

RESTRICTIVE COVENANT

PARKSIDE LOTS

WHEREAS 1124294 Alberta Ltd., a body corporate with an office in the City of Calgary, in the Province of Alberta (hereinafter sometimes referred to as the "Covenantor" and sometimes as "Genstar" as the context of this Restrictive Covenant may require) is the registered owner of those certain lands legally described as set forth in Schedule "A" attached hereto (hereinafter referred to as the "Burdened Lands");

AND WHEREAS the Burdened Lands are located in an area in the City of Calgary, developed and identified by Genstar as "Walden" (the "Community"), and Genstar is the owner of lands therein and in the vicinity thereof which it holds for future development, and in particular, but without restricting the generality of the foregoing, Genstar is the registered owner of lands legally described as set forth in Schedule "B" hereto (hereinafter referred to as the "Benefited Lands");

AND WHEREAS it is the desire and intention of Genstar to impose upon the Burdened Lands beneficial restrictions under a general plan or scheme of improvement for the general benefit of the Benefited Lands and the future owners of the Benefited Lands;

AND WHEREAS the Burdened Lands abut a municipal reserve parcel or direct control parcel.

NOW, THEREFORE, the Covenantor hereby for itself, its transferees and assigns and successors in title, declare, covenant and agree as follows:

1. The Burdened Lands shall not be transferred, conveyed, hypothecated or encumbered, leased, rented, used, occupied or improved, excepting subject only to the following limitations, restrictions, conditions and covenants, all of which are declared and agreed to be in furtherance of a plan for the improvement and sale of the Burdened Lands and Benefited Lands and are established and agreed upon for the purposes of enhancing and protecting the value, desirability, and attractiveness of both the Burdened Lands and the Benefited Lands and every

part thereof. All of the limitations, restrictions, conditions and covenants shall run with the Burdened Lands and shall be binding on all parties having or acquiring any right, title or interest in the Burdened Lands or any part thereof.

2. No building, fence, wall, landscaping, or other structure or improvement as that term is defined in the City of Calgary Land Use By-law shall be commenced, erected, maintained or shall stand, nor shall any addition to or change or alteration therein be made, until plans and specifications showing the nature, kind, shape, height, materials, landscaping, colour scheme, and sitings of such improvement, together with the grading plan of the Burdened Lands, have been submitted to and approved in writing by Genstar and a copy thereof, as finally approved, lodged permanently with Genstar. Genstar shall have the right to refuse to approve any such plans or specifications or grading plan which are not suitable or desirable, in the absolute opinion of Genstar, and during the review of such plans, specifications and grading plan, Genstar shall have the right to take into consideration the suitability of the proposed improvement, the harmony thereof with the surroundings, and the effect of the improvements on the outlook from the Benefited Lands or any other neighbouring property.

3. In particular, but without restricting the generality of the foregoing and notwithstanding any City of Calgary by-law development restrictions and notwithstanding any lesser restrictions as may be set forth in a restrictive covenant as to use of land that may also be registered against title to any of the Burdened Lands, the Covenantor shall not, in the course of commencing any improvement, or any addition to or change or alteration thereof, contravene any of the specific development requirements set forth in this clause 3. Such specific development requirements are set by Genstar as guidelines only and Genstar shall be entitled to apply its sole discretion to the enforcement and relaxation, without liability whatsoever, in respect of any or all of such covenants, namely:

- (a) Dwelling Set-backs - Notwithstanding the provisions of any City of Calgary Land Use or Development By-Law, any dwelling house, ancillary buildings or out-buildings to be constructed on the Burdened Land shall be set-back a minimum of 7.5 meters from the rear property line of the Burdened Lands.

Notwithstanding the foregoing, decks attached to a dwelling house and raised more than 0.61 metres above grade level may encroach onto the 7.5 meter rear yard set-back, but must be at least 6 metres from the rear property line of the Burdened Lands.

(b) Open Space - No garage, movable structure, storage shed, play house, satellite dish, telecommunications antennae, clothesline, air conditioning unit or other structure, fixture, piece of equipment or chattel (a "Structure") shall be erected, placed or allowed to remain within four (4) metres of the rear property line of the Burdened Lands (such 4 metre area being hereinafter called the "Open Area"). Any fencing installed within the Open Area (inclusive of side yard fencing which abuts the open Area) shall be constructed of black vinyl clad chain link and shall be a maximum 1.2 metres in height.

(c) Structures in Rear Yard - Any structure to be constructed or erected on the portion of the rear yard of the Burdened Lands outside of the Open Area shall not exceed three (3) metres in height. Any satellite dish, air conditioning unit or telecommunications antenna to be installed or erected on the rear yard of the Burdened Lands outside of the Open Area shall be located and adequately screened such that they are not obtrusively visible from immediately outside the rear property line of the Burdened Lands.

4. Until such time as Genstar has completed its development of the Community (which date may be determined by Genstar in its sole discretion), no external alterations, additions or changes to the structure or design appearance in respect of any improvement on the Burdened Lands may be made, done or permitted except as shall conform to and comply with the restrictions and conditions and requirement for prior written approval of Genstar as heretofore contained in this agreement. After Genstar has completed its development of the Community, Genstar may elect to delegate such rights to pre-approve alterations, additions or changes as contemplated in Section 10 hereof.

5. The restrictive covenants set out herein are enforceable jointly and severally by Genstar and the registered owner or registered owners from time to time of the Benefited Lands

and any waiver by any registered owner of any portion of the Benefited Lands of the strict performance of the covenants set out herein shall not of itself constitute a waiver or abrogate the covenants set out herein.

6. The rights, privileges, covenants and obligations herein contained shall extend to, shall be binding upon and shall enure to the benefit of the parties hereto and every purchaser or transferee or subsequent registered owner of the Burdened Lands or the Benefited Lands as the case may be and their respective successors and assigns.

7. Any provision of this agreement made void or rendered invalid by any law in force in the Province of Alberta or adjudged not to be a covenant running with the Burdened Lands shall not invalidate or render unenforceable the remaining provisions of this agreement.

8. No action shall lie as against the Covenantor for damages for the breach of any one or more of the covenants contained in this agreement unless such party remains the registered owner of the Burdened Lands and is proven by a court of competent jurisdiction to be in breach of this agreement. This covenant shall constitute an absolute defence to any such action and may be pleaded as such.

9. Genstar shall be entitled to enforce the provisions of this Restrictive Covenant in its complete and absolute discretion and may, without reasons, determine not to enforce any or all of the covenants herein contained without liability whatsoever. In particular, without limiting the generality of the foregoing, Genstar may waive, alter or modify these restrictions in respect to any portion of the Burdened Lands without notice to the owner of any other portion of the Benefited Lands as long as Genstar retains ownership of any portion of the Benefited Lands and provided that such waiver, alteration or modification does not reasonably offend the spirit and intent of this Restrictive Covenant. In specific respect of set-back requirements set forth in clause 3(a), but without limiting the generality of the foregoing, Genstar may, in its sole discretion, relax the minimum set-back requirements having regard to the proposed building's appearance, height, orientation on the site and variation of vertical planes. Notwithstanding the obligations of the owner of the Burdened Lands to obtain the prior written approval of Genstar, Genstar and its successors in title to the Benefited Lands shall not be liable for damage for the breach of any obligation to provide consent to construction of improvements on the Burdened

Lands, nor shall any action lie as against Genstar or its successors in title to the Benefited Lands for failure to enforce the provisions of this Restrictive Covenant against the owner from time to time of any portion of the Burdened Lands. This covenant shall constitute an absolute defence to any such action and may be pleaded as such.

10. In Genstar's sole discretion, Genstar may at any time during the currency of this restrictive covenant, delegate the authority to enforce the provisions hereof to a group of individuals representative of owners of lots located within the Benefited Lands, which group of landowners shall be chosen by Genstar in its sole discretion (the "Committee"). After such delegation, the Committee shall determine the terms of reference by which the composition of the Committee shall be reconstituted in the future, provided that at all times, the Committee shall be composed entirely of individuals owning lots within the Benefited Lands or individuals designated as representatives of corporations owning lots within the Benefited Lands.

11. Notwithstanding anything to the contrary herein, Genstar (or the Committee, if Genstar has effected the delegation contemplated by clause 11 hereof) may, in its sole discretion, determine that the covenants herein contained shall no longer bind the Burdened Lands and accordingly abandon any and all rights and obligations herein contained. Such determination shall be effective as and from the date that notice in writing to that effect is advertised in a daily circulation newspaper in the City of Calgary. Genstar shall have no obligation to remove this Restrictive Covenant or any caveat pursuant hereto from title to the Burdened Lands notwithstanding such determination.

12. Words herein importing a number or gender shall be construed in grammatical conformance with the context of the party or parties affected by this Agreement from time to time.

13. This Restrictive Covenant is granted by the Covenantor in accordance with the provisions of section 68(1) of the Land Titles Act (Alberta) R.S.A. 2000, Chapter L-4.

14. This Restrictive Covenant may be registered per se or by way of a Caveat by Genstar against the Burdened Lands in the Alberta Land Titles Office.

IN WITNESS WHEREOF Genstar Titleco Limited has hereunto affixed its corporate seal, duly attested by its properly authorized officers, this ____ day of _____, 2008.

1124294 ALBERTA LIMITED

Per: _____

Per: _____

EXAMPLE

**SCHEDULE "A" TO A RESTRICTIVE COVENANT MADE
THIS _____ DAY OF _____, 2008**

LEGAL DESCRIPTION OF BURDENED LANDS

PLAN 081 _____

BLOCK _____

LOTS ____-____ INCLUSIVE

EXCEPTING THEREOUT ALL MINES AND MINERALS

EXAMPLE

**SCHEDULE "B" TO A RESTRICTIVE COVENANT
MADE THIS _____ DAY OF _____, 20__**

LEGAL DESCRIPTION OF BENEFITED LANDS

PLAN 081 _____

BLOCK ____

LOTS ____ - ____ INCLUSIVE

EXCEPTING THEREOUT ALL MINES AND MINERALS

EXAMPLE