

MONTROSE – PHASE 1

RESTRICTIVE COVENANT

Pursuant to Sections 48(1) and 68(1) of
the Land Titles Act, Alberta

RECITALS:

WHEREAS Dundee Realty Corporation (herein called "Dundee"), a body corporate with an office in Calgary, Alberta, is the registered owner of certain lands situate in High River, Alberta, which are described in Schedule "A" attached (herein collectively called "the lots" or individually called a "lot"). Each equitable owner of a lot and each registered owner of a lot are called an "Owner". The Town of High River is called the "Town".

AND WHEREAS Dundee is developing a planned mixed-use residential neighbourhood called Montrose.

AND WHEREAS Dundee wishes the lots to be subject to the restrictions, covenants, and limitations set forth in this Restrictive Covenant for the following reasons:

- (1) Dundee considers it to be desirable for the greater enjoyment of the neighbourhood;
- (2) Dundee believes that it will protect the owner of a lot against the improper development and improper use by the owner of another lot;
- (3) Dundee believes that it will help to maintain the value of the lots and homes;
- (4) Dundee believes that it will benefit future lot owners in the Montrose neighbourhood;
- (5) Dundee believes that it will prevent building designs that are not suitable for the neighbourhood, and Dundee believes that it will prevent the use of any building materials that are not appropriate for the neighbourhood.

THEREFORE, Dundee does (for itself, for its transferees, and for its assignees) covenant and agree as follows:

1. Each lot shall be a servient tenement. Each lot shall be a dominant tenement.

All of the lots shall be subject to the restrictions and conditions herein set forth which shall be deemed to be covenants running with the land and annexed to the land and shall be binding upon and enure to the benefit of each lot and the Owner of each lot while he is an Owner, from time to time. The covenants shall also enure to the benefit of the Town. The provisions of articles 2, 3, 4 and 20 in this Restrictive Covenant shall terminate on December 31, 2020.

2. An Owner shall not apply to the Town for a building permit on the lot:
 - (1) prior to the delivery by the Owner to Dundee of a plot plan for the lot, a full set of plans for the building, or buildings, on the lot, and the detailed schedule of each exterior finish for the building(s) on the lot; and
 - (2) prior to the date Dundee gives written approval for each item listed in subsection (1) above.
3. Without the prior written approval of Dundee an Owner shall not do (or permit) any alteration or change to the structure or appearance (including colours) of any building or fence, or construct or set upon a lot any freestanding structure (e.g. gazebo, play structure, garage, carport, shed, etc.).
4. No excavation shall be made on a lot except an excavation for the purpose of immediately commencing the construction of the building on the lot or an excavation for the immediate improvement of the gardens and grounds of the lot. Without the prior written permission of Dundee, no soil, sand, gravel or rock shall be removed from a lot, unless it is in excess of that required to complete the building and the lot grading to the approved plans.
5. An Owner shall not alter (or permit any alteration to) the overall drainage pattern and lot grades as specified on the lot grading plan (as issued with the Building Grade Slip by Dundee's engineer) and filed with the Town.
6. No lot shall be used for the storage of materials or equipment other than materials or equipment that is usually stored in connection with a private residence.
7. No building waste or other material of any kind shall be dumped or stored on a lot, except uncontaminated earth and building materials for the construction of a structure on the lot or for the immediate improvement of the gardens and grounds of the lot.
8. An Owner shall not install or allow to be installed any electronic receiver or communication device larger than 0.5 metres in diameter, a television or radio antenna, or a transmitter on any portion of a lot or building on a lot, if such equipment or device is visible from a public street or park.
9. No animals other than those normally permitted in private homes in urban residential areas shall be kept upon a lot; and no breeding of pets for sale is permitted and no boarding of pets is permitted.
10. Except on days designated by the Town for garbage pick-up, no garbage or refuse may be stored so that the containers or refuse can be visible from a street.

11. An Owner shall not park (or permit any person to park) anywhere on a lot (other than in a garage) for a period of time longer than five days: a motor home, recreational vehicle, off-road vehicle, boat, truck-mounted camper, or un-mounted camper, trailer, truck or any vehicle which is in a dilapidated condition or is not in good running order.

12. An Owner shall not allow the exterior of any dwelling or structure on the lot, or a fence either partially or wholly within the lot, to become unsightly or to deteriorate into poor condition or poor repair, nor shall an Owner allow any portion of a lot to become or remain unsightly or untidy.

13. An Owner shall not allow a front or rear driveway to be left unpaved or unconcreted for a period longer than 30 days after the house is completed (ie. able to be occupied) unless completion occurs when ground frost is present, in which case the Owner shall have until the immediately following June 30th to complete the driveway.

14. An Owner shall not allow any portion of a lot to be left in an unlandscaped condition for a period longer than 60 days after occupancy unless occupancy occurs between October 1st and the following May 31st in which case the Owner shall have until the immediately following June 30th to complete such landscaping.

15. An Owner shall not allow the predominant landscaping material in the front yard of any lot, or the front and side yard of a corner lot, to be anything other than natural vegetation (i.e. grass, shrubs, flowers and trees) excepting that portion of the yard occupied by a driveway. A driveway shall not occupy more of a lot than is reasonably necessary for access to or from a garage.

16. An Owner shall not direct the water from a roof drainage system into an underground pipe which:

- (1) discharges below ground level into any right-of-way that is either within or immediately adjacent to the lot; or
- (2) discharges above ground such that a concentrated flow crosses any property line of the lot unless such discharge is into a concrete drainage swale passing through the lot; or
- (3) extends beyond any property line of the lot, except if the underground pipe is the storm sewer service connection to the Town sewer system that may have been provided for the lot.

17. An Owner shall not make (or permit) the Town or Dundee pay to the Owner any loss, claim, demand, action, payment, suit, recovery, or judgement of any kind whatsoever arising out of or related to soil subsidence or erosion as a result of any development or any subsequent alterations, extensions, modification, or addition to any building, drainage system, or parking area of any lot. The Owner shall indemnify and save harmless the Town and Dundee from and against any loss, claim, demand, action, against the Town or Dundee arising out of or related to soil subsidence or erosion as a result of any development or any subsequent alteration, extension, or addition to any building, drainage system, or parking area of any lot.

18. Each fence or wall constructed by Dundee is located as described on Schedule "B" and in this Restrictive Covenant is called "Fence". An Owner shall not make (or permit):

- (1) the Fence to be partially or totally removed; or
- (2) the Fence to be painted a different colour or to be altered in design, appearance, elevation or location; or
- (3) the Fence to become unsightly or to deteriorate into poor condition or poor repair; or
- (4) the Fence to be repaired or replaced except with good materials and good workmanship.

19. An Owner of any lot shall not construct, nor allow to be constructed:

- (1) a chain link fence anywhere on the Owner's lot, whether as a boundary fence, interior fence, gate, or to create an enclosed area within the lot; or
- (2) a fence anywhere in the front yard of the Owner's lot unless such construction is to repair or replace a Dundee Fence that is located as described on Schedule "B"; or
- (3) a fence, structure, ornament or pedestal for the benefit of the Owner, in a public road or public lane right-of-way immediately adjacent to the lot; or
- (4) a fence in the rear yard of an Owner's lot that is taller than the rear property line Fence unless such taller fence is greater than 6.0 metres in distance from the rear property line Fence and transitions in height to match the height of the shorter fence.

20. An Owner of a lot backing onto a park or open space shall not construct, nor allow to be constructed, a fence in the rear yard unless such fence is substantially similar to the height, design and colour of any one of the Fences constructed by Dundee that is located as described in Schedule "B", or a different fence only with the prior written approval of Dundee.

21. If a Fence identified in article 18 lies wholly or partially in a utility right-of-way registered on the lot, then the Owner of the lot shall not make or permit:

- (1) the Town, Dundee or a utility company (herein referred to as "grantee") entitled to use the right-of-way, pay to the Owner any loss, claim, demand, action, payment, suit, recovery, or judgement of any kind whatsoever arising out of the exercising of any rights of any grantee as described in the registered easement agreement with Dundee (as grantor). The exercising of rights may include, but not be limited to, the whole or partial removal or incidental damage to the Fence; or

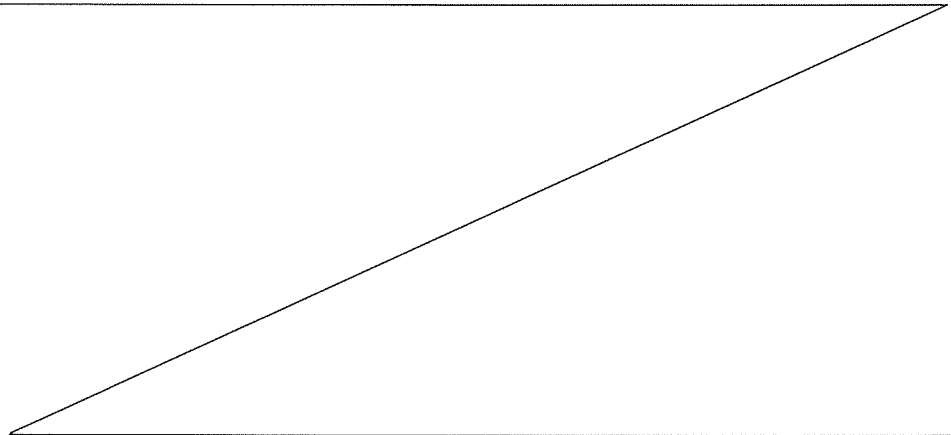
- (2) the Fence to remain wholly or partially removed, or damaged, for a period longer than fourteen (14) days after the completion of work by the grantee.

22. Each Owner acknowledges and agrees that the storm water detention pond and related facilities are necessary for the proper drainage of storm water (which will be for the benefit of each of the Lots). An Owner shall not make, either alone or with others, any demand or claim against either or both of the Town or Dundee for any losses, damages, costs, debts, duties, accounts, covenants, contracts, promises, grievances, executions, judgments, expenses, obligations or liabilities of every nature and kind whatsoever, both at law and in equity, which at any time may be suffered, sustained, paid or incurred by an Owner arising out of the visual appearance of the storm water detention pond and related facilities (including, without limitation, the possibility from time to time of the presence of insects and odours associated therewith) located within Public Utility Lots 63 and 65 in Block 8, Plan 0714348. Without limiting the generality of the foregoing, reference to the visual appearance of the storm water detention pond and related facilities shall be deemed to include the colour or clarity of the storm water, the presence of any vegetation or algae adjacent to the pond or on the water surface, or within the storm water in the pond.

23. Each Owner acknowledges and agrees that the storm water detention pond and related facilities are not to be used for any recreational purpose and, therefore, each Owner shall not use or permit to be used the storm water detention pond or any facilities located within Public Utility Lots 63 and 65 in Block 8, Plan 0714348 for any recreational purpose nor shall the Owner petition the Town or Dundee, or join in any petition of the Town or Dundee, to change the use from a storm water detention pond and related facilities to any other use.

24. Any provisions of this Restrictive Covenant made void or rendered invalid by any law in force in the Province of Alberta or adjudged not to be in a covenant running with the land shall not invalidate or render unenforceable the remaining provisions of this Restrictive Covenant.


25. No action shall lie against Dundee for damages for breach of any one or more of the covenants contained in this Restrictive Covenant unless Dundee is registered as owner of the lot alleged to be in breach of the Restrictive Covenant. This article 25 shall constitute an absolute defence to any such action and may be pleaded as such.




26. In this Restrictive Covenant, the masculine and the singular shall be read as feminine, neuter and plural where the context requires.

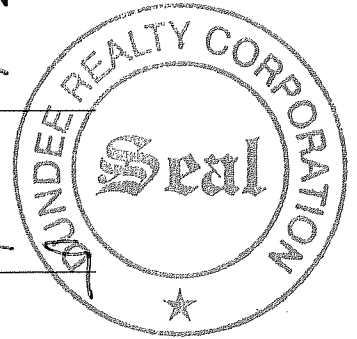
IN WITNESS WHEREOF Dundee Realty Corporation has hereunto subscribed its name this 20th of September 2007.

DUNDEE REALTY CORPORATION



Michael J. Cowie
Vice President, Calgary Land





Don Armstrong
Vice President, Saskatoon Land Development

SCHEDULE "A"
MONTROSE – PHASE 1

Firstly: Plan 0714348
Block 5
Lots 4 to 9, inclusive
Excepting thereout all mines and minerals

Secondly: Plan 0714348
Block 6
Lots 1 to 40, inclusive
Excepting thereout all mines and minerals

Thirdly: Plan 0714348
Block 7
Lots 1 to 30, inclusive
Excepting thereout all mines and minerals

Fourthly: Plan 0714348
Block 8
Lots 1 to 60, inclusive
Excepting thereout all mines and minerals

Fifthly: Plan 0714348
Block 8
Lots 66 to 87, inclusive;
Excepting thereout all mines and minerals

SCHEDULE "B"
MONTROSE - PHASE 1
FENCES CONSTRUCTED BY DUNDEE

Fences constructed by Dundee are located wholly within the property line of the lot when abutting a road right-of-way, walkway, lane, Municipal Reserve or other public land. Fences constructed by Dundee at the rear property line of residential lots that back onto one another are generally located on one side of the common property line, but for the purpose of this Schedule "B", the lots on both sides of the common property line are listed below and are deemed to be bound by article 18.

Plan	Block	Lot	Location of Fence
0714348	5	4	North side property line
0714348	5	4	Rear property line
0714348	5	5	Rear property line
0714348	5	6	Rear property line
0714348	5	7	Rear property line
0714348	5	8	Rear property line
0714348	5	9	Rear property line
0714348	6	1	Rear property line
0714348	6	2	Rear property line
0714348	6	3	West side property line
0714348	6	3	Rear property line
0714348	6	4	Rear property line
0714348	6	5	Rear property line
0714348	6	6	Rear property line
0714348	6	7	Rear property line
0714348	6	8	Rear property line
0714348	6	9	Rear property line
0714348	6	10	Rear property line
0714348	6	11	Rear property line
0714348	6	12	Rear property line
0714348	6	13	Rear property line
0714348	6	14	Rear property line
0714348	6	15	North side property line
0714348	6	15	Rear property line
0714348	6	16	South side property line
0714348	6	16	Rear property line
0714348	6	17	Rear property line
0714348	6	18	Rear property line
0714348	6	19	Rear property line
0714348	6	20	Rear property line
0714348	6	21	West side property line
0714348	6	21	Rear property line

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Plan	Block	Lot	Location of Fence
0714348	6	22	Rear property line
0714348	6	23	Rear property line
0714348	6	24	Rear property line
0714348	6	25	Rear property line
0714348	6	26	Portion of the North side property line
0714348	6	26	Rear property line
0714348	6	27	West side property line
0714348	6	27	Rear property line
0714348	6	28	Rear property line
0714348	6	29	Rear property line
0714348	6	30	Rear property line
0714348	6	31	Rear property line
0714348	6	32	Rear property line
0714348	6	33	Rear property line
0714348	6	34	Rear property line
0714348	6	35	South side property line
0714348	6	35	Rear property line
0714348	6	36	North side property line
0714348	6	36	Rear property line
0714348	6	37	Rear property line
0714348	6	38	Rear property line
0714348	6	39	Rear property line
0714348	6	40	Rear property line
0714348	7	1	Rear property line
0714348	7	2	Rear property line
0714348	7	3	Rear property line
0714348	7	4	Rear property line
0714348	7	5	Rear property line
0714348	7	6	Rear property line
0714348	7	7	Rear property line
0714348	7	8	Rear property line
0714348	7	9	Rear property line

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Plan	Block	Lot	Location of Fence
0714348	7	10	Rear property line
0714348	7	11	Rear property line
0714348	7	12	Rear property line
0714348	7	13	Rear property line
0714348	7	14	Rear property line
0714348	7	15	Rear property line
0714348	7	16	Rear property line
0714348	7	17	Rear property line
0714348	7	18	Rear property line
0714348	7	19	Rear property line
0714348	7	20	Rear property line
0714348	7	21	Rear property line
0714348	7	22	Rear property line
0714348	7	23	Rear property line
0714348	7	24	Rear property line
0714348	7	25	Rear property line
0714348	7	26	Rear property line
0714348	7	27	Rear property line
0714348	7	28	Rear property line
0714348	7	29	Rear property line
0714348	7	30	Rear property line
0714348	8	1	Portion of the North side property line
0714348	8	1	Rear property line
0714348	8	2	Rear property line
0714348	8	3	Rear property line
0714348	8	4	Rear property line
0714348	8	5	Rear property line
0714348	8	6	Rear property line
0714348	8	7	Rear property line
0714348	8	8	Rear property line
0714348	8	9	Rear property line
0714348	8	10	Rear property line

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Plan	Block	Lot	Location of Fence
0714348	8	11	Rear property line
0714348	8	12	Rear property line
0714348	8	13	Rear property line
0714348	8	14	Rear property line
0714348	8	15	Rear property line
0714348	8	16	South side property line
0714348	8	16	Rear property line
0714348	8	17	Rear property line
0714348	8	18	Rear property line
0714348	8	19	Rear property line
0714348	8	20	Rear property line
0714348	8	21	Rear property line
0714348	8	22	Rear property line
0714348	8	23	Rear property line
0714348	8	24	Rear property line
0714348	8	25	Rear property line
0714348	8	26	West side property line
0714348	8	26	Rear property line
0714348	8	27	East side property line
0714348	8	27	Rear property line
0714348	8	28	Rear property line
0714348	8	29	Rear property line
0714348	8	30	Rear property line
0714348	8	31	Rear property line
0714348	8	32	Rear property line
0714348	8	33	Rear property line
0714348	8	34	Rear property line
0714348	8	35	Rear property line
0714348	8	36	Rear property line
0714348	8	37	Rear property line
0714348	8	38	Rear property line
0714348	8	39	Rear property line

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Plan	Block	Lot	Location of Fence
0714348	8	40	Rear property line
0714348	8	41	Rear property line
0714348	8	42	Rear property line
0714348	8	43	Rear property line
0714348	8	44	South side property line
0714348	8	44	Rear property line
0714348	8	45	Rear property line
0714348	8	46	Rear property line
0714348	8	47	Rear property line
0714348	8	48	Rear property line
0714348	8	49	Rear property line
0714348	8	50	Rear property line
0714348	8	51	Rear property line
0714348	8	52	Rear property line
0714348	8	53	Rear property line
0714348	8	54	Rear property line
0714348	8	55	Rear property line
0714348	8	56	Rear property line
0714348	8	57	Rear property line
0714348	8	58	Rear property line
0714348	8	59	Rear property line
0714348	8	60	Portion of the North side property line
0714348	8	60	Rear property line
0714348	8	66	Rear property line
0714348	8	67	Rear property line
0714348	8	68	Rear property line
0714348	8	69	Rear property line
0714348	8	70	Rear property line
0714348	8	71	Rear property line
0714348	8	72	Rear property line
0714348	8	73	Rear property line
0714348	8	74	North side property line

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Plan	Block	Lot	Location of Fence
0714348	8	74	Rear property line
0714348	8	75	Rear property line
0714348	8	76	Rear property line
0714348	8	77	Rear property line
0714348	8	78	Rear property line
0714348	8	79	Rear property line
0714348	8	80	Rear property line
0714348	8	81	Rear property line
0714348	8	82	Rear property line
0714348	8	83	Rear property line
0714348	8	84	Rear property line
0714348	8	85	Rear property line
0714348	8	86	Rear property line
0714348	8	87	Rear property line

Dated: September 20, 2007

DUNDEE REALTY CORPORATION

Re:

RESTRICTIVE COVENANT

I CERTIFY that the within instrument is duly entered and registered in the Land Titles Office for the South Alberta Land Registration District of Calgary, in the Province of Alberta

Registrar

LAWSON LUNDELL
Barristers and Solicitors
Suite 3700, 205 – 5th Avenue S.W.
Bow Valley Square 2
Calgary, AB
T2P 2V7