

**SCHEDULE D**  
**DONSDALE ENCUMBRANCE**

To secure an annual rent charge of TWO HUNDRED FORTY DOLLARS (\$240.00) plus the Adjustment Amount (as hereinafter defined), pursuant to the Land Titles Act:

ALLDRITT DEVELOPMENT LIMITED, a body corporate with an office at Suite 300 East Tower, Coronation Plaza, 14310 - 111 Avenue NW, Edmonton, Alberta T5M 3Z7, as Encumbrancer (hereinafter called the "Owner") being registered as owner of an estate in fee simple in possession, subject however, to such encumbrances, liens and interests as are notified by memorandum endorsed hereon or expressed or implied in the existing certificate(s) of title of that land situate in the Province of Alberta, Canada, being composed of the lands described on Appendix "A", (each such lot being called a "Lot" and collectively the "Lands"), and desiring to render the Lands available for the purpose of securing the rent charge hereinafter mentioned to and for the benefit of **The Properties of Donsdale Residents** Association (hereinafter called the "Association"), as Encumbrancee, do hereby encumber each of the Lots in favour of and for the benefit of the Association with the annual rent charge of TWO HUNDRED FORTY DOLLARS (\$240.00) per Lot plus the Adjustment Amount (as hereinafter defined), for each twelve (12) consecutive months commencing the 1st day of January, 2002 to be paid to the Association in lawful money of Canada, at the Association's office at Suite 300 East Tower, Coronation Plaza, 14310 -111 Avenue NW, T5M 3Z7 in the City of Edmonton, (or such other place in the said City as the Association may from time to time or at any time designate in writing) on or before the 1st day of January in each and every year thereafter. The "Adjustment Amount" as used herein shall mean, in respect of each calendar year commencing January 1, 2003, that sum of money equal to the product obtained by multiplying TWO HUNDRED FORTY DOLLARS (\$240.00) by the percentage increase, if any, in the "all items" consumer price index (or its equivalent from time to time) for the City of Edmonton as issued by Statistics Canada, from that annual figure for the calendar year 2002. There shall be no adjustment for any decrease from time to time in such index.

And the Owner does hereby covenant, acknowledge and agree that:

1. The true consideration for the granting of this Encumbrance and for the covenant to pay the rent charge hereby secured is the sale by the previous registered owner of the Lands to the Owner or the payment by the Association to the Owner of One (\$1.00) Dollar and other good and valuable consideration (the receipt or sufficiency of which by the Owner being hereby acknowledged);
2. The Owner shall pay the said rent charge at the times and place hereinbefore set forth without deduction or defalcation; and that any amount in default shall bear interest at the rate of five (5%) percent per annum in excess of the prime rate of interest charged by Canadian Imperial Bank of Commerce and being a variable per annum reference rate of interest (as announced and adjusted by Canadian Imperial Bank of Commerce from time to time) for loans made by Canadian Imperial Bank of Commerce in Canada in Canadian dollars, calculated yearly not in advance and payment of such rent charge and such interest is secured by these presents;
3. The Association shall be entitled to and is hereby granted the right of distress together with all powers and remedies of an Encumbrancee under the *Land Titles Act* (Alberta);

4. Any discretion, option, decision or opinion hereunder on the part of the Association shall be sufficiently exercised or formed if exercised or formed by or subsequently ratified by the manager, acting manager or an executive officer of the Association or any officer or agent appointed by the Association for such purpose;
5. Any notice to be given by the Association to the Owner may either be delivered to the Owner's address or be forwarded by ordinary mail addressed to the Owner at the civic address of the Lands or to the last post office address of the Owner known to the Association and shall be deemed to have been received by the Owner when delivered or three (3) business days following the letter being deposited, postage prepaid, in a post office;
6. If any provision of this Encumbrance shall be determined by a Court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Encumbrance shall not be affected thereby and each provision hereof shall be enforced to the fullest extent permitted by law;
7. All legal costs, as between a solicitor and his own client, and taxable court costs, incurred in respect to the enforcement of this Encumbrance are secured hereby, and shall constitute a charge on the Lands;
8. The words in the hereinbefore contained covenants, provisos, conditions and agreements referring to the Owner which import the singular number shall be read and construed as applied to each and every Owner male or female and to his or her executors, administrators and assigns, and in the case of a corporation, to such corporation and its successors and assigns, and that in case of more than one Owner, the said covenants, provisos, conditions and agreements shall be construed and held to be several as well as joint;
9. The Owner shall not negative or modify the implied covenants and conditions contained in section 58(1) of the *Land Titles Act* (Alberta), it being agreed that this provision shall run with the Lands, binding the Lands and each and every part thereof, and each successor in title to the Lands from time to time.
10. Notwithstanding anything in this Encumbrance otherwise expressed or implied, on transfer of its interest in any of the Lands, the Owner shall be freed and released of its liability under its covenants and obligations contained herein accruing from and after the date of such transfer insofar as such covenants and obligations relate to the particular Lot so transferred.
11. This Encumbrance shall enure to the benefit of the Association, its successors and assigns and shall be binding upon the Owner and the Owner's successors, assigns and successors in title.