

**THE PROPERTIES OF DONSDALE
BROCHURE
(April 2008)**

Description of The Properties of Donsdale

Alldritt Development Limited ("ADL") is developing The Properties of Donsdale ("Donsdale"), a new residential community in the southwest sector of Edmonton.

ADL has or will be including certain amenities in addition to the requirements of The City of Edmonton (the "City"). Certain of these amenities will be developed on public land to be transferred to the City by ADL; however, such amenities will be operated by a private residents' association for the lasting benefit of all residents. These amenities are considered by ADL as necessary to complement Donsdale's overall development concept and to clearly distinguish Donsdale from other more conventional communities. ADL shall register restrictive covenants against the certificates of title to lands transferred to the Association and to lands abutting certain of the amenities. These restrictive covenants will limit alterations to these lands and amenities and give the Association access for maintenance purposes.

It is anticipated that ADL will provide overall direction and management of the operations of the residents' association for so long as ADL is actively developing Donsdale.

The Donsdale development may, on ADL's approval and in its sole discretion, be expanded to include other lands within the vicinity of Donsdale which are owned by ADL or by others (together the "Donsdale Lands").

Donsdale Residents Association

ADL has incorporated The Properties of Donsdale Residents Association (the "Association") as the residents' association which will be responsible for the maintenance of certain amenities (described below), located on the Donsdale Lands. Where appropriate, ownership of those amenities will also be transferred to the Association. The transfer of such management and ownership from ADL to the Association will be done in compliance with the terms of the Donsdale Management Agreement.

The following schedules form part of this Brochure:

Schedule	A	Donsdale Management Agreement
Schedule	B	Donsdale Residents Association Memorandum of Association
Schedule	C	Donsdale Residents Association Articles of Association
Schedule	D	Encumbrance
Schedule	E	Restrictive Covenants

After the effective date of transfer of these amenities, the Association will also be responsible for the enforcement of the architectural controls. In addition, ADL has registered or will register against the titles to the Donsdale Lands such guidelines as ADL determines, for the purpose of ensuring appropriate architectural integrity of development within Donsdale, substantially in the form of Schedule E.

The Association will also provide certain financial and administrative services including the collection of fees from the residents of the Donsdale Lands. These fees are necessary to fund the operations of the Association and the maintenance and operation of the amenities. The operations of the Association may be expanded to include other functions which are of common benefit to members.

The owners of single family and any multi-family residential lots (including condominium units), multi-family rental projects and commercial developments within the Donsdale Lands, are all automatically members of, and are required to remain members of, the Association and will be responsible for the timely payment of membership fees to the Association as set out in this Brochure (see "Encumbrances").

Description of Donsdale Amenities

ADL at its separate cost has begun, and will continue to construct and develop certain amenities (the "Donsdale Amenities") within the Donsdale Lands. The Donsdale Amenities include community entranceway features, neighborhood parks, drainage watercourses and such other amenities situated on public and private lands as ADL may determine while developing the Donsdale Lands. ADL has sole discretion in its future planning and development of the Donsdale Lands to provide at its own cost, additional amenities as part of the Donsdale Amenities.

The location, character and nature of improvements constituting the Donsdale Amenities, and final area and boundaries of, the Donsdale Lands are subject to the approval of the City and other regulatory authorities, and also subject to negotiations between ADL and the City and, possibly, other developers of lands within the Donsdale Lands.

It is anticipated that the residents and other owners of land within the Donsdale Lands may wish to create further amenities or improvements for the benefit of the Donsdale Lands and its residents (in addition to the Donsdale Amenities). ADL shall have no responsibility for the development or operation of any such further amenities or improvements, unless it agrees otherwise.

The Association will assume responsibility for the Donsdale Amenities and, if the Association so wishes, for the enhanced maintenance of certain lands within the Donsdale Lands including (but not limited to) public utility lots, parks, boulevards and walkways. This may include arrangements with the City or others relating to such maintenance.

ADL will use its best efforts to carry out the above commitments. However, the fulfillment of these commitments are subject to receiving all required governmental and City approvals, and ADL accepts no responsibility for any events beyond ADL's reasonable control which may delay such completion.

The Association's minimum maintenance and indemnity obligations in respect of that part of the Donsdale Amenities located on public lands (to be transferred to the City) may be the subject of agreements between the City and ADL. Such agreements will be assumed by the Association at ADL's direction.

Operation of the Donsdale Residents Association by ADL

On or before that date which is the later of:

- (1) the date on which ADL has sold its last lands in the Donsdale Lands; or
- (2) the date upon which the Association has repaid any loans owing to ADL; or such earlier date that ADL may determine;

ADL intends to transfer to the Association the overall management of the Association and the operation of the Donsdale Amenities. As long as ADL is managing the Association, an operating budget so as to allow for its proper operation shall be determined and approved solely by ADL. If the operating budget is not fully funded by the income received from the Encumbrances or any other sources of income available to the Association, ADL agrees to loan sufficient funds to the Association, on normal commercial terms, in order to meet the Association's budgeted expenses. Any income received by the Association in excess of actual operating expenses shall forthwith be used by it to repay any outstanding amounts owed to ADL.

ADL will operate, maintain and manage the Donsdale Amenities until it has fully transferred the overall management of the Association. As set forth in the Donsdale Management Agreement (see Schedule A), ADL shall be entitled to retain agents for the administration, operation and overall management of the Association and the Donsdale Amenities. Except for reimbursement for its direct costs and out of pocket expenses, ADL will not be entitled to any fees for such operation and management.

Encumbrances

To pay for the operations of the Association, including the operation and maintenance of the Donsdale Amenities, ADL will attempt to have the title of each single family and multi-family residential lot, rental project, condominium unit, and commercial development in the Donsdale Lands made subject to the rent charge Encumbrance in favour of the Association (see Schedule D), which money will be paid to the Association.

In the case of residential lots and rental and condominium units within the Donsdale Lands, the amount of such Encumbrance for each such lot or unit shall be TWENTY - TWO DOLLARS AND FIFTY CENTS (\$22.50) per month, subject to adjustment for inflation as provided in the Encumbrance (currently \$270.00 per annum).

In the case of commercial developments in the Donsdale Lands, the amount of such Encumbrance shall be calculated on the basis of TWENTY—TWO DOLLARS AND FIFTY CENTS

(\$22.50) per month for each 1/5th of an acre of developable commercial land, subject to adjustment for inflation as provided in the Encumbrance (currently \$270.00 per annum).

Such amounts (plus GST) shall be payable yearly in advance and the Association may in any year choose to change the amount provided for in the Encumbrance. The undersigned agrees to require any purchaser or transferee of the undersigned's lands in the Donsdale Lands to assume all the undersigned's obligations under this Brochure (including the Schedules hereto) and to execute in favour of the Association an Encumbrance as provided in Schedule D, as a condition to any such purchase or transfer. For so long as it is the registered owner of a lot or residential unit, ADL shall not pay any annual fees for that lot or residential unit. The payment of annual fees, and membership in the Association, are more fully explained in the Articles of Association of the Association which are attached as Schedule C hereto.

Restrictive Covenants and Easements

To ensure a high quality of development and enjoyment of the Donsdale Lands for its residents, ADL has and will on a stage by stage basis, register a restrictive covenant relating to the architectural controls over housing and improvements as well as their use substantially in the form of Schedule E. In addition there, there may be registered against title, restrictive covenants and easements to accommodate the particular aspects of one or more lots, including iron fencing, entrance feature signs, adjacent water features and soil testing. The undersigned acknowledges to have reviewed title to the lot described on the execution page of this Brochure for such registrations.

Acknowledgments by Purchaser

The undersigned acknowledges and is aware that, pursuant to The Properties of Donsdale Management Agreement, ADL has undertaken the full responsibility for:

1. the design, engineering, development and construction of and the initial management and operation of the Donsdale Amenities; and
2. the initial overall management and operation of the Association.

ADL further has the complete and unfettered right and authority from the Association to carry out such responsibilities in such manner as it sees fit.

The undersigned, as a future member of the Association, acknowledges and agrees that, as set out in Articles 54 and 55 of the Articles of Association of the Association, it is intended and he or she agrees that:

1. the officers and directors of the Association should fully cooperate with ADL;
2. that all of their rights, duties and obligations that conflict with ADL's rights as set out in the Donsdale Management Agreement, or any other agreement with ADL, are and have been suspended during the period of ADL's initial operation of the Association, including the period of development, planning, construction and initial operation of the Donsdale Amenities, except to the extent required in order for them to carry out such cooperation; and

3. the Association has relieved its officers and directors of any responsibility to investigate or to determine whether or not ADL is properly carrying out its obligations as set out above.

No member of the Association or any property owner shall have any personal or legal interest in the Donsdale Amenities or in any part thereof or to the proceeds of the said encumbrances other than as a member of the Association. As well, a member's right to membership in the Association is not transferable and it only takes effect and is enforceable for so long as he or she remains an owner or tenant of such residential lot or condominium unit, or owner of such a rental project or commercial development, which is located in the Donsdale Lands.

The undersigned as purchaser of the below described lot in the Donsdale Lands against which the Encumbrance has been registered, agrees to pay TWENTY-TWO DOLLARS and FIFTY CENTS (\$22.50) per month, (being \$270.00 per year as at the date hereof) plus GST, payable annually in advance, subject to adjustment for inflation as provided in the Encumbrance or such other fee as may be charged by the Association, in accordance with the provisions of the Association's Articles of Association.

The undersigned hereby irrevocably appoints the Association as his or her attorney on his or her behalf and for the Association's use and benefit, to execute and deliver a new rent charge Encumbrance generally in the form of Schedule D 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 is the purchaser of the below described lot in the Donsdale Lands:

Lot XX, Block XX, Plan XXX XXXX

Excepting thereout all mines and minerals

This Brochure and the Schedules hereto constitute the entire agreement and understanding between ADL and the undersigned regarding the Association and its Donsdale Amenities, and no representations, warranties, covenants or promises have been made by ADL save 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.