

SUBSCRIPTION AGREEMENT

INSTRUCTION SHEET

For purchasers of Units of
Belay Enterprises Ltd. (the "Corporation")

INFORMATION TO BE COMPLETED BY THE SUBSCRIBER

A. Subscription Agreement for Units

PLEASE PRINT YOUR NAME AND RESIDENCE ADDRESS, INCLUDING POSTAL CODE, COMPLETE THE FACE PAGE, AS APPLICABLE, AND DATE AND SIGN WHERE INDICATED. IF THE PURCHASER IS A CORPORATION OR OTHER BUSINESS ASSOCIATION, PRINT THE NAME AND TITLE OF THE SIGNING OFFICER.

B. Risk Acknowledgement Certificate

The Purchaser hereby delivers to the Corporation a completed Risk Acknowledgement Form, in the form attached hereto as Exhibit 1.

C. Prospectus Exemption Relied Upon: (CHECK APPROPRIATE BOX, IF APPLICABLE)

a. Minimum Amount Investment

The Purchaser is relying upon the Minimum Amount Investment (\$150,000.00) exemption.

D. Payment and Delivery Instructions

Please deliver a certified cheque or bank draft for the full amount of the subscription proceeds, payable to "DMBH in trust", together with the fully completed and executed forms to the addresses set forth below:

Demianschuk Milley Burke & Hoffinger LLP
1200, 1015 – 4th Street S.W.
Calgary, Alberta T2R 1J4

Attention: Craig Fahlman

SUBSCRIPTION FOR UNITS

TO: Belay Enterprises Ltd. (the "Corporation")
 AND TO: Demianschuk Milley Burke & Hoffinger LLP ("DMBH")

The undersigned (hereinafter referred to as the "Subscriber") hereby irrevocably subscribes for and agrees to purchase the number of Units of the Corporation, with each Unit consisting of 1,000 Class "F" Preferred Shares of the Corporation ("The Preferred Shares") at a issue price of \$150.00 per Preferred Share of the Corporation (the "Units") set forth below for the aggregate consideration, representing a subscription price of \$150,000.00 (Canadian) per Unit, upon and subject to the terms and conditions set forth herein (the "Subscription Agreement"). The minimum subscription amount is one (1) Unit (or \$150,000.00) and consequently subscriptions for less than this amount will not be accepted by the Corporation.

_____ (Name of Subscriber - please print) By: _____ (Authorized Signature) _____ (Official Capacity or Title if Subscriber is a Corporation - please print) _____ (Please print name of individual whose signature appears above if different than the name of the Subscriber printed above.) _____ (Subscriber's Address) _____ _____ (Telephone Number) (E-Mail Address)	Number of Units: _____ (Minimum of 1 Unit) _____ Aggregate Subscription Price: _____ (Minimum \$150,000.00) If the Subscriber beneficially owns, directly or indirectly, any securities of the Corporation, describe them below: _____ (Type of Security) _____ (Number)
<u>Register the Preferred Shares constituting the Units as set forth below:</u> _____ (Name) _____ (Address) _____ (Address)	<u>Deliver the Preferred Shares constituting the Units as set forth below:</u> _____ (Name) _____ (Contact Name) _____ (Address) _____ (Address)

ACCEPTANCE: The Corporation hereby accepts the subscription as set forth above on the terms and conditions contained in this Subscription Agreement.

_____, 2009

Belay Enterprises Ltd. By: _____	Subscription No: _____
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Subscribers Social Insurance Number or Business Identification Number (Required): _____

TERMS AND CONDITIONS OF SUBSCRIPTION FOR UNITS

Terms of the Offering

1. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that this subscription is subject to rejection or allotment by the Corporation in whole or in part.
2. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf he Subscriber is contracting) that the Units subscribed for by it hereunder forms part of a larger issuance (the "Offering") and sale by the Corporation of a minimum of 10 Units and a maximum of 33 Units at a subscription price of Cdn. \$150,000.00 per Unit (minimum one (1) Unit), each Unit consisting of 1,000 Class "F" Preferred Shares of the Corporation ("Preferred Shares"), at an issue price of \$150.00 per Preferred Share. The maximum offering shall be \$4,950,000.00.
3. The Subscriber agrees and acknowledges that the subscription funds will be deposited by Demianschuk Milley Burke & Hoffinger LLP (into trust) immediately upon receipt and that the Subscriber shall not receive any credit for interest from the subscription funds from the Corporation until the first closing of the Offering, when interest shall begin to accrue pursuant to section 10(a) of this Agreement.
4. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that this Subscription Agreement and the Exhibits hereto require the Subscriber to provide certain personal information to the Corporation. Such information is being collected by the Corporation for the purposes of completing the Offering, which includes, without limitation, determining the Subscriber's eligibility to purchase the Units under applicable securities legislation, preparing and registering certificates representing Units to be issued to the Subscriber and completing filings required by any stock exchange or securities regulatory authority. The Subscriber's personal information may be disclosed by the Corporation to: (a) securities regulatory authorities, (b) the Corporation's registrar and transfer agent or trustee, and (c) any of the other parties involved in the Offering, including legal counsel and may be included in record books in connection with the Offering. By executing this Subscription Agreement, the Subscriber (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) is deemed to be consenting to the foregoing collection, use and disclosure of the Subscriber's personal information. The Subscriber (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) also consents to the filing of copies or originals of any of the Subscriber's documents which may be required to be filed with any securities regulatory authority in connection with the transactions contemplated hereby. The Subscriber represents and warrants that it has the authority to provide the consents and acknowledgements set out in this paragraph on behalf of all beneficial purchasers.
5. The Subscriber (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) represents and warrants that the funds representing the purchase price which will be advanced by the Subscriber to the Corporation hereunder will not represent proceeds of crime for the purposes of the Proceeds of Crime (Money Laundering) Act (Canada) (the "PCMLA") and the Subscriber acknowledges that the Corporation may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLA. To the best of its knowledge, none of the subscription funds to be provided by the Subscriber (i) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber. The Subscriber shall promptly notify the Corporation if the Subscriber discovers that any of such representations ceases to be true, and to provide the Corporation with appropriate information in connection therewith.

Representations, Warranties and Covenants by Subscriber

6. The Subscriber represents, warrants and covenants to the Corporation and the Agent (and acknowledges that the Corporation and its respective counsel are relying thereon) both at the date hereof and at the Closing Time (as herein defined) that:
 - a. it has been independently advised as to restrictions with respect to trading in the Units imposed by applicable securities legislation in the jurisdiction in which it resides, confirms that no

representation has been made to it, by or on behalf of the Corporation with respect thereto, acknowledges that it is aware of the characteristics of the Units, the risks relating to an investment therein and of the fact that it may not be able to resell the Units except in accordance with limited exemptions under applicable securities legislation, regulatory and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Units may bear a legend indicating that the resale of such securities is restricted;

- b. it has not relied upon any prospectus, sales or advertising literature, or any other document describing or purporting to describe the business and affairs of the Corporation which has been prepared for delivery to, and review by, prospective purchasers in order to assist it in making an investment decision in respect of the Units;
- c. it acknowledges and certifies that:
 - i. no securities commission or similar regulatory authority has reviewed or passed on the merits of the Units;
 - ii. there is no government or other insurance covering the Units;
 - iii. there are risks associated with the purchase of the Units;
 - iv. there are restrictions on the Subscriber's ability to resell the Units and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling the securities; and
 - v. the Units are being purchased pursuant to exemptions from the prospectus requirements contained in applicable securities legislation and, as a consequence, the Subscriber may not receive information that would otherwise be required to be provided to the Subscriber under applicable securities legislation and certain protections, rights and remedies provided under the applicable securities legislation, including statutory rights of rescission and damages applicable to prospectuses, may not be available to the Subscriber;
- d. it is aware that the Units have not been and will not be registered under the United States Securities Act of 1933, as amended ("U.S. Securities Act") or the securities laws of any state and that these securities may not be offered or sold in the United States without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration and the applicable laws of all applicable states and acknowledges that the Corporation has no present intention of filing a registration statement under the U.S. Securities Act in respect of the Units;
- e. the Units have not been offered to the Subscriber in the United States, and the individuals making the order to purchase the Units and executing and delivering this Subscription Agreement on behalf of the Subscriber were not in the United States when the order was placed and this Subscription Agreement was executed and delivered;
- f. it is not a U.S. Person (as defined in Regulation S under the U.S. Securities Act, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) and is not purchasing the Units on behalf of, or for the account or benefit of, a person in the United States or a U.S. Person;
- g. it undertakes and agrees that it will not offer or sell the Units in the United States unless such securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available, and further that it will not resell the Units, except in accordance with the provisions of applicable securities legislation, regulations, rules, policies and orders and stock exchange rules;
- h. if the Subscriber is a partnership or a corporation:
 - i. it has been duly registered and is validly subsisting as a partnership under the laws of the Subscriber's incorporating jurisdiction and has the right, power and capacity to own the Subscriber's assets and carry on the Subscriber's business as the business is now being conducted;

- ii. execution and delivery of this Agreement by the Subscriber and the performance and compliance by the Subscriber with this Agreement will not result in any violation of, or be in conflict with, or constitute a default under, any term or provision of the constating documents of the Subscriber or any agreement to which the Subscriber is a party or to which the Subscriber is subject;
 - iii. the Subscriber has not been created solely to permit the purchase of the Units pursuant to prospectus and registration exemptions under applicable securities laws;
- i. if he/she is an individual, he/she is of the full age of majority and is legally competent to execute this Subscription Agreement and take all action pursuant hereto;
- j. this Subscription Agreement has been duly and validly authorized, executed and delivered by and constitutes a legal, valid, binding and enforceable obligation of the Subscriber;
- k. in the case of a subscription by it for the Units acting as agent for a disclosed principal/beneficial purchaser, it is duly authorized to execute and deliver this agreement and all other necessary documentation in connection with such subscription on behalf of such disclosed principal/beneficial purchaser and this Subscription Agreement has been duly authorized, executed and delivered by or on behalf of, and constitutes a legal, valid and binding agreement of, such disclosed principal/beneficial purchaser;
- l. it acknowledges that the Corporation's counsel are acting as counsel to the Corporation and not as counsel to the Subscriber;
- m. it understands that the Units are being offered for sale only on a "private placement" basis and that the sale and delivery of the Units is conditional upon such sale being exempt from the requirements as to the filing of a prospectus or upon the issuance of such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus;
- n. if required by applicable securities legislation, policy or order, or securities commission or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the Corporation in filing, such reports, undertakings, and other documents with respect to the issue of Units that may be required;
- o. no person has made any written or oral representations to the Subscriber:
 - i. that any person will resell or repurchase the Units;
 - ii. that any person will refund the purchase price of the Units; or
 - iii. as to the future price or value of the Units;
- p. the Subscriber is able to bear the economic risk of loss of his investment and has the investment acumen to assess the securities being offered hereunder because of:
 - i. the Subscriber's net worth and investment experience; or
 - ii. advice that the Subscriber has received on the investment of the Units being offered hereunder being:
 - 1. independent advice on the offering obtained from a registered adviser or a registered dealer; and
 - 2. not obtained from a promoter of the Corporation;
- q. the Subscriber acknowledges that the trading restrictions may be noted on the certificate(s) representing the Units;
- r. if required by applicable securities legislation, regulations, rules, policies or orders, or by any securities commission, stock exchange or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the Corporation in filing, such reports, undertakings and other documents with respect to the issue of the Units as may be required;

- s. the entering into of this Subscription Agreement and the transactions contemplated hereby will not result in a violation of any of the terms or provisions of any law applicable to the Subscriber, or if the Subscriber is not a natural person, any of the Subscriber's constating documents, or any agreement to which the Subscriber is a party or by which it is bound;
- t. the Subscriber acknowledges that it has been encouraged to and should obtain independent legal and investment advice with respect to its subscription for these Units and accordingly, has been independently advised as to the meanings of all terms contained herein relevant to the Subscriber for purposes of giving representations, warranties and covenants under this Subscription Agreement; and
- u. if the Subscriber is relying on the minimum amount investor exemption, it is purchasing the Units as principal (or is deemed by applicable securities laws to be purchasing as principal) for its own account and not for the benefit of any other person, and not with a view to the resale or distribution of all or any of the Units and is purchasing sufficient Units so that the aggregate acquisition cost of the Units to the Subscriber is not less than \$150,000.00, and if the Subscriber is not an individual, the Subscriber is not a corporation, partnership, trust, fund, association, or any other organized group of persons created or used solely to purchase or hold securities in reliance on the exemption provided in section 2.10 of NI 45-106.

The Subscriber acknowledges and agrees that the foregoing representations and warranties are made by it with the intention that they may be relied upon by the Corporation and its legal counsel in determining its eligibility or (if applicable) the eligibility of others on whose behalf it is contracting hereunder to purchase the Units under applicable securities laws. The Subscriber further agrees that by accepting delivery of the Units on the closing, it shall be representing and warranting that the foregoing representations and warranties are true and correct as at the closing with the same force and effect as if they had been made by the Subscriber at the time of closing and that they shall survive the purchase by the Subscriber of the Units and shall continue in full force and effect notwithstanding any subsequent disposition by the Subscriber of the Units.

The Subscriber agrees to indemnify and hold harmless the Corporation and its directors, officers, employees, agents, advisors and shareholders from and against any and all loss, liability, claim, damage and expense whatsoever including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation, administrative proceeding or investigation commenced or threatened or any claim whatsoever arising out of or based upon any representation or warranty of the Subscriber contained herein or in any document furnished by the Subscriber to the Corporation in connection herewith being untrue in any respect or any breach or failure by the Subscriber to comply with any covenant or agreement made by the Subscriber herein or in any document furnished by the Subscriber to the Corporation in connection herewith.

Representations, Warranties and Covenants of the Corporation

7. The Corporation represents and warrants to and for the benefit of the Subscriber (and acknowledges that the Subscriber is relying thereon) that:
 - a. the Corporation has been duly incorporated and organized, and is a valid and subsisting corporation, under the laws of the Province of British Columbia, and is qualified to carry on business in the Province of British Columbia and in each other jurisdiction, if any, wherein the carrying out of activities contemplated hereby makes such qualification necessary;
 - b. the Corporation has the full corporate right, power and authority to execute and deliver this Agreement and to issue the Units to the Subscriber;
 - c. this agreement constitutes a binding obligation of the Corporation enforceable in accordance with its terms;
 - d. the execution and delivery of and the performance of the terms of the Agreement by the Corporation, including the issue of the Units described herein, do not constitute a breach of, or default under, the constating documents of the Corporation or any law, regulation, order or ruling applicable to the Corporation or any agreement, contract or indenture to which the Corporation is a party or by which it is bound; and
 - e. subject to receipt of the subscription amount, the Units upon issuance will be issued as fully paid and non-assessable shares in the capital of the Corporation;

8. The Corporation covenants and agrees with the Subscriber to make on a timely basis, all filings required in connection with this Agreement including the filings required by the applicable securities laws, rules and policies.

Rights and Restrictions in Respect of the Preferred Shares

9. The rights, privileges and conditions attaching to the Preferred Shares pursuant to the Articles of Incorporation of the Corporation are as follows:

- (a) Every holder of the Class F Non-Voting Preferred Shares (the "Preferred Shares") shall not have any right to receive notice of or to attend or vote at meetings of the shareholders of the Corporation (the "Company") for any purpose, whether for election of directors or otherwise.
- (b) In each year, at the discretion of the directors, a non-cumulative dividend may be paid on the Preferred Shares out of all profits or surplus available for dividends. The dividend rate will be determined by resolution of the directors at the time such Preferred Shares are issued.
- (c) At the discretion of the directors, dividends may be paid on any class or classes of shares to the exclusion of the other class or classes of shares.
- (d) The redemption amount ("Redemption Amount") of each Class F Non-Voting Preferred share ("Class F Share") shall be the amount paid-up thereon or, if issued in exchange for property acquired by the Company ("Property"), the amount designated by the directors of the Company as the fair market value of the Property for the purposes of such exchange less an amount equal to the aggregate of any cash paid, promissory note issued and indebtedness assumed by the Company in partial payment for the Property ("Deducted Amount") all divided by the number of Class F Shares issued in exchange therefore. If any Class F Shares are issued as a stock dividend, the directors of the Company may determine the redemption amount of such shares at the time of issuance.
 - (i) If any federal or provincial taxing authority assesses or reassesses the Company or the holders of the Class F Shares on the basis of a determination or assumption that the aggregate fair market value of the Property less the Deducted Amount is other than the aggregate Redemption Amount of the Class F Shares issued in exchange for the Property ("Subject Shares") as determined and designated by the directors of the Company, and such assessment or reassessment is not disputed by the Company or holder or, if such assessment or reassessment is disputed, a final settlement is reached with the applicable taxing authority or a court of Competent jurisdiction makes a final determination that the aggregate value of the Property less the Deducted Amount at the effective time of the exchange is other than the Aggregate Redemption Amount of the Subject Shares issued in exchange therefore (in which case any one of such events may sometimes herein be called the "Final Determination", the Redemption Amount of each of the Subject Shares shall be increased or decreased nunc pro tunc, as the case may be to the value of the Property as determined by the Final Determination (the "Value") less the Deducted Amount divided by the number of the Subject Shares.
 - (ii) If some, but not all, of the Subject Shares have been redeemed or purchased by the Company prior to the Final Determination, the Redemption Amount for each of the remaining Subject Shares shall be the Value less the Deducted Amount minus the aggregate Redemption Amount paid for the Subject Shares that have been redeemed or purchased, divided by the number of such of the Subject Shares as are outstanding at the time of the Final Determination; provided that if the aggregate Redemption Amount for the remaining Subject Shares as a result of the aforesaid adjustment is a negative number, the Redemption Amount for each of the remaining Subject Shares shall be nil and the holders of the Subject Shares theretofore redeemed shall pay on demand to the Company an amount equal to the aforesaid negative number.
 - (iii) If at the time of the Final Determination, there are no Subject Shares outstanding and if the Value less the Deducted Amount exceeds the aggregate Redemption Amount previously paid on the Subject Shares, the excess shall be a debt payable on demand by the Company to the former members whose Subject Shares were redeemed or purchased.
 - (iv) If the Value less the Deducted Amount is less than the aggregate Redemption Amount previously paid on redemption of the Subject Shares, the difference between the Value less the Deducted Amount and the aggregate Redemption Amount previously paid shall be a debt payable on demand to the Company by each former member whose Subject Shares were redeemed or purchased.

- (e) In the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or other distribution of the assets of the Company among its members for the purpose of winding-up its affairs or upon a reduction or return of capital, the following order of priority shall be followed:
 - (i) Firstly, the holders of the Class F Non-Voting Preferred shares, Class G Non-Voting Preferred shares and Class H Non-Voting Preferred shares are entitled to receive, before any distribution of any part of the assets of the Company among the holders of the shares, the Redemption Amount together with any declared but unpaid dividends thereon in respect of each such Class F Non-Voting Preferred share, Class G Non-Voting Preferred share and Class H Non-Voting Preferred share and no more;
 - (ii) Secondly, the holders of the Class A Common Voting shares and Class B Common Non-Voting shares shall be entitled to share rateably in any assets and profits of the Company remaining after such payment to the holders of the Preferred Shares.
 - (iv) If upon such liquidation, dissolution or winding-up the assets of the Company shall be insufficient to permit the payment in full to the holders of such shares of the amounts distributable to them as aforesaid, then the entire assets of the Company shall be distributed rateably among the holders of the Preferred Shares then outstanding to their respective priority rights as set out above.
- (f) The Company may, upon giving notice, redeem the whole or any part of the Preferred Shares on payment for each share to be redeemed of the redemption amount, together with all unpaid dividends declared thereon and no more. The directors need not redeem such shares pro rata unless so required by law or a court of competent jurisdiction.

10. The rights, privileges and conditions attaching to the Preferred Shares pursuant to this Agreement are as follows:

- (a) The subscription monies provided to the Corporation for the purchase of the Units, which are comprised of Preferred Shares, shall bear simple interest at the rate of three (3%) percent per annum until the Preferred Shares are redeemed by the Corporation at the price paid by the Subscriber for the Units (Preferred Shares) plus interest. The Preferred Shares may only be redeemed by the Corporation and may be redeemed at any time up until three years from the Closing Date, when the Preferred Shares must be redeemed. Interest shall only be paid upon redemption of the Preferred Shares.

Option to Subscriber

- 11. (a) The Subscriber shall be entitled to redeem their Preferred Shares at the subscription price paid for the Preferred Shares (namely \$150,000.00 per Unit, each Unit consisting of 1,000 Class “F” Preferred Shares) when residential lots on the property legally described as:

PARCEL IDENTIFIER: 016-692-063

THAT PART OF DISTRICT LOT 5237 KOOTENAY DISTRICT LYING SOUTH OF THE PORTION SUBDIVIDED BY PLAN 1280 AND THE WESTERLY EXTENSION OF THE SOUTHERLY BOUNDARY OF LOT 36 PLAN 1280 AND WEST OF PARCEL B (SEE 24330I) OF LOT 36 EXCEPT (1) PARTS SHOWN OUTLINED IN RED ON PLANS 31725I AND 34821I (2) PART INCLUDED IN EXPLANATORY PLAN 36221I (3) PART INCLUDED IN LAN 4201 AND (4) PART INCLUDED IN PLAN R368

(the “Property”) are made available for sale by the Corporation. The Subscriber shall only be permitted to redeem their Preferred Shares if they concurrently purchase one (1) R-2 Single Family Lot and one (1) Small Lot Residential on the Property (a R-2 Single Family Lot or a Small Lot Residential are each individually referred to herein as a “Lot” or collectively referred to as a “Two Lot Package”) with the total redemption proceeds from each Unit. No interest shall then be payable to the Subscribers under the Preferred Shares and no further funds are payable to the Corporation by the Subscriber, except for normal closing costs for the conveyance of the Lots, which shall be borne by the Subscriber. Each R-2 Single Family Lot shall have a minimum lot size of 7,500 square feet and each Small Lot Residential shall have a minimum lot size of 4,000 square feet. No R-2 Single Family Lot or Small Lot Residential being purchased shall include any lot abutting or adjacent to Lizard Creek, or any R-2 Duplex lots.

- (b) The aforesaid option will be available for exercise by the Subscriber upon delivery of a Disclosure Statement to the Subscriber by the Corporation and such option shall expire and be of no further force or effect, if unexercised, on the close of business on a date which is ten (10) business days after the delivery of

the Disclosure Statement to the Subscriber (the "Expiration Date"). The Disclosure Statement will be sent out when residential lots are available for sale to the general public;

- (c) If the Subscriber exercises the option to purchase the Two Lot Package, then the Subscriber shall, prior to the Expiration Date, complete and execute the purchase agreement attached to the Disclosure Statement and deliver the same to the Corporation along with any other monies, items or documents which may be required to be delivered to the Corporation pursuant to the terms of the purchase agreement or the Disclosure Statement;
- (d) The Subscriber acknowledges and agrees that for a three (3) year period after the Expiration Date, it shall provide the Corporation with a first right of refusal to purchase a Subscriber's Lot(s) on the same terms and conditions as any bona fide third party offer received by the Subscriber to purchase said Lot(s);
- (e) The Subscriber shall only be entitled to purchase one Two Lot Package for each Unit purchased. The order in which the Subscribers may choose their Two Lot Package will be based on first, the date on which the Subscription is signed and funds are received by the Corporation and second, the subscription number (which will be assigned by the Corporation). If a Subscriber does not wish to purchase a Two Lot Package then its option to do so shall then immediately expire and the Subscriber with the next lowest subscription number will then get to choose their Two Lot Package. The purchase of each and every Unit shall entitle the Subscriber to purchase a Two Lot Package;
- (f) The Subscriber acknowledges and agrees that: (i) other subscribers of the Units have been provided with a similar option to purchase a Two Lot Package as set forth herein; and (ii) after the Expiration Date any remaining lots will be offered for sale to the public at large; and
- (h) The Corporation covenants and agrees to provide the Disclosure Statement along with building commitments, architectural controls, development restrictions, and home owner's association materials to the Subscriber at least ten (10) days prior to the Expiration Date set out above.

Closing

- 12. The Subscriber agrees to make those deliveries set forth in the Instruction Sheet attached to this Subscription Agreement to the Corporation, not later than 4:30 p.m. MST on the Closing Date.
- 13. The sale of the Units pursuant to this Subscription Agreement will be completed at the offices of Demiantschuk Milley Burke & Hoffinger LLP, in Calgary, Alberta at 10:00 a.m. MST or such other time as the Corporation may determine (the "Closing Time") on or before October 1, 2009 or such other date as the Corporation may arbitrarily determine (the "Closing Date"). This Offering may be completed in one or more partial closings at the sole and arbitrary discretion of the Corporation. At the Closing Time, the Subscriber shall deliver to the Corporation this Subscription Agreement and the aggregate subscription price, in the form of a certified cheque or bank draft, against delivery by the Corporation of certificates representing the Units.
- 14. The Corporation shall be entitled to rely on delivery of a facsimile copy of executed subscriptions, and acceptance by the Corporation of such facsimile subscriptions shall be legally effective to create a valid and binding agreement between the Subscriber and the Corporation in accordance with the terms hereof.

General

- 15. The Subscriber agrees that the representations, warranties and covenants of the Subscriber herein will be true and correct both as of the execution of this Subscription Agreement and as of the Closing Time and will survive the completion of the issuance of the Units. The representations, warranties and covenants of the Subscriber herein are made with the intent that they be relied upon by the Corporation in determining the eligibility of a purchaser of the Units and the Subscriber agrees to indemnify the Corporation against all losses, claims, costs, expenses and damages or liabilities which any of them may suffer or incur which are caused or arise from a breach thereof. The Subscriber undertakes to immediately notify the Corporation at Demiantschuk Milley Burke & Hoffinger LLP, 1200, 1015-4th Street S.W., Calgary, Alberta, Canada T2R 1J4, Attention Craig Fahlman (Fax Number: (403) 263-8529) of any change in any statement or other information relating to the Subscriber set forth herein which takes place prior to the Closing Time.
- 16. The obligations of the parties hereunder are subject to any required regulatory approvals.
- 17. The terms and provisions of this Subscription Agreement are binding upon and ensure to the benefit of the Subscriber and the Corporation and their respective heirs, executors, administrators, successors and assigns;

provided that, except for the assignment by a subscriber who is acting as nominee or agent to a beneficial owner and as otherwise herein provided, this Subscription Agreement is not assignable by any party without prior written consent of the other parties.

18. The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any special counsel retained by the Subscriber) relating to the sale of the Units to the Subscriber shall be borne by the Subscriber.
19. The contract arising out of this Subscription Agreement and all documents relating thereto shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. The parties irrevocably submit to the exclusive jurisdiction of the courts of the Province of Alberta.
20. This Agreement may be executed in any number of counterparts and by facsimile, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.
21. Nothing herein shall constitute or be construed to constitute a partnership of any kind whatsoever between the Subscriber and the Corporation.
22. Time is of the essence hereof.
23. This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.
24. The covenants, representations and warranties contained herein shall survive the closing of the transactions contemplated hereby.
25. In this Subscription Agreement (including attachments), references to "\$" or "Cdn. \$" are to Canadian dollars.

EXHIBIT 1

WARNING

Risk Acknowledgement

- I acknowledge that this is a risky investment:
- I am investing entirely at my own risk.
- No securities regulatory authority has evaluated or endorsed the merits of these securities.
- The person selling me these securities is not registered with a securities regulatory authority and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.

I am investing \$ _____ [total consideration] in total; this includes any amount I am obliged to pay in the future.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

_____ Date

_____ Signature of Purchaser

_____ Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

[Instruction: The issuer must complete this section before giving the form to the purchaser.]

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority.

There are restrictions on your ability to resell exempt market securities. *Exempt market securities* are more risky than other securities.

You will not receive advice

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered advisor or investment dealer. In Alberta, Manitoba, Northwest Territories, Prince Edward Island, Quebec and Saskatchewan to qualify as an eligible investor, you may be required to obtain that advice. Contact the Investment Dealers Association of Canada (website at www.ida.ca) for a list of registered investment dealers in your area.

The securities you are buying are not listed

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer

A *non-reporting issuer* does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, call your local securities regulatory authority.

British Columbia Securities Commission
(604) 899-6500
www.bcsc.bc.ca

Alberta Securities Commission
(403) 297-6454
www.albertasecurities.com

[Instruction: The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.]