitled to prohibit use of the transfer of land for the Lot or to withhold a discharge of any caveat filed by the Developer against title to the Lot pending full payment by the Buyer of all aforesaid costs (including legal costs on a solicitor and his own client basis).

Notices

25. Any notices required to be given to the Developer and the Buyer shall be in writing and shall be delivered or sent by prepaid registered mail to the parties at their respective address specified on pages 1 and 14 hereof or such other address in Alberta as either party may notify the other in writing. All notices shall be deemed received on the date of delivery if delivered or on the third business day after posting if sent by prepaid registered mail. All payments required to be made by the Buyer to the Developer shall be in Canadian funds and made to Demiantschuk & Company (Solicitors for the Developer) at its address specified on page 1 hereof

or such other address in Canada as it may notify the Buyer in writing and shall be deemed received on the date of actual receipt.

Title Transfer

26. If the Buyer is not in default under this agreement or under any other agreement between the Developer and the Buyer, and upon ten (10) days advance written request by the Buyer, the Developer shall deliver to the Buyer's solicitor a registrable transfer of land for the Lot upon usual trust conditions which ensure payment, in the manner required under the terms of this agreement, of the balance of the purchase price due and accrued interest to the date of such payment and any applicable GST. The transfer of land and any caveat or caveats required to be registered by the Developer in connection with its rights under this agreement shall be registered at the expense of the Buyer. Taxes and all matters of usual adjustment shall be adjusted between the Developer and the Buyer on the Closing Date.

Builder

27. In executing this Agreement, the Buyer covenants and agrees that it is a condition in purchasing this Lot that a construction agreement must be entered into and finalized with one of the approved home builders for Morgans Rise. The Developer and/or the Builder have a deemed interest in land pursuant to this contract and/or the construction agreement. If these conditions are not met, the Developer may at its option declare this Agreement null and void.

Development

28. The Developer agrees to complete the development of the lands within the proposed plan to the standard required by the municipality. The Developer either has or shall install or cause to be installed water, gas and electrical services, all as required by the Development Agreement, all on or before the first anniversary of this agreement. The Buyer shall be responsible for the cost of installing all services and utilities on the Lot within the property line for the Lot and connecting those services and utilities to the services and utilities installed by the Developer. The Buyer is responsible for purchasing and installing the septic system approved by the Municipality. The Buyer is responsible for locating the aforementioned services, and if the Buyer cannot locate any one of these services, then the Developer is to be notified immediately. The Developer is not liable for any extra costs in locating these services connections unless the Developer acknowledges in writing that these services have not been installed or have been installed in the wrong location. The Buyer acknowledges and agrees that arrangements for the development of the Lands may not be completed at the date hereof and the completion of such arrangements is a condition precedent to the obligation of the Developer to sell the Lands to the Buyer, and all amounts paid by the Buyer to the

Developer pursuant to the terms hereof are paid on the understanding that if the condition precedent is not met on or before the first anniversary of this agreement, all such amounts shall be refunded by the Developer, subject to the Buyer restoring the Lands to its condition as at the date of execution of this Agreement, and subject to the discharge of all encumbrances, liens, or interests registered against the Lands by the Buyer or in respect of its interest in the Lands by the Buyer, whereupon the Agreement constituted hereby shall be null and void and of no further effect whatsoever and the Developer shall have no further liability or obligation to the Buyer hereunder.

Force Majeure

29. The Developer shall not be liable for damages or in any manner for delays in completing or failing to complete and install any utilities or services or other work for which it is responsible due to strikes, shortages of material or labor, weather conditions or any other cause beyond the reasonable control of the Developer.

Drainage

30. The Buyer shall not carry on any operation nor do or permit anything to be done upon the Lot that would in any way interfere with the surface drainage of the Lands within the Morgans Rise Subdivision.

Home Owners Association

31. The Buyer is aware that a Home Owners Association will be established to operate and maintain the common areas in the Subdivision. The Buyer will observe and perform the terms and conditions of the said Act and bylaws of the Home Owners Association. The Buyer agrees that the Developer shall be at liberty to complete and file and to make (and the Buyer hereby consents to and accepts the same, even without notice) changes in any of the documents described in items a. and b. inclusive as may be (and to the extent they are) required by any mortgagee or its mortgage insurer or by any government agency or department or architect or surveyor and such other changes as the Developer may require that do not materially and adversely affect the value or marketability of the Lot (as determined by the Developer acting in its sole discretion). The Buyer agrees that it will not vote for any amendment to such bylaws which conflicts with the rights and privileges that are contained in the said bylaws nor shall it seek enforcement of or cause anyone else to seek enforcement of any provision of the bylaws of the Home Owners Association or the Morgans Rise Subdivision which might restrict or impair such rights and privileges of the Developer.

Homeowners Fees

32. The Buyer acknowledges that the annual fee in respect of the Lot is currently \$1,250. The Buyer acknowledges that the amount is subject to change by the Home Owners Association and its board of directors.

Common Amenities

33. The Buyer shall not interfere with the Developer in the designing, engineering, planning, developing, constructing and initially managing and operating the amenities that are to be transferred to the Home Owners Association, all of which may be done in the sole discretion of the Developer.

Entire Agreement

34. Except as contained in this agreement, the Buyer acknowledges that there have not been any representations or warranties made by the Developer or any of its employees or agents in respect to the Lot or the Morgans Rise Subdivision or in respect to anything that may affect the Lot and that there have not been any covenants or agreements made by the Developer or its employees or agents to induce the Buyer to enter into this agreement.

Gender

35. Wherever the singular and masculine or neuter are used throughout this Agreement, the same shall be construed as meaning the plural or masculine, feminine or a body corporate where the context or the parties hereto so require, and where the Buyer consists of two or more parties, the covenants by them herein contained shall be joint and several.

Enurement

36. This Agreement shall enure to the benefit of and be binding upon the parties hereto, their heirs, executors, administrators, successors and assigns (subject to approval of assigns as required under the terms of this agreement).

Laws to Govern

37. The laws of the Province of Alberta shall govern the interpretation and enforcement of this agreement.

Time of Essence

38. Time shall be of the essence of this agreement.

IN WITNESS WHEREOF the parties to this agreement have executed it. (by their duly authorized officer(s) in the case of corporations).

Dated at Calgary, Alberta the _____ day of _____, 2011

Buyer(s):

In the Presence of:

Witness

Buyer Signature

Witness

Buyer Signature

Buyer's Name(s): _____

Current Address: _____

Phone (Res.) _____ (Bus.) _____ (Cell) _____

Buyer's Lawyer _____

Address: _____

Phone (Bus.) _____ (Fax.) _____

Acceptance:

Dated at Calgary, Alberta the _____ day of _____, 2011

Developer: Mountain View Estates (Springbank Development) Inc./Burgundy Homes Inc

Per: _____

Schedule “A”:

Architectural and Landscaping Guidelines

The Morgans Rise Architectural Guidelines are attached to and form a part of this Agreement of Purchase and Sale made between Mountain View Estates (Springbank Development) Inc. (Developer) and _____ (Buyer(s)).

Customer Status Disclosure Acknowledgment

(To be used when there is no agency relationship)

Members of the Canadian Real Estate Association are required to abide by a strict Code of Ethics and Standards of Business Practice, which serves to protect the buying and selling public alike. One of the ethical obligations embodied in the Code requires that REALTORS disclose who they are representing (or not representing) in a real estate transaction:

A REALTOR shall fully disclose in writing to, and is advised to seek written acknowledgment of disclosure from, all parties to a transaction regarding the role and the nature of service the REALTOR will be providing to the client versus the customer or other party to the transaction.

Agency/Client Relationship

A REALTOR representing a client in a real estate transaction works within a legal relationship called agency. As an agent, the REALTOR owes the client a number of duties including loyalty, obedience of lawful instructions of the client, confidentiality, reasonable care and skill in performing the tasks required, accounting of all money received, full disclosure of all relevant information known by the REALTOR, and nondelegation of responsibilities. The client, on the other hand, owes the agent a duty of reasonable compensation for the services rendered.

Customer

A party may choose to represent him/herself in a real estate transaction. A party representing him/herself (either as a buyer or a seller) is referred to as a third party to the client, and a customer to the REALTOR representing the client. Unless otherwise expressly agreed to in writing, the customer is not expected to pay the REALTOR any compensation. On the other hand, the customer does not have the protection of the duties which a client in an agency relationship receives from his/her agent. Notwithstanding the foregoing, a REALTOR assisting a customer has to be honest and ensure that all information provided to the customer is factually correct.

Acknowledgment

Having read and understood this form, I/we acknowledge that Charles Russell being registered with Houston Realty.ca disclosed that he is representing Mountain View Estates (Springbank Development) Inc in the sale of Lot _____, Block 1, Plan 0514055 and is not acting on my behalf. I further acknowledge that my status in the above transaction is that of a customer.

DATED at Calgary, Alberta on the _____ day of _____, 2011

Customer

Witness

Customer

Witness