

RANGEVIEW HOMEOWNERS ASSOCIATION

ACKNOWLEDGEMENT AGREEMENT

_____, 202__

Description of Lands and Ownership

Section23 Developments Ltd. (“**Section23**”) is the registered owner of approximately 322 acres of land (the “**Section23 Lands**”) in the Rangeview subdivision located in the southeast portion of the City of Calgary (the “**Rangeview Subdivision**”).

Planned Development for Rangeview

Over a period of time Section23 intends to develop a residential neighbourhood with a mixed-use urban core in accordance with land use approvals by the City of Calgary. In addition, Section23 has proposed to develop and construct certain amenities for the residents of the Rangeview Subdivision which will include approximately 30.5 acres of amenities, garden and open space throughout the Rangeview Subdivision, which shall ultimately be assigned to the Rangeview Homeowners Association as described below. The development of the Rangeview Subdivision, including the amenities described above, are proposals of Section23 for which it has, or intends to, obtain the necessary land use approvals from the City of Calgary all of which will be developed in the sole discretion of Section23.

The Rangeview Homeowners Association and HOA Amenities

The Rangeview Homeowners Association (the “**HOA**”) has been incorporated for, amongst other matters, the operating, maintaining and replacing of certain amenities for the members of the HOA (the “**Members**”), on the Rangeview Subdivision, all of which amenities are more particularly set out in Schedule C to the bylaws of the HOA (the “**Bylaws**”) which Bylaws are attached hereto as Schedule “A”. Ownership of and the management of the HOA Amenities will ultimately be transferred to the HOA, from time to time, in accordance with the terms of the Bylaws, Optional Amenities Agreements, Enhanced Landscape Agreements and transfer agreements between Section23 and the HOA. It is understood that the Bylaws are subject to amendments from time to time in accordance with its terms. If there are any inconsistencies between this Acknowledgement Agreement and the Bylaws, the Bylaws will apply.

All purchasers of a lot in the Rangeview Subdivision are required to become a Member. There are various forms of membership described in the Bylaws which membership will determine the rights, responsibilities and obligations of the Member. The forms of membership are more completely described in the attached Bylaws.

As set out in the Bylaws, the HOA Amenities are being negotiated, designed, engineered and planned solely by Section23, who has agreed to be responsible for the development and construction of such HOA Amenities (subject to any grant or other similar funding which may be available to the Developer or the HOA at the time of the development and construction of such HOA Amenities or in future years) in accordance with plans and specifications and in accordance with a time line approved by Section23 in its sole discretion. The development and construction

of the HOA Amenities will be constructed as the Rangeview Subdivision is completed. Section23 has also agreed to be responsible for the management and operation of the HOA Amenities for a period of time until, in Section23's sole discretion, it transfers the HOA Amenities to the HOA in whole or in part, (provided always that the HOA will not encumber, hamper or otherwise obstruct Section23's efforts to complete the subdivision, or increase the costs for development, construction, management and operating the HOA Amenities by becoming involved in, investigating, interfering in, or otherwise exercising any authority or control in the development, construction, management and operation of the HOA Amenities). In order to relieve the HOA's officers and directors from any responsibility that they may otherwise have in the proper exercise of their responsibility to protect the interests of the HOA and its Members and any alleged resulting breach of fiduciary obligations, until the HOA Amenities have been transferred in accordance with the terms of the Bylaws, the powers of the officers and directors of the HOA to manage the business and affairs of the HOA are thereby temporarily restrained and are transferred to Section23 and such officers and directors are hereby released from such duties and from any liability for failure to otherwise exercise such duty insofar as such duty relates in any way to the investigation of, determination of and enforcing of the proper and adequate quality of design, engineering, planning, development, construction, maintenance and operation of the HOA Amenities. Except as set out above, such officers and directors shall retain their normal and usual rights, duties and responsibilities and will on a limited basis as requested by Section23 be involved in the operation of the HOA Amenities. Section23 may contract the services of a third party manager for the purpose of assisting with the exercise of its rights and responsibilities hereunder.

Annual Rent Charge Encumbrance

To pay for the operation, maintenance and replacement of the HOA Amenities, Section23 will, for the benefit of the HOA, have the title of each single family residential lot, commercial lot and rental project in the Rangeview Subdivision subject to the rent charge encumbrance (the "**Encumbrance**") requiring payment to the HOA of a rental fee. In the case of residential lots and units within the Rangeview Subdivision, an Encumbrance generally in the form of Schedule "B" hereto will be registered on title, requiring payment of an annual rental fee by the owner of such lot or unit. The annual rental fee in respect of this lot or unit is in the amount of **FIVE HUNDRED TWENTY DOLLARS (\$520.06)** plus GST each year, subject to annual adjustment based on the consumer price index for Calgary, Alberta, as provided in the Encumbrance. In the case of any commercial projects (if any) that are developed in the Rangeview Subdivision, an appropriate rent charge encumbrance will be registered on title, requiring payment of an annual rental fee by the owner of such lot plus GST, subject to annual adjustment based on the consumer price index for Calgary, Alberta, as provided in the Encumbrance. The HOA may in any year choose to charge an amount other than that provided for in the Encumbrances.

Pursuant to the Bylaws, Section23, its nominees and their respective successors and assigns, shall have no obligation to pay any the rent charge or any other costs of the HOA at any time, unless Section23, in its sole discretion, agrees in writing to pay the same, or advises in writing that its nominee will commence such payment.

Acknowledgments by Purchaser

The undersigned acknowledges that he/she/it has reviewed and is aware of all of the terms and conditions contained in the attached documents, namely, the Bylaws and the Encumbrances.

The undersigned, as a potential Member of the HOA, acknowledges and agrees, together with all other Members or potential Members that, as set out in the Bylaws, it is intended that the officers and directors of the HOA should fully cooperate with Section 23 and that all of the HOA's rights, duties and obligations that conflict with Section 23's rights as set out in the Bylaws are and have been suspended during the time of development, planning, construction and initial operation of the HOA Amenities except to the extent required in order for them to carry out such cooperation and further that pursuant to the Bylaws, the HOA agrees to release Section 23 and its officers and directors from the legal results of any conflict that Section 23 may otherwise be in as a result of Section 23, or its affiliates and contracted service providers, and the HOA entering into an agreement for the development, the initial management of, and delivery of the HOA Amenities to the HOA including from the legal consequences of the directors and officers of the HOA being partially restrained from and being partially released from their normal and usual rights, duties and responsibilities as provided for in the Bylaws.

No Member of the HOA or homeowner shall have any personal or legal interest in the HOA Amenities or in any part thereof or to the proceeds of the said Encumbrances other than as a Member of the HOA. As well, a Member's right to membership in the HOA is not transferable and it only takes effect and is enforceable for so long as that person remains a resident owner of such residential lot which is located in the Rangview Subdivision.

The undersigned is the purchaser of:

BLOCK ___ LOT ___ PLAN _____

MUNICIPAL: _____, Calgary, Alberta

in the Rangview Subdivision, against which the Encumbrance, is or will be registered, and the undersigned agrees to pay the amount set out above plus GST each year hereafter, subject to adjustment as required by the Encumbrance. The undersigned hereby irrevocably appoints the HOA, as his/her attorney on his/her behalf and for the HOA's use and benefit, to execute and deliver a new rent charge Encumbrance generally in the form of Schedule "B" hereto in the event that a previous encumbrance has been foreclosed off or otherwise removed from the title to the above- mentioned lot.

The undersigned agrees to require any purchaser or transferee of the undersigned's lot in the Rangview Subdivision to assume all of the undersigned's obligations under this Agreement (including the Schedules hereto) and to execute a form of this Agreement and, if required, an Encumbrance in like form as Schedule "B" hereto in favour of the HOA, as a condition to any such purchase or transfer. The undersigned further covenants and agrees to at all times remain a Member of the HOA in accordance with the Bylaws and to be bound by, and observe the rules and regulations and Bylaws of the HOA.

This Agreement and the Schedules hereto constitute the entire agreement and understanding between Section23 and the undersigned regarding the development of the Rangeview Subdivision, the construction, maintenance and operation of the HOA Amenities and the HOA, including without limitation, the Encumbrances and the Bylaws and no representations, warranties, covenants or promises have been made by Section23 save as those herein expressly contained.

As Purchaser(s) of the above lot the undersigned acknowledges having read all of the attachments hereto and agrees to their terms.

Signed in the presence of:

Signed by the Purchaser(s) of the above specified lot:

This ____ day of _____, 20__

Print Name of Witness

Signature

Signature

Signature

Signature

SCHEDULE “A”
BYLAWS

SCHEDULE “B”
ENCUMBRANCE